



## **Aegean Marine Petroleum Network Inc. Announces Third Quarter 2016 Financial Results**

New York, NY, November 16, 2016 – Aegean Marine Petroleum Network Inc. (NYSE: ANW) (“Aegean” or the “Company”) today announced financial and operating results for the third quarter ended September 30, 2016.

### **Third Quarter Financial Highlights**

#### Compared to prior year period:

- Increased sales volumes to 4,258,954 metric tons.
- Reported gross profit of \$88.4 million.
- Reported operating income of \$22.5 million.
  - Increased operating income adjusted for a loss on sale of non-core vessels and the accelerated vesting of the shares of Aegean’s founder (“Accelerated Shares”) was \$29.6 million.
- Recorded GAAP net income attributable to Aegean shareholders of \$10.6 million or \$0.22 basic and diluted earnings per share.
  - Net income adjusted for a loss on sale of non-core vessels and the Accelerated Shares was \$17.7 million or \$0.36 basic and diluted earnings per share. Pro-forma adjusted EPS, assuming the repurchase of shares occurred at the beginning of the period, was \$0.45.
- Generated adjusted EBITDA of \$37.7 million.
- Sold two non-core vessels, which is expected to result in operating cost reductions of more than \$3.0 million on an annual basis.

### **Third Quarter Operational Highlights**

- Further optimized operations through the sale of two non-core vessels.
- Strategically relocated certain vessels from lower-activity markets to higher-growth regions.

E. Nikolas Tavlarios, Aegean's President, commented, "We delivered another quarter of solid results against a backdrop of slowness in the container segment and volatile commodity markets. Despite these headwinds, we continue to achieve profitability and strong volumes with our fourth consecutive quarter of selling more than 4 million metric tons of bunker fuel. Our diversified platform, recent expansion in new attractive markets and our back-to-back trading businesses contributed to our growth during the quarter."

Mr. Tavlarios concluded, "Aegean has transformed into a diversified business with operations around the world and we look forward to additional opportunities ahead. We are proud of what we have created and our ability to serve more customers across our global footprint as a leader in the physical supply and marketing of marine fuel. We remain committed to executing our strategic initiatives and leveraging our scale to drive growth and shareholder value."

## **Generating Solid Financial Results**

- Revenue – The Company reported total revenue of \$1.1 billion for the third quarter of 2016, an increase of 5.4% compared to the same period in 2015, primarily due to the moderate increase in oil prices. Voyage and other revenues were, \$21.2 million, consistent with the same period in 2015.
- Gross Profit – Gross Profit, which equals total revenue less directly attributable cost of revenue increased by 4.7% to \$88.4 million in the third quarter of 2016 compared to \$84.4 million in the same period in 2015.
- Operating Expense – The Company reported operating expense of \$65.9 million for the third quarter of 2016, a decrease of \$0.8 million or 1.2% compared to the same period in prior year. Adjusting for the sale of non-core assets and the Accelerated Shares, operating expense was \$58.8 million, a decrease of 2.6% compared to the same period in the prior year.
- Operating Income – Operating income for the third quarter of 2016 adjusted for the sale of non-core assets and the Accelerated Shares was \$29.6 million, an increase of 28.7% compared to the same period in the prior year.
- Net Income – Net income attributable to Aegean shareholders adjusted for the sale of non-core vessels and the Accelerated Shares was \$17.7 million, or \$0.36 per basic and diluted share, an increase of \$5.6 million or 46.3% compared to the same period in 2015. Pro-forma adjusted EPS, assuming the repurchase of shares occurred at the beginning of the period, was \$0.45.

## **Operational Metrics**

- Sales Volume – For the three months ended September 30, 2016, the Company reported marine fuel sales volumes of 4,258,954 metric tons, an increase of 25.8% compared to the same period in 2015.
- Adjusted EBITDA Per Metric Ton of Marine Fuel Sold – For the three months ended September 30, 2016, the Company reported adjusted EBITDA per metric ton of marine fuel sold of \$8.84. Adjusted EBITDA per metric ton of marine fuel sold in the prior year period was \$9.29 per metric ton.
- Gross Spread Per Metric Ton of Marine Fuel Sold – For the three months ended September 30, 2016, the Company reported gross spread per metric ton of marine fuel sold on an aggregate basis of \$18.6. Gross spread per metric ton of marine fuel sold in the prior year period was \$21.6.

## **Liquidity and Capital Resources**

- Net cash provided by operating activities was \$34.7 million for the three months ended September 30, 2016. Net income as adjusted for non-cash items (as defined in Note 9 below) was \$31.2 million for the same period.
- Net cash provided by investing activities was \$1.1 million for the three months ended September 30, 2016, primarily due to the sale of two non-core vessels.
- Net cash used in financing activities was \$105.8 million for the three months ended September 30, 2016, primarily due to the repurchase of our common stock.
- The weighted average basic and diluted shares outstanding for the three months ended September 30, 2016, was 46,464,248. The weighted average basic and diluted shares outstanding for the three months ended September 30, 2015 was 47,434,953.

Spyros Gianniotis, Aegean's Chief Financial Officer, stated, "In addition to our strong operational performance, we are taking action to enhance efficiency through the sale of 5 non-core vessels year to date, including two in the third quarter, which will reduce operating costs by \$9.5 million annually. We will continue to evaluate our markets and redeploy capital to opportunities we believe will generate the best return. During the quarter we strengthened our financial flexibility with the renewal of our \$1 billion credit facility on improved terms."

## Summary Consolidated Financial and Other Data (Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2016	2015	2016
<i>(in thousands of U.S. dollars, unless otherwise stated)</i>				
<b>Income Statement Data:</b>				
Revenues - third parties .....	\$ 1,075,076	\$ 1,133,312	\$ 3,289,132	\$ 2,864,165
Revenues - related companies .....	6,432	6,244	15,186	15,879
<b>Total revenues</b> .....	<b>1,081,508</b>	<b>1,139,556</b>	<b>3,304,318</b>	<b>2,880,044</b>
Cost of revenues - third parties .....	971,698	1,029,942	2,942,082	2,568,063
Cost of revenues- related companies .....	25,401	21,174	118,724	49,294
<b>Total cost of revenues</b> .....	<b>997,099</b>	<b>1,051,116</b>	<b>3,060,806</b>	<b>2,617,357</b>
<b>Gross profit</b> .....	<b>84,409</b>	<b>88,440</b>	<b>243,512</b>	<b>262,687</b>
<b>Operating expenses:</b>				
Selling and distribution.....	50,484	48,206	153,045	148,921
General and administrative .....	10,551	13,531	31,459	36,850
Amortization of intangible assets .....	374	303	1,123	900
Loss on sale of vessels .....	-	3,875	130	6,312
Impairment Charge.....	5,308	-	5,308	-
<b>Operating income</b> .....	<b>17,692</b>	<b>22,525</b>	<b>52,447</b>	<b>69,704</b>
Net financing cost.....	(9,468)	(8,319)	(27,607)	(30,157)
Foreign exchange (losses) / gains, net.....	(93)	(121)	599	(1,804)
Income tax (expense) / benefit .....	(1,334)	(3,456)	730	(1,811)
Net income .....	<b>6,797</b>	<b>10,629</b>	<b>26,169</b>	<b>35,932</b>
Less income attributable to non-controlling interest.....	-	78	-	86
<b>Net income attributable to AMPNI shareholders</b> .....	<b>\$ 6,797</b>	<b>\$ 10,551</b>	<b>\$ 26,169</b>	<b>\$ 35,846</b>
Basic earnings per share (U.S. dollars) .....	<b>\$ 0.14</b>	<b>\$ 0.22</b>	<b>\$ 0.53</b>	<b>\$ 0.73</b>
Diluted earnings per share (U.S. dollars)	<b>\$ 0.14</b>	<b>\$ 0.22</b>	<b>\$ 0.53</b>	<b>\$ 0.73</b>
<b>EBITDA</b> <sup>(1)</sup>	<b>\$ 26,150</b>	<b>\$ 30,546</b>	<b>\$ 78,009</b>	<b>\$ 93,152</b>
<b>Other Financial Data:</b>				
Gross spread on marine petroleum products <sup>(2)</sup> .....	\$ 74,426	\$ 80,460	\$ 217,809	\$ 242,032
Gross spread on lubricants <sup>(2)</sup> .....	1,246	1,114	3,434	2,879
Gross spread on marine fuel <sup>(2)</sup> .....	73,180	79,346	214,375	239,153
Gross spread per metric ton of marine fuel sold (U.S. dollars) <sup>(2)</sup> .....	21.6	18.6	22.7	19.0
Net cash provided by/(used) in operating activities.....	\$ 127,506	\$ 34,699	\$ 44,454	\$ (14,798)
Net cash (used in) / provided by investing activities .....	(544)	1,076	(8,172)	199
Net cash used in financing activities.....	(54,168)	(105,819)	(47,497)	(67,328)
<b>Sales Volume Data (Metric Tons):</b> <sup>(3)</sup>				
Total sales volumes .....	<b>3,386,511</b>	<b>4,258,954</b>	<b>9,452,911</b>	<b>12,564,379</b>
<b>Other Operating Data:</b>				
Number of owned bunkering tankers, end of period <sup>(4)</sup> .....	49.0	45.0	49.0	45.0
Average number of owned bunkering tankers <sup>(4)(5)</sup> .....	49.0	46.0	48.7	47.8
Special Purpose Vessels, end of period <sup>(6)</sup> .....	1.0	1.0	1.0	1.0
Number of operating storage facilities, end of period <sup>(7)</sup> .....	14.0	14.0	14.0	14.0

## Summary Consolidated Financial and Other Data (Unaudited)

	As of December 31, 2015	As of September 30, 2016
	<i>(in thousands of U.S. dollars, unless otherwise stated)</i>	
<b>Balance Sheet Data:</b>		
Cash and cash equivalents.....	139,314	57,973
Gross trade receivables .....	317,152	429,661
Allowance for doubtful accounts .....	(7,278)	7,911
Inventories.....	114,531	180,716
Current assets.....	730,950	781,410
Total assets .....	1,450,011	1,472,552
Trade payables .....	72,417	99,512
Current liabilities (including current portion of long-term debt) .	389,109	473,093
Total debt .....	710,015	755,957
Total liabilities .....	828,485	907,451
Total stockholder's equity .....	621,526	565,101
<b>Working Capital Data:</b>		
Working capital <sup>(8)</sup> .....	341,841	308,317
Working capital excluding cash and debt <sup>(8)</sup> .....	477,594	576,516

**Notes:**

- EBITDA represents net income before interest, taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by United States generally accepted accounting principles, or U.S. GAAP, and our calculation of EBITDA may not be comparable to that recorded by other companies. Adjusted EBITDA represents net income before interest, taxes, depreciation and amortization, vessel and investment impairments, gains/losses on vessel disposals and other non-recurring exceptional items. EBITDA and adjusted EBITDA are included herein because they are a basis upon which the Company assesses its operating performance.

Adjusted EBITDA per metric ton of marine fuel sold represents the net income before interest, taxes, depreciation and amortization, vessel and investment impairments, gains/losses on vessel disposals and other non-recurring exceptional items the Company generates per metric ton of marine fuel sold. The Company calculates adjusted EBITDA per metric ton of marine fuel sold by dividing the EBITDA by the sales volume of marine fuel. Marine fuel sales do not include sales of lubricants.

The following table reconciles net income attributable to AMPNI to EBITDA, adjusted EBITDA and adjusted EBITDA per metric ton of marine fuel sold for the periods presented:

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2015	2016	2015	2016
	<i>(in thousands of U.S. dollars, unless otherwise stated)</i>			
Net income to AMPNI shareholders.....	6,797	10,551	26,169	35,846
Add: Net financing cost including amortization of financing costs.....	9,468	8,319	27,607	30,157
Add: Income tax (benefit) / expense .....	1,334	3,456	(730)	1,811
Add: Depreciation and amortization excluding amortization of financing costs .....	8,551	8,220	24,963	25,338
EBITDA.....	26,150	30,546	78,009	93,152
Add: Loss on sale of vessels.....		3,875	130	6,312
Add: Impairment charge	5,308	-	5,308	-
Add: Accelerated Shares	-	3,230	-	3,230
Adjusted EBITDA.....	31,458	37,651	83,447	102,694
Sales volume of marine fuel (metric tons) .....	3,386,511	4,258,954	9,452,911	12,564,379
Adjusted EBITDA per metric ton of marine fuel sold (U.S. dollars) .....	9.29	8.84	8.83	8.17

- Gross spread on marine petroleum products represents the margin the Company generates on sales of marine fuel and lubricants. Gross spread on marine fuel represents the margin that the Company generates on sales of various classifications of marine fuel oil ("MFO") or marine gas oil ("MGO"). Gross spread on lubricants represents the margin that the Company generates on sales of lubricants. Gross spread on marine petroleum products, gross spread of MFO and gross spread on lubricants are not items recognized by U.S. GAAP and should not be considered as an alternative to gross profit or any other indicator of a Company's operating performance required by U.S. GAAP. The Company's definition of gross spread may not be the same as that used by other companies in the same or other

industries. The Company calculates the above-mentioned gross spreads by subtracting from the sales of the respective marine petroleum product the cost of the respective marine petroleum product sold and cargo transportation costs. For arrangements in which the Company physically supplies the respective marine petroleum product using its bunkering tankers, costs of the respective marine petroleum products sold represents amounts paid by the Company for the respective marine petroleum product sold in the relevant reporting period. For arrangements in which the respective marine petroleum product is purchased from the Company's related company, Aegean Oil S.A., or Aegean Oil, cost of the respective marine petroleum products sold represents the total amount paid by the Company to the physical supplier for the respective marine petroleum product and its delivery to the custom arrangements, in which the Company purchases cargos of marine fuel for its floating storage facilities. Transportation costs may be included in the purchase price of marine fuels from the supplier or may be incurred separately from a transportation provider. Gross spread per metric ton of marine fuel sold represents the margin the Company generates per metric ton of marine fuel sold. The Company calculates gross spread per metric ton of marine fuel sold by dividing the gross spread on marine fuel by the sales volume of marine fuel. Marine fuel sales do not include sales of lubricants. The following table reflects the calculation of gross spread per metric ton of marine fuel sold for the periods presented:

	<b>For the Three Months Ended</b>		<b>For the Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
	<i>(in thousands of U.S. dollars, unless otherwise stated)</i>			
Sales of marine petroleum products .....	1,060,342	1,118,441	3,244,375	2,821,064
Less: Cost of marine petroleum products sold ...	(985,916)	(1,037,981)	(3,026,566)	(2,579,032)
Gross spread on marine petroleum products.....	74,426	80,460	217,809	242,032
Less: Gross spread on lubricants.....	(1,246)	(1,114)	(3,434)	(2,879)
Gross spread on marine fuel .....	73,180	79,346	214,375	239,153
Sales volume of marine fuel (metric tons).....	3,386,511	4,258,954	9,452,911	12,564,379
Gross spread per metric ton of marine fuel sold (U.S. dollars) .....	21.6	18.6	22.7	19.0

3. Sales volume of marine fuel is the volume of sales of various classifications of MFO and MGO for the relevant period and is denominated in metric tons. The Company does not include the sales volume of lubricants in the calculation of gross spread per metric ton of marine fuel sold.
4. Bunkering fleet comprises both bunkering vessels and barges.
5. Figure represents average bunkering fleet number for the relevant period, as measured by the sum of the number of days each bunkering tanker or barge was used as part of the fleet during the period divided by the cumulative number of calendar days in the period multiplied by the number of bunkering tankers at the end of the period. This figure does not take into account non-operating days due to either scheduled or unscheduled maintenance.
6. Special Purpose Vessels consists of the Orion, a 550 dwt tanker which is based in our Greek market.
7. The Company owns two barges, the Mediterranean and Umnenga, as floating storage facilities in Greece and South Africa. The Company also operates on-land storage facilities in Las Palmas, Fujairah, Tangiers, Panama, the U.S.A., Hamburg and Barcelona.

The ownership of storage facilities allows the Company to mitigate its risk of supply shortages. Generally, storage costs are included in the price of refined marine fuel quoted by local suppliers. The Company expects that the ownership of storage facilities will allow it to convert the variable costs of this storage fee mark-up per metric ton quoted by suppliers into fixed costs of operating its owned storage facilities, thus enabling the Company to spread larger sales volumes over a fixed cost base and to decrease its refined fuel costs.

8. Working capital is defined as current assets minus current liabilities. Working capital excluding cash and debt is defined as current assets minus cash and cash equivalents minus restricted cash minus current liabilities plus short-term borrowings plus current portion of long-term debt.
  
9. Net income as adjusted for non-cash items, such as depreciation, provision for doubtful accounts, restricted stock, amortization, deferred income taxes, gain/loss on sale of vessels, impairment losses, unrealized loss/(gain) on derivatives and unrealized foreign exchange loss/(gain), net, is used to assist in evaluating our ability to make quarterly cash distributions. Net income as adjusted for non-cash items is not recognized by accounting principles generally accepted in the United States and should not be considered as an alternative to net income or any other indicator of the Company's performance required by accounting principles generally accepted in the United States. The following table reflects the calculation of net income as adjusted for non-cash items for the periods presented:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2016	2015	2016
	<i>(in thousands of U.S. dollars, unless otherwise stated)</i>			
Net income .....	6,797	10,629	26,169	35,932
Add: Depreciation .....	6,464	6,152	19,100	18,944
Add: (Release of)/Provision for doubtful accounts .....	(248)	(230)	1,161	1,191
Add: Share based compensation.....	2,477	5,651	7,442	10,239
Add: Amortization .....	4,772	4,535	13,786	13,686
Add: Net deferred tax expense / (benefit) .....	886	1,288	(1,662)	(671)
Add: Unrealized (gain) / loss on derivatives .....	(6,728)	(742)	10,511	33,452
Add: Loss on sale of vessels.....	-	3,875	130	6,312
Add: Impairment charge	5,308	-	5,308	-
Add: Unrealized foreign exchange loss / (gain) .....	89	42	(450)	131
Net income as adjusted for non-cash items	19,817	31,200	81,495	119,216



### **Third Quarter 2016 Dividend Announcement**

On November 16, 2016, the Company's Board of Directors declared a third quarter 2016 dividend of \$0.02 per share payable on or about December 14, 2016 to shareholders of record as of November 30, 2016. The dividend amount was determined in accordance with the Company's dividend policy of paying cash dividends on a quarterly basis subject to factors including the requirements of Marshall Islands law, future earnings, capital requirements, financial condition, future prospects and such other factors as are determined by the Company's Board of Directors. The Company anticipates retaining most of its future earnings, if any, for use in operations and business expansion.

### **Conference Call and Webcast Information**

Aegean Marine Petroleum Network Inc. will conduct a conference call and simultaneous Internet webcast on Thursday, November 17, 2016 at 8:30 A.M. Eastern Time, to discuss its third quarter results. Investors may access the webcast and related slide presentation, by visiting the Company's website at [www.ampni.com](http://www.ampni.com), and clicking on the webcast link. The conference call also may be accessed via telephone by dialing (888) 455-2260 (for U.S.-based callers) or 719-325-2144 (for international callers) and enter the passcode: 1842325.

If you are unable to participate at this time, a replay of the call will be available for two weeks at 888-203-1112 or 719-457-0820. Enter the code 1842325 to access the audio replay. The webcast will also be archived on the Company's website:

<http://www.ampni.com>.

### **About Aegean Marine Petroleum Network Inc.**

Aegean Marine Petroleum Network Inc. is an international marine fuel logistics company that markets and physically supplies refined marine fuel and lubricants to ships in port and at sea. The Company procures product from various sources (such as refineries, oil producers, and traders) and resells it to a diverse group of customers across all major commercial shipping sectors and leading cruise lines. Currently, Aegean has a global presence in over 30 markets and a team of professionals ready to serve our customers wherever they are around the globe. For additional information please visit: [www.ampni.com](http://www.ampni.com)

### **Cautionary Statement Regarding Forward-Looking Statements**

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "intend," "anticipate," "estimate," "project," "forecast," "plan," "potential," "may," "should," "expect" and similar expressions identify forward-looking statements. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties.

Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include our ability to manage growth, our ability to maintain our business in light of our proposed business and location expansion, our ability to obtain double hull secondhand bunkering tankers, the outcome of legal, tax or regulatory proceedings to which we may become a party, adverse conditions in the shipping or the marine fuel supply industries, our ability to retain our key suppliers and key customers, material disruptions in the availability or supply of crude oil or refined petroleum products, changes in the market price of petroleum, including the volatility of spot pricing, increased levels of competition, compliance or lack of compliance with various environmental and other applicable laws and regulations, our ability to collect accounts receivable, changes in the political, economic or regulatory conditions in the markets in which we operate, and the world in general, our failure to hedge certain financial risks associated with our business, our ability to maintain our current tax treatments and our failure to comply with restrictions in our credit agreements and other factors. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

**CONTACTS:**

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