

TEEKAY TANKERS LTD.
Form 6-K
November 19, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

Date of report: November 8, 2012

Commission file number 1-33867

TEEKAY TANKERS LTD.

(Exact name of Registrant as specified in its charter)

4th Floor, Belvedere Building

69 Pitts Bay Road

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Hamilton, HM 08 Bermuda

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).

Yes No

Item 1 Information Contained in this Form 6-K Report

Attached as Exhibit I is a copy of an announcement of Teekay Tankers, Ltd. dated November 8, 2012.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEEKAY TANKERS LTD.

Date: November 8, 2012

By: /s/ Vincent Lok
Vincent Lok
Chief Financial Officer

(Principal Financial and Accounting Officer)

TEEKAY TANKERS LTD.

4th Floor, Belvedere Building, 69 Pitts Bay Road

Hamilton, HM 08, Bermuda

EARNINGS RELEASE

TEEKAY TANKERS LTD. REPORTS

THIRD QUARTER RESULTS

Highlights

Declared a cash dividend of \$0.02 per share for the quarter ended September 30, 2012.

Reported third quarter 2012 adjusted net loss attributable to shareholders of Teekay Tankers⁽¹⁾ of \$7.7 million, or \$0.09 per share.

Extended time-charter out contract of one Aframax tanker for an additional two years, increasing fixed coverage from 38 percent to 42 percent for fiscal 2013.

Total liquidity of \$382.9 million with no significant debt maturities until 2017.

Hamilton, Bermuda, November 8, 2012 Teekay Tankers Ltd. (*Teekay Tankers* or *the Company*) today reported its results for the three months ended September 30, 2012. During the third quarter of 2012, the Company generated \$9.7 million, or \$0.12 per share, in Cash Available for Distribution⁽²⁾, compared to \$11.8 million, or \$0.15 per share, in the second quarter of 2012. On November 7, 2012, Teekay Tankers declared a dividend of \$0.02 per share⁽³⁾ for the third quarter of 2012, which will be paid on November 26, 2012 to all shareholders of record on November 19, 2012.

Teekay Tankers' policy is to pay a variable quarterly dividend equal to its Cash Available for Distribution, subject to any reserves its board of directors may from time to time determine are required. Since the Company's initial public offering in December 2007, it has declared a dividend in 20 consecutive quarters, which now totals \$7.155 per share on a cumulative basis (including the dividend to be paid on November 26, 2012).

Our third quarter Cash Available for Distribution of \$0.12 per share was down from \$0.15 per share in the second quarter of 2012 due to a combination of seasonally weaker Suezmax spot tanker rates, a higher than usual drydocking schedule and reduced time-charter revenue, commented Bruce Chan, Teekay Tankers' Chief Executive Officer. This quarter's dividend was impacted by these factors and the increased reserves established by the Board for debt repayments following our 13-vessel acquisition in June.

Mr. Chan continued, "We continue to benefit from Teekay Corporation's relationships which provide strategically important time-charter out contract opportunities. In addition to the two previously announced Aframax time-charter out contracts entered into in late July, we extended another Aframax time-charter out contract in October at an attractive rate of \$18,000 per day for two years. As a result, our estimated fixed cover for fiscal 2013 has increased from 38 percent to 42 percent, providing further insulation from the expected weak tanker market. The cyclical weakness in the tanker rate environment has lowered vessel values by close to 50 percent from their July 2008 peak. With the stability provided by a strong balance sheet and over \$380 million of available liquidity, we believe that Teekay Tankers is well-positioned for an eventual tanker market recovery."

(1) Adjusted net income attributable to shareholders of Teekay Tankers is a non-GAAP financial measure. Please refer to *Appendix A* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable financial measure under United States generally accepted accounting principles (GAAP) and for information about specific items affecting net income that are typically excluded by securities analysts in their published estimates of the Company's financial results.

(2) Cash Available for Distribution represents net income (loss), plus depreciation and amortization, unrealized losses from derivatives, non-cash items and any write-offs of other non-recurring items, less unrealized gains from derivatives and net income attributable to the historical results of vessels acquired by the Company from Teekay Corporation, for the period when these vessels were owned and operated by Teekay Corporation.

(3) Please refer to *Appendix B* to this release for the calculation of the cash dividend amount.

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Estimated Fourth Quarter 2012 Dividend

The table below presents the estimated cash dividend per share for the quarter ending December 31, 2012 at various average rates earned by the Company's spot tanker fleet and reflects the estimated contribution from its existing fixed-rate, time-charter contracts and estimated reserves for scheduled vessel drydockings and debt principal repayments. These estimates are based on current assumptions and actual dividends may differ materially from those included in the following table. The Company's Aframax/LR2 and Suezmax spot rates earned during the fourth quarter of 2012 may not necessarily equal industry averages:

Q4 2012 Dividend Estimate Dividend Per Share (i)	Suezmax Spot Rate Assumption (TCE per day)						
	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000	\$ 30,000	\$ 35,000	\$ 40,000
Aframax/LR2 Spot Rate Assumption (TCE per day)							
\$ 10,000	0.01	0.04	0.07	0.11	0.15	0.19	0.22
\$ 15,000	0.05	0.09	0.12	0.15	0.19	0.23	0.27
\$ 20,000	0.10	0.13	0.16	0.20	0.24	0.27	0.31
\$ 25,000	0.14	0.17	0.21	0.24	0.28	0.32	0.36
\$ 30,000	0.18	0.22	0.25	0.28	0.32	0.36	0.40
\$ 35,000	0.23	0.26	0.29	0.33	0.37	0.40	0.44

- (i) Estimated dividend per share is based on estimated Cash Available for Distribution, less \$5.0 million for scheduled principal payments related to the Company's debt facilities and less a \$3.4 million reserve for estimated drydocking costs. Based on the estimated weighted-average number of shares outstanding for the fourth quarter of 83.6 million shares.

Tanker Market

Suezmax tanker spot rates weakened considerably during the third quarter of 2012, dragged lower by an extremely weak VLCC market, reduced demand for West African imports into the U.S. and an ample supply of available vessels. Aframax spot rates remained relatively steady during the quarter, although rates in the Atlantic were reduced somewhat by seasonal North Sea oil field maintenance. Rates have remained relatively weak during the start of the fourth quarter, although the recent end of the refinery maintenance season and the onset of winter weather conditions in the Northern Hemisphere could provide some support to crude tanker demand in the coming months.

Long Range 2 (LR2) product tanker rates improved during the third quarter of 2012 to the highest level experienced in two years. An increase in long-haul naphtha movements into Asia due to improved demand and refinery outages in Asia was the main catalyst for rate increases compared to previous quarters. Reduced competition for westbound gasoil cargoes from newbuilding crude tankers delivering in Asia also provided support to rates on those trades.

The global tanker fleet grew by a net amount of 14.6 million deadweight tonnes (*mdwt*), or 3.1 percent, through the first nine months of 2012 compared to growth of 22.0 mdwt, or 4.9 percent, for the same period of 2011. A total of 25.5 mdwt of tankers have delivered into the fleet during the first nine months of 2012, while 10.9 mdwt have been removed for scrapping or conversion. The level of new tanker ordering remains extremely low, with just 8.1 mdwt of new tankers ordered in 2012 to-date. As a result, the tanker orderbook has reduced to 62 mdwt, or 13 percent of the existing fleet, the lowest level since the first quarter of 2003 on an absolute basis and the lowest level since the second quarter of 2000 on an orderbook-to-fleet ratio basis.

As a result of continued headwinds in the global economy, the International Monetary Fund (*IMF*) recently downgraded its outlook for global GDP growth in 2012 and 2013 to 3.3 percent and 3.6 percent, respectively, from 3.5 percent and 3.9 percent in its July 2012 report. This has translated into lower 2013 oil demand growth estimates from the major forecasting agencies, with an average estimated growth rate of 0.8 million barrels per day (*mb/d*) for 2013 from the International Energy Agency (*IEA*), Energy Information Administration (*EIA*) and Organization of Petroleum Exporting Countries (*OPEC*).

Financial Summary

The Company reported an adjusted net loss attributable to shareholders of Teekay Tankers⁽¹⁾ (as detailed in *Appendix A* to this release) of \$7.7 million, or \$0.09 per share, for the quarter ended September 30, 2012, compared to adjusted net income attributable to shareholders of Teekay Tankers of \$1.3 million, or \$0.02 per share, for the same period in the prior year. The reduction in adjusted net income attributable to the shareholders of Teekay Tankers is primarily the result of three Suezmax tankers completing their scheduled drydockings during the third quarter of 2012, the change in employment of certain of the Company's vessels from fixed-rates to lower spot-rates on expiry of their fixed-rate charters, and the renewal of certain time-charter out contracts at lower rates, which resulted in lower average realized tanker rates compared to the same period in the prior year. Adjusted net income attributable to shareholders of Teekay Tankers excludes a number of specific items which had the net effect of increasing net loss attributable to shareholders of Teekay Tankers by \$1.9 million, or \$0.03 per share, and decreasing net income attributable to the shareholders of Teekay Tankers by \$18.4 million, or \$0.30 per share for the three month periods ended September 30, 2012 and September 30, 2011, respectively, as detailed in *Appendix A* to this release. Including these items, the Company reported, on a GAAP basis, a net loss attributable to the shareholders of Teekay Tankers of \$9.7 million, or \$0.12 per share, for the quarter ended September 30, 2012, compared to a net loss of \$17.1 million, or \$0.28 per share, for the quarter ended September 30, 2011. Net revenues⁽²⁾ were \$43.9 million and \$51.5 million for the third quarters of 2012 and 2011, respectively.

The adjusted net loss attributable to shareholders of Teekay Tankers (as detailed in *Appendix A* to this release) for the nine months ended September 30, 2012 was \$3.7 million, or \$0.05 per share, compared to adjusted net income attributable to shareholders of Teekay Tankers of \$11.2 million, or \$0.19 per share, for the same period of the prior year. The reduction in the adjusted net income attributable to shareholders of Teekay Tankers was primarily the result of three Suezmax tankers completing their scheduled drydockings during the third quarter of 2012, the change in employment of certain of the Company's vessels from fixed-rates to lower spot-rates on expiry of their fixed-rate charters, and the renewal of certain time-charter out contracts at lower rates, which resulted in lower average realized rates compared to the same period in the prior year. Adjusted net income attributable to shareholders of Teekay Tankers excludes a number of specific items which had the net effect of decreasing net income attributable to shareholders of Teekay Tankers by \$0.8 million, or \$0.01 per share, and decreasing net income attributable to shareholders of Teekay Tankers by \$19.8 million, or \$0.33 per share, for the nine month periods ended September 30, 2012 and September 30, 2011, respectively, as detailed in *Appendix A* to this release. Including these items, the Company reported, on a GAAP basis, net loss attributable to shareholders of Teekay Tankers of \$4.4 million, or \$0.06 per share, for the nine months ended September 30, 2012, compared to a net loss attributable to shareholders of Teekay Tankers of \$8.6 million, or \$0.14 per share, for the nine months ended September 30, 2011. Net revenues⁽²⁾ were \$148.3 million for the nine months ended September 30, 2012, compared to \$164.1 million for same period last year.

For accounting purposes, the Company is required to recognize the changes in the fair value of its derivative instruments in the statements of (loss) income. This method of accounting does not affect the Company's cash flows or the calculation of Cash Available for Distribution, but results in the recognition of unrealized gains or losses in the statements of (loss) income.

The Company's financial statements for the prior periods include historical results of the 13 vessels acquired by the Company from Teekay Corporation in June 2012, referred to herein as the Dropdown Predecessor, for the periods when these vessels were owned and operated by Teekay Corporation.

- (1) Adjusted net income attributable to shareholders of Teekay Tankers is a non-GAAP financial measure. Please refer to *Appendix A* included in this release for a reconciliation of this non-GAAP measure to the most directly comparable financial measure under GAAP and information about specific items affecting net income that are typically excluded by securities analysts in their published estimates of the Company's financial results.
- (2) Net revenues represents revenues less voyage expenses. Net revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's website at www.teekaytankers.com for a reconciliation of net revenues to the most directly comparable financial measure under GAAP.

Operating Results

The following table highlights the operating performance of the Company's time-charter and spot vessels measured in net voyage revenue per revenue day, or time-charter equivalent (*TCE*) rates, before related-party pool management fees, related-party commissions and off-hire bunker expenses:

	Three Months Ended		
	September 30, 2012	June 30, 2012 ⁽ⁱⁱ⁾	September 30, 2011 ⁽ⁱⁱ⁾
Time-Charter Fleet			
Suezmax revenue days	366	196	276
Suezmax TCE per revenue day ⁽ⁱ⁾	\$ 20,954	\$ 24,482	\$ 27,814
Aframax revenue days	717	569	695
Aframax TCE per revenue day ⁽ⁱ⁾	\$ 18,255	\$ 18,467	\$ 21,326
MR revenue days	271	45	
MR TCE per revenue day ⁽ⁱⁱⁱ⁾	\$ 25,960	\$ 26,658	
Spot Fleet			
Suezmax revenue days	487	401	276
Suezmax TCE per revenue day	\$ 14,081	\$ 22,795	\$ 8,582
Aframax revenue days	414	341	204
Aframax TCE per revenue day	\$ 11,688	\$ 10,610	\$ 10,704
LR2 revenue days	276	12	
LR2 TCE per revenue day	\$ 12,601	\$ 11,126	
Total Fleet			
Suezmax revenue days	853	597	552
Suezmax TCE per revenue day ⁽ⁱ⁾	\$ 17,031	\$ 23,348	\$ 18,186
Aframax revenue days	1,131	910	899
Aframax TCE per revenue day ⁽ⁱ⁾	\$ 15,851	\$ 15,521	\$ 18,914
LR2 revenue days	276	12	
LR2 TCE per revenue day	\$ 12,601	\$ 11,126	
MR revenue days	271	45	
MR TCE per revenue day ⁽ⁱⁱⁱ⁾	\$ 25,960	\$ 26,658	

- (i) Excludes profit share amounts relating to certain vessels which are employed on fixed-rate time-charter contracts that include a profit-sharing component.
- (ii) The TCE rates in the table above exclude the results of the acquisition of the 13 conventional tankers from Teekay Corporation prior to their acquisition by the Company in June 2012.
- (iii) The charter rate on one of the MR tankers includes approximately \$14,000 per day for the additional costs relating to Australian crew versus international crew.

Teekay Tankers Fleet

The following table summarizes the Company's fleet as of November 1, 2012:

	Owned Vessels	Chartered-in Vessels	Newbuildings	Total
Fixed-rate:				
Suezmax Tankers	4			4
Aframax Tankers	8			8
MR Product Tankers	3			3
VLCC Tankers			1	1
Total Fixed-Rate Fleet	15		1	16
Spot-rate:				
Suezmax Tankers	6			6
Aframax Tankers ⁽ⁱ⁾	4	1		5
LR2 Product Tankers	3			3
Total Spot Fleet	13	1		14
Total Teekay Tankers Fleet	28	1	1	30

(i) One Aframax tanker, *Star Lady*, is currently time-chartered in for a six-month period ending in January 2013, with options to extend for additional periods of six and twelve months, respectively, at escalating rates.

The fleet list above includes one very large crude carrier (VLCC) newbuilding that Teekay Tankers owns through a 50/50 joint venture with Wah Kwong Maritime Transport Holdings Limited entered into in October 2010. The newbuilding is scheduled to deliver in April 2013, at which time it will commence a time-charter out contract to a major Chinese shipping company for a period of five years. The time-charter includes a fixed floor rate, coupled with a profit-sharing component.

In October 2012, the Company extended its time-charter out contract on the Aframax tanker, *Matterhorn Spirit*, for a period of two years at a rate of \$18,000 per day.

In July 2010, the Company made loans secured by first-priority ship mortgages on two VLCC newbuildings, the income of which the Company believes approximates that of two vessels trading on fixed-rate bareboat charters. Including the income earned from these loans, the Company expects to have fixed coverage of approximately 42 percent for fiscal 2013.

Liquidity

As of September 30, 2012, the Company had total liquidity of \$382.9 million (which consisted of \$26.3 million of cash and \$356.6 million in an undrawn revolving credit facility), compared to total liquidity of \$386.1 million as at June 30, 2012.

Conference Call

The Company plans to host a conference call on November 8, 2012 at 1:00 p.m. (ET) to discuss its results for the third quarter of 2012. An accompanying investor presentation will be available on Teekay Tankers' website at www.teekaytankers.com prior to the start of the call. All shareholders and interested parties are invited to listen to the live conference call by choosing from the following options:

By dialing (866) 321-6651 or (416) 642-5212, if outside of North America, and quoting conference ID code 7475432

By accessing the webcast, which will be available on Teekay Tankers' website at www.teekaytankers.com (the archive will remain on the website for a period of 30 days).

The conference call will be recorded and available until Thursday, November 15, 2012. This recording can be accessed following the live call by dialing (888) 203-1112 or (647) 436-0148, if outside North America, and entering access code 7475432.

About Teekay Tankers

Teekay Tankers currently owns a fleet of 28 vessels, including 12 double-hull Aframax tankers, 10 double-hull Suezmax tankers, three double-hull Long Range 2 (*LR2*) product tankers, three double-hull Medium-Range (*MR*) product tankers and has one time-chartered in Aframax tanker, which an affiliate of Teekay Corporation (NYSE: TK) manages through a mix of short- or medium-term fixed-rate time-charter contracts and spot tanker market trading. The Company also owns a VLCC newbuilding through a 50 percent joint venture, which is scheduled to deliver in April 2013. Teekay Tankers was formed in December 2007 by Teekay Corporation as part of its strategy to expand its conventional oil tanker business. Since inception, Teekay Tankers has distributed on a quarterly basis all of its Cash Available for Distribution, less reserves established by its board of directors.

Teekay Tankers' common stock trades on the New York Stock Exchange under the symbol *TNK*.

For Investor Relations enquiries contact:

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TEEKAY TANKERS LTD.

SUMMARY CONSOLIDATED STATEMENTS OF (LOSS) INCOME ⁽¹⁾

(in thousands of U.S. dollars, except share data)

	September 30,	Three Months Ended		Nine Months Ended	
	2012	June 30,	September 30,	September 30,	September 30,
	(unaudited)	2012	2011	2012	2011
	(unaudited)	(unaudited)⁽¹⁾	(unaudited)⁽¹⁾	(unaudited)⁽¹⁾	(unaudited)⁽¹⁾
Time-charter revenues	28,356	32,032	41,898	96,025	119,503
Net pool revenues	14,638	16,136	7,810	47,087	38,769
Voyage charter revenue	210			210	
Interest income from investment in term loans	2,880	2,872	2,855		