RIDGEBURY CRUDE TANKERS LLC
33 Riverside Ave
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PROPOSED BOND AGREEMENT AMENDMENT & AFRAMAX PURCHASE

Westport, Connecticut, May 20, 2015

Summary

The Bond Agreement governing the 7.625% Ridgebury Crude Tankers LLC Senior Secured Bond Issue 2014/2017 permits Ridgebury Crude Tankers ("RCT" or the "Issuer") to use ***Excess Cash*** (defined as any cash standing on the Reserve Account exceeding $12.5 million) to purchase **Additional Vessels**. An ***Additional Vessel*** is defined as any second-hand Suezmax or Medium-Range product tanker acquired by using Excess Cash and/or new equity injected into the Issuer. The vessels, purchased on an all equity basis, are to be added to the collateral package securing the bonds.

RCT has generated significant cash thus far in 2015 and expects to have cash balances of between $38 and $40 million by the end of June, of which $20 to $22 million is expected to be Excess Cash.

Management has considered using Excess Cash to purchase incremental vessels from third parties, and believes that it is not the best course of action for RCT or bondholders:

- Vessel values for Suezmax tankers have increased significantly since the time of the original purchases, and now sit approximately at long-term averages
- There can be significant friction associated with takeover of additional assets (change of management, repositioning, pool entry, working capital and upgrade spending)
- The Company is in a very strong position due to the attractive entry prices on its existing assets and does not want to dilute this advantage

Management believes that the better course for RCT, as well as bondholders, is to use Excess Cash within RCT to purchase vessels from other Ridgebury entities in order to deleverage the parent (i.e. Guarantor of the bonds). There are currently 8 vessels owned by Ridgebury Holdings that are not part of the bond structure or collateral package and which could be used for this purpose:

- MR Product Tankers: Six product tankers currently financed with senior bank debt. The most recent (12/31/14) appraisals value the vessels between $19.4 million and $25.8 million each (total fleet value $142 million)
- Aframax Crude Tankers: Two Aframax tankers currently financed with a Senior Note provided by Riverstone (the controlling shareholder of Ridgebury). Most recent appraised value (12/31/14) approximates $24.3 million each

Considering the projected Excess Cash balance, RCT expects to be in a position to purchase one of the above vessels by the end of June. Management preference is to purchase one Aframax tanker (if bondholders agree), but otherwise will purchase one of the MR product tankers on arms-length terms.

Rationale:

Management believes that the purchase of one of the Aframax tankers is preferable for both the Company and for bondholders, compared to the purchase of an MR:

- Aframax and Suezmax crude tankers are more comparable assets, and some bondholders have told Ridgebury that they would prefer the investment to remain purely crude-focused
- Riverstone Note can be repaid at any time without penalty (no friction or breakage cost)
- Riverstone Note is higher cost / shorter term financing than MR senior bank debt

Proposed Transaction

RCT will purchase Ridgebury Sally B and Ridgebury Alice M (each to be acquired in series as Excess Cash allows) at a price of $20 million per vessel. These ships were purchased by Ridgebury in late 2014 at a price of $23.16 million per ship. Management believes that the values of the ships are at or above the purchase price, and that this price is 83%-87% of the estimated market value of $23-$24 million per ship.

	Ridgebury Sally B	**Ridgebury Alice M**
Owner	Ridgebury Yankee LLC	Ridgebury Bravo LLC
Yard	Sumitomo	Sumitomo
Country	Japan	Japan
Year	2003	2003
Deadweight	105,672	105,745
Manager	Interorient	Interorient
Commercial	Teekay	Teekay
Next Survey	Mar-2018	Oct-2018

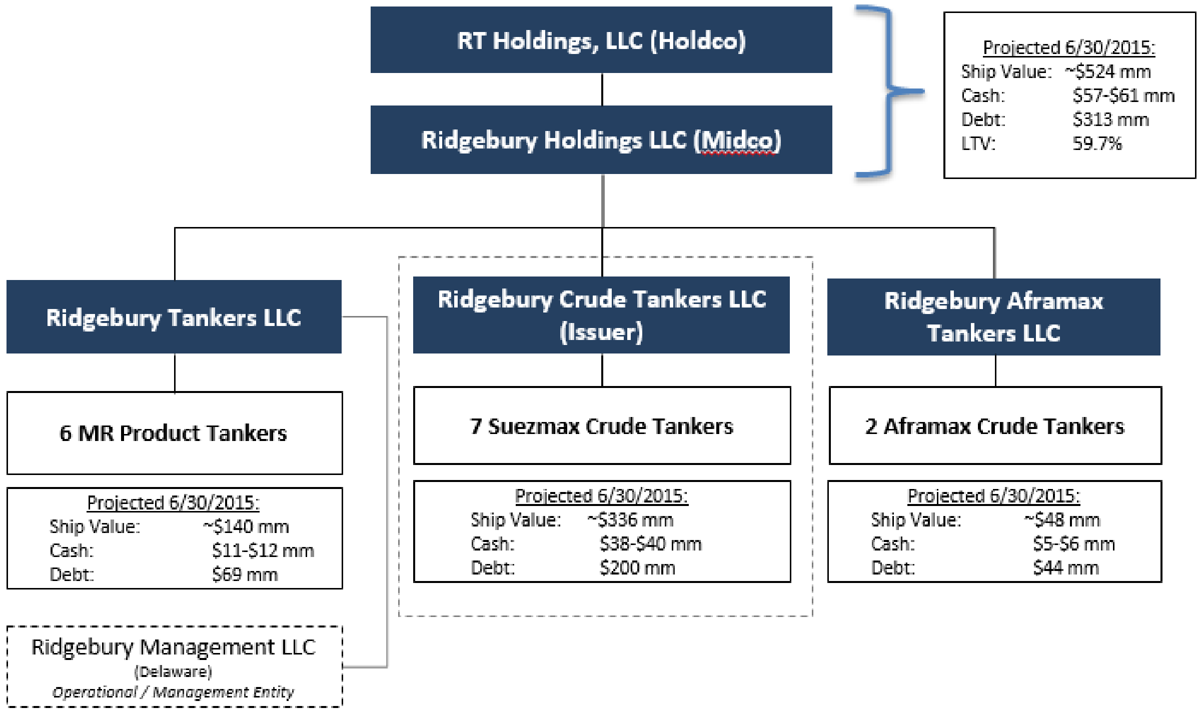
Transaction Advantages

The ships are excellent candidates to enter the bond structure:

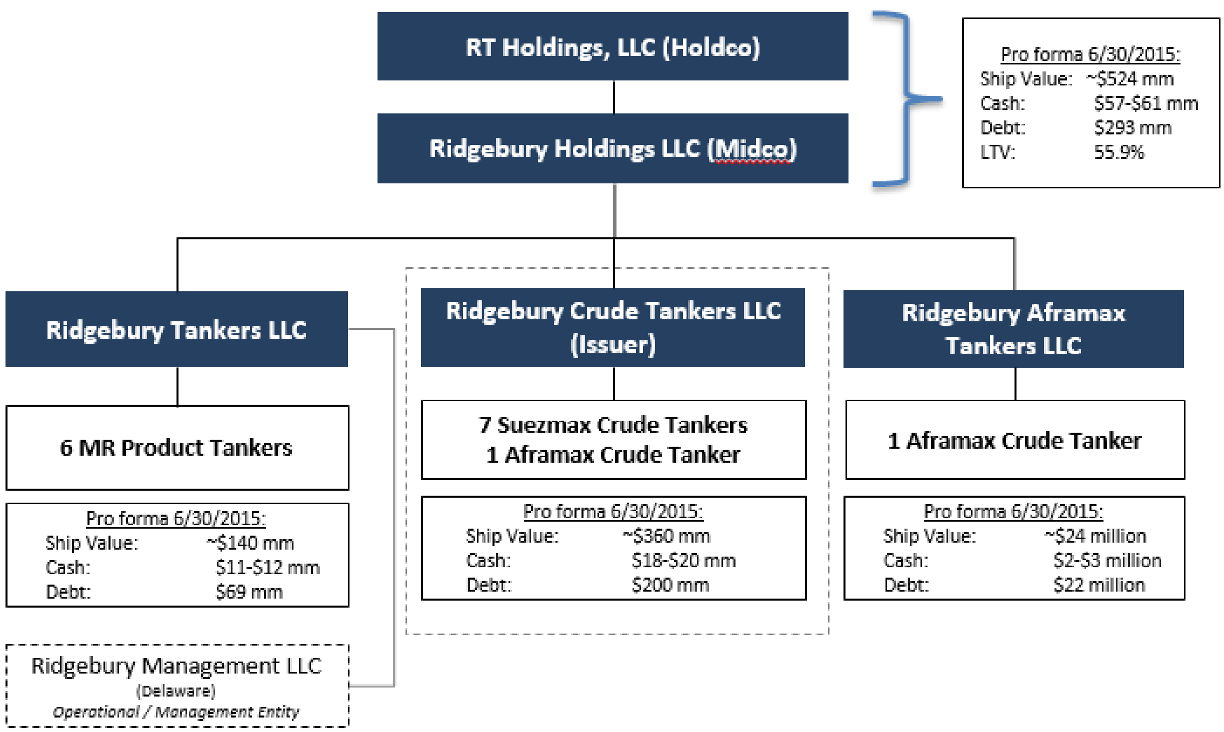
- Japanese-built (Sumitomo) vessels, consistent with the Company's desire to own ships built at leading yards in Japan and Korea
- Next dry dock / special survey March and October 2018 (post-maturity)
- Zero takeover friction: vessels are already managed by Interorient Marine Services and operate in the Teekay Aframax RSA pool
- Producing high cash flow at current rates
- Outlook for Aframax tankers is highly correlated to the Suezmax outlook

To facilitate the contemplated transaction, management is recommending that the definition of Additional Vessels be expanded to include Aframax Tankers (in addition to Suezmax and MRs), which will allow RCT to use Excess Cash to purchase the Ridgebury-owned Aframaxes. As an incentive, Ridgebury will consummate the purchase at a below-market price, compared to an arms-length price for a potential MR purchase. The below-market purchase price of $20 million, combined with the use of cash within Ridgebury Aframax Tankers, will permit RTH to retire $22 million of debt.

RT Holdings and Subsidiaries – Projected 6/30/15 (pre-transaction)



RT Holdings and Subsidiaries – Pro forma 6/30/15 (post-transaction)



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FORWARD LOOKING STATEMENTS

This release contains forward-looking statements which reflect management's views with respect to future events and performance, and which are based on a number of assumptions as well as market information and analysis derived from third parties. These forward-looking statements include statements regarding tanker market fundamentals, global oil supply and demand fundamentals, changing trading patterns, future vessel supply and scrapping. Factors that could cause the Company's results to differ materially from management's forward-looking statements include the following: changes to global demand for oil and refined products; changes to global oil production; location of oil production and demand; changing industry regulation; changing environmental laws; higher or lower levels of new vessel ordering and vessel scrapping; vessel design innovations that make the Company's vessels less competitive; changes to laws and regulations; changes to interest rates and financial markets; unforeseen offhire, drydocking or other expenses; pool underperformance; counterparty non-performance or default; and security risks and war. In particular, the projections of the Company's financial position as of June 30, 2015 pre- and post-transaction, are based on a number of estimates that the Company believes are reasonable, but which may differ from actual performance. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions, or circumstances on which any such statement is based.