Scorpio Tankers Inc.
Form 424B5
October 30, 2014
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-186815

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (2)	AMOUNT OF REGISTRATION FEE (3)
7.50% Senior Notes due 2017	$51,750,000	$6,014

(1) The securities registered herein are offered pursuant to an automatic shelf registration statement on Form F-3 (Registration No. 333-186815) filed by Scorpio Tankers Inc., effective February 25, 2013.

(2) Includes an additional $6,750,000 aggregate principal amount of our 7.50% Senior Notes due 2017 that the underwriters have an option to purchase.

(3) Calculated in accordance with Rule 457(r) and is made in accordance with Rule 456(b) under the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated February 25, 2013)

$45,000,000 7.50% Senior Notes due 2017

We are offering $45,000,000 aggregate principal amount of our 7.50% Senior Notes due 2017 (the Notes). We have granted the underwriters the option to purchase, exercisable during the 30-day period beginning on the date of this prospectus supplement, up to an additional $6,750,000 aggregate principal amount of the Notes. The Notes will bear interest from October 31, 2014 at a rate of 7.50% per year. The Notes will mature on October 15, 2017. Interest on the Notes will be payable quarterly in arrears on the 15th day of January, April, July and October of each year, commencing on January 15, 2015. We may redeem the Notes in whole, but not in part, at any time at our option, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date, if certain events occur involving changes in taxation, as described in this prospectus supplement under Description of Notes Optional Redemption for Changes in Withholding Taxes.

The Notes will be senior unsecured obligations and will rank equally with all of our existing and future senior unsecured and unsubordinated debt. The Notes will be effectively subordinated to our existing and future secured debt, to the extent of the value of the assets securing such debt, and will be structurally subordinated to all existing and future debt and other liabilities of our subsidiaries. The Notes will be issued in minimum denominations of $25.00 and integral multiples of $25.00 in excess thereof.

Investing in the Notes involves risks. Please see Risk Factors beginning on page S-17.

	Per Note	Total
Public offering price	$ 25.00	$ 45,000,000
Underwriting discount	$ 0.75	$ 1,350,000

Proceeds, before expenses, to us	$ 24.25	$ 43,650,000

We have applied to list our Notes for trading on the New York Stock Exchange under the symbol SBNB. If approved for listing, trading on the New York Stock Exchange is expected to commence within 30 days after the Notes are first issued.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying base prospectus. Any representation to the contrary is a criminal offense.

Joint Bookrunning Managers

Stifel **Jefferies** **Credit Suisse** **Janney Montgomery Scott**

Co-Managers

Wunderlich Securities **BB&T Capital Markets**

We expect that delivery of the Notes will be made to investors on or about October 31, 2014, through the book-entry system of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear system, and Clearstream Banking, *société anonyme*.

The date of this prospectus supplement is October 28, 2014.

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PROSPECTUS SUPPLEMENT

BASE PROSPECTUS

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the base prospectus. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying base prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement. This prospectus supplement, the accompanying base prospectus and the documents incorporated into each by reference include important information about us, the Notes being offered and other information you should know before investing. You should read this prospectus supplement and the accompanying base prospectus together with additional information described under the heading, Where You Can Find Additional Information before investing in the Notes.

We prepare our financial statements, including all of the financial statements incorporated by reference in this prospectus supplement, in U.S. dollars and in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). We have a fiscal year end of December 31.

We have authorized only the information contained or incorporated by reference in this prospectus supplement, the accompanying base prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not, and any underwriters have not, authorized anyone to provide you with information that is different. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. We are offering to sell, and seeking offers to buy, the Notes only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference in this document is accurate only as of the date such information was issued, regardless of the time of delivery of this prospectus supplement or any sale of the Notes.

ENFORCEMENT OF CIVIL LIABILITIES

We are a Marshall Islands company, and our principal executive office is located outside of the United States in Monaco, although we also have an office in New York. Some of our directors, officers and the experts named in this registration statement reside outside the United States. In addition, a substantial portion of our assets and the assets of certain of our directors, officers and experts are located outside of the United States. As a result, you may have difficulty serving legal process within the United States upon us or any of these persons. You may also have difficulty enforcing, both in and outside the United States, judgments you may obtain in United States courts against us or these persons.

INDUSTRY AND MARKET DATA

The discussions contained under the heading The International Oil Tanker Shipping Industry have been reviewed by Drewry Shipping Consultants Ltd., or Drewry, which has confirmed to us that they accurately describe the international oil tanker shipping market as of September 30, 2014.

The statistical and graphical information we use in this prospectus supplement has been compiled by Drewry from its database. Drewry compiles and publishes data for the benefit of its clients. Its methodologies for collecting data, and therefore the data collected, may differ from those of other sources, and its data does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the market.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this document and the documents incorporated by reference herein 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.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection with this safe harbor legislation. This document and the documents incorporated by reference herein may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words believe, anticipate, intend, estimate, forecast, project, plan, potential, may, should, expect and similar expressions identify forward-looking statements.

The forward-looking statements in this document and the documents incorporated by reference herein are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, 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 and matters discussed elsewhere in this prospectus, and in the documents incorporated by reference in this prospectus, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the failure of counterparties to fully perform their contracts with us, the strength of world economies and currencies, general market conditions, including fluctuations in charterhire rates and vessel values, changes in demand in the tanker vessel markets, changes in the company s operating expenses, including bunker prices, drydocking and insurance costs, the fuel efficiency of our vessels, the market for our vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, changes in governmental rules and regulations or actions taken by regulatory authorities including those that may limit the commercial useful lives of tankers, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports we file with the Securities and Exchange Commission, or the Commission, and the New York Stock Exchange, or NYSE. We caution readers of this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to update or revise any forward-looking statements. These forward-looking statements are not guarantees of our future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements.

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PROSPECTUS SUMMARY

This section summarizes some of the key information that is contained or incorporated by reference in this prospectus. It may not contain all of the information that may be important to you. As an investor or prospective investor, you should review carefully the entire prospectus, any free writing prospectus that may be provided to you in connection with the offering of our Notes and the information incorporated by reference in this prospectus, including the sections entitled Risk Factors on page S-17 of this prospectus supplement; on page 8 of the accompanying base prospectus in our Registration Statement on Form F-3, effective February 25, 2013; and in our Annual Report on Form 20-F for the fiscal year ended December 31, 2013, filed on March 31, 2014. Unless the context otherwise requires, when used in this prospectus supplement, the terms Scorpio Tankers, the Company, we, our and us refer to Scorpio Tankers Inc. and its subsidiaries. Scorpio Tankers Inc. refers only to Scorpio Tankers Inc. and not its subsidiaries. The financial information included or incorporated by reference into this prospectus represents our financial information and the operations of our subsidiaries. Unless otherwise indicated, all references to currency amounts in this prospectus are in U.S. dollars. Unless otherwise indicated, all information in this prospectus supplement assumes that the underwriters option to purchase up to $6.75 million aggregate additional principal amount of the Notes is not exercised.

Our Company

We are engaged in seaborne transportation of refined petroleum products and crude oil in the international shipping markets. As of October 27, 2014, we operate a fleet consisting of 48 wholly-owned tankers (four LR2 tankers, two LR1 tankers, 10 Handymax tankers, 31 MR tankers, and one post-Panamax tanker) with a weighted average age of approximately 1.5 years, and 24 time chartered-in tankers (eight LR2, five LR1, four MR and seven Handymax tankers), which we refer to collectively as our Operating Fleet. In addition, as of the same date, we have contracts for the construction of 27 newbuilding product tankers (14 MR tankers, five Handymax ice class 1-A tankers and eight LR2 tankers), which we refer to as our Newbuilding Program. Of the vessels in our Newbuilding Program, 13 are expected to be delivered to us in 2014 and the remaining 14 are expected to be delivered to us in the first and second quarters of 2015. We also own approximately 16.3% of the outstanding shares of Dorian LPG Ltd., or Dorian, an international liquefied petroleum gas, or LPG, shipping company, which has an operating fleet of six LPG carriers (five of which are very large gas carriers, or VLGCs) and contracts for the construction of 17 fuel-efficient VLGC newbuildings from reputable shipyards.

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The following table sets forth certain information regarding our fleet as of October 27, 2014:

	Vessel Name	Year Built	DWT	Ice class	Employment	Vessel type
	Owned vessels					
1	STI Highlander	2007	37,145	1A	SHTP(1)	Handymax
2	STI Brixton	2014	38,000	1A	SHTP(1)	Handymax
3	STI Comandante	2014	38,000	1A	SHTP(1)	Handymax
4	STI Pimlico	2014	38,000	1A	Spot	Handymax
5	STI Hackney	2014	38,000	1A	SHTP(1)	Handymax
6	STI Acton	2014	38,000	1A	Spot	Handymax
7	STI Fulham	2014	38,000	1A	Spot	Handymax
8	STI Camden	2014	38,000	1A	Spot	Handymax
9	STI Battersea	2014	38,000	1A	Spot	Handymax
10	STI Wembley	2014	38,000	1A	Spot	Handymax
11	STI Amber	2012	52,000		SMRP(4)	MR
12	STI Topaz	2012	52,000		SMRP(4)	MR
13	STI Ruby	2012	52,000		SMRP(4)	MR
14	STI Garnet	2012	52,000		SMRP(4)	MR
15	STI Onyx	2012	52,000		SMRP(4)	MR
16	STI Sapphire	2013	52,000		SMRP(4)	MR
17	STI Emerald	2013	52,000		SMRP(4)	MR
18	STI Beryl	2013	52,000		SMRP(4)	MR
19	STI Le Rocher	2013	52,000		SMRP(4)	MR
20	STI Larvotto	2013	52,000		SMRP(4)	MR
21	STI Fontvieille	2013	52,000		SMRP(4)	MR
22	STI Ville	2013	52,000		SMRP(4)	MR
23	STI Duchessa	2014	52,000		SMRP(4)	MR
24	STI Opera	2014	52,000		SMRP(4)	MR
25	STI Texas City	2014	52,000		Time Charter(5)	MR
26	STI Meraux	2014	52,000		Time Charter(6)	MR
27	STI Chelsea	2014	52,000		SMRP(4)	MR
28	STI Lexington	2014	52,000		SMRP(4)	MR
29	STI San Antonio	2014	52,000		Time Charter(6)	MR
30	STI Venere	2014	52,000		SMRP(4)	MR
31	STI Virtus	2014	52,000		Spot	MR
32	STI Powai	2014	52,000		SMRP(4)	MR
33	STI Aqua	2014	52,000		Spot	MR
34	STI Dama	2014	52,000		SMRP(4)	MR
35	STI Olivia	2014	52,000		SMRP(4)	MR
36	STI Mythos	2014	52,000		Spot	MR
37	STI Benicia	2014	52,000		Time Charter(6)	MR
38	STI Regina	2014	52,000		Spot	MR
39	STI St. Charles	2014	52,000		Spot	MR
40	STI Mayfair	2014	52,000		Spot	MR
41	STI Yorkville	2014	52,000		Spot	MR
42	STI Harmony	2007	73,919	1A	SPTP(2)	LR1

43	STI Heritage	2008	73,919	1A	SPTP(2)	LR1
44	Venice	2001	81,408	1C	SPTP(2)	Post-Panamax
45	STI Elysees	2014	109,999		SLR2P(3)	LR2
46	STI Madison	2014	109,999		SLR2P(3)	LR2
47	STI Park	2014	109,999		SLR2P(3)	LR2
48	STI Orchard	2014	109,999		SLR2P(3)	LR2
	Total owned DWT		2,660,387			

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	Vessel Name	Year Built	DWT	Ice class	Employment	Vessel type	Daily Base Rate	Expiry[7]
	Time chartered-in vessels							
49	Kraslava	2007	37,258	1B	SHTP[1]	Handymax	$13,650	18-May-15
50	Krisjanis Valdemars	2007	37,266	1B	SHTP[1]	Handymax	$13,650	14-Apr-15[8]
51	Jinan	2003	37,285		SHTP[1]	Handymax	$12,600	28-Apr-15
52	Iver Prosperity	2007	37,412		SHTP[1]	Handymax	$12,500	03-Mar-16[9]
53	Histria Azure	2007	40,394		SHTP[1]	Handymax	$13,550	04-Apr-15
54	Histria Coral	2006	40,426		SHTP[1]	Handymax	$13,550	17-Jul-15
55	Histria Perla	2005	40,471		SHTP[1]	Handymax	$13,550	15-Jul-15
56	Targale	2007	49,999		SMRP[4]	MR	$14,850	17-May-15[10]
57	Nave Orion	2013	49,999		SMRP[4]	MR	$14,300	25-Mar-15[11]
58	Gan-Trust	2013	51,561		SMRP[4]	MR	$16,250	06-Jan-16[12]
59	Usma	2007	52,684	1B	SMRP[4]	MR	$14,500	03-Jan-15
60	SN Federica	2003	72,344		SPTP[2]	LR1	$11,250	15-May-15[13]
61	SN Azzura	2003	72,344		SPTP[2]	LR1	$13,600	25-Dec-14
62	King Douglas	2008	73,666		SPTP[2]	LR1	$14,000	08-Nov-15[14]
63	Hellespont Progress	2006	73,728		SPTP[2]	LR1	$15,000	18-Mar-15[15]
64	FPMC P Eagle	2009	73,800		SPTP[2]	LR1	$14,525	09-Sep-15
65	FPMC P Hero	2011	99,995		SLR2P[3]	LR2	$15,250	02-May-15[16]
66	FPMC P Ideal	2012	99,993		SLR2P[3]	LR2	$15,500	09-Jan-15
67	Swarna Jayanti	2010	104,895		SLR2P[3]	LR2	$15,000	11-Mar-15[17]
68	TBN Densa Crocodile	2015	105,408		SLR2P[3]	LR2	$21,050	30-Jan-16[18]
69	Densa Alligator	2013	105,708		SLR2P[3]	LR2	$17,550	17-Sep-15[19]
70	Khawr Aladid	2006	106,003		SLR2P[3]	LR2	$15,400	11-Jul-15
71	Fair Seas	2008	115,406		SLR2P[3]	LR2	$17,500	10-Mar-15
72	Southport	2008	115,462		SLR2P[3]	LR2	$15,700	10-Dec-14
	Total time chartered-in DWT		1,693,507					

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Newbuildings currently under construction

	Vessel Name		Yard	DWT	Ice class	Vessel type
	Product tankers					
73	Hull 2477	TBN STI Finchley	HMD[20]	38,000	1A	Handymax
74	Hull 2478	TBN STI Clapham	HMD[20]	38,000	1A	Handymax
75	Hull 2479	TBN STI Poplar	HMD[20]	38,000	1A	Handymax
76	Hull 2499	TBN STI Hammersmith	HMD[20]	38,000	1A	Handymax
77	Hull 2500	TBN STI Rotherhithe	HMD[20]	38,000	1A	Handymax
78	Hull 2445	TBN STI Milwaukee	HMD[20]	52,000		MR
79	Hull 2461	TBN STI Battery	HMD[20]	52,000		MR
80	Hull 2474	TBN STI Pontiac	HMD[20]	52,000		MR
81	Hull 2490	TBN STI Osceola	HMD[20]	52,000		MR
82	Hull 2492	TBN STI Notting Hill	HMD[20]	52,000		MR
83	Hull 2493	TBN STI Westminster	HMD[20]	52,000		MR
84	Hull 2475	TBN STI Seneca	HMD[20]	52,000		MR
85	Hull S1143	TBN STI Tribeca	SPP[21]	52,000		MR
86	Hull S1144	TBN STI Soho	SPP[21]	52,000		MR
87	Hull S1169	TBN STI Manhattan	SPP[21]	52,000		MR
88	Hull S1170	TBN STI Queens	SPP[21]	52,000		MR
89	Hull S1145	TBN STI Gramercy	SPP[21]	52,000		MR
90	Hull S1167	TBN STI Bronx	SPP[21]	52,000		MR
91	Hull S1168	TBN STI Brooklyn	SPP[21]	52,000		MR
92	Hull S706	TBN STI Sloane	HSHI[22]	109,999		LR2
93	Hull S709	TBN STI Condotti	HSHI[22]	109,999		LR2
94	Hull S710	TBN STI Veneto	HSHI[22]	109,999		LR2
95	Hull S715	TBN STI Oxford	HSHI[22]	109,999		LR2
96	Hull S716	TBN STI Connaught	HSHI[22]	109,999		LR2
97	Hull 5395	TBN STI Broadway	DSME[23]	109,999		LR2
98	Hull 5398	TBN STI Winnie	DSME[23]	109,999		LR2
99	Hull 5399	TBN STI Lauren	DSME[23]	109,999		LR2
	Total newbuilding product tankers DWT			1,797,992		
	Total Fleet DWT			6,151,886		

(1) This vessel operates in or is expected to operate in the Scorpio Handymax Tanker Pool, or SHTP. SHTP is operated by Scorpio Commercial Management, or SCM. SHTP and SCM are related parties to the Company.
(2) This vessel operates in or is expected to operate in the Scorpio Panamax Tanker Pool, or SPTP. SPTP is operated by SCM. SPTP is a related party to the Company.
(3)

This vessel operates in or is expected to operate in the Scorpio LR2 Pool, or SLR2P. SLR2P is operated by SCM. SLR2P is a related party to the Company.

(4) This vessel operates in or is expected to operate in the Scorpio MR Pool, or SMRP. SMRP is operated by SCM. SMRP is a related party to the Company.

(5) This vessel is on a time charter agreement for two years, which also contains a 50% profit sharing provision whereby we split all of the vessel s profits above the daily base rate with the charterer.

(6) This vessel is on a time charter agreement for one year, which also contains a 50% profit sharing provision whereby we split all of the vessel s profits above the daily base rate with the charterer.

(7) Redelivery from the charterer is plus or minus 30 days from the expiry date.

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(8) The agreement also contains a 50% profit and loss sharing provision whereby we split all of the vessel s profits and losses above or below the daily base rate with the vessel s owner.
(9) In September 2014, we declared an option to extend the charter for an additional year at $13,500 per day effective March 3, 2015.
(10) We have options to extend the charter for up to two consecutive one year periods at $15,200 per day and $16,200 per day, respectively.
(11) We have an option to extend the charter for an additional year at $15,700 per day.
(12) The daily base rate for the first year was $15,750 per day, the rate for the second year is $16,250 per day, and the rate for the third year is $16,750 per day. We have options to extend the charter for up to two consecutive one year periods at $17,500 per day and $18,000 per day, respectively.
(13) We have an option to extend the charter for an additional year at $12,500 per day. We have also entered into an agreement with the vessel s owner whereby we split all of the vessel s profits above the daily base rate.
(14) In September 2014, we declared an option to extend the charter for an additional year at $15,000 per day effective November 8, 2014.
(15) We have options to extend the charter for up to two consecutive one year periods at $16,250 per day and $17,250 per day, respectively.
(16) In September 2014, we declared an option to extend the charter for an additional six months at $15,500 per day effective November 2, 2014.
(17) We have an option to extend the charter for an additional six months at $16,250 per day.
(18) This vessel is currently under construction and is scheduled to be delivered in January 2015. We have an option to extend the charter for an additional year at $22,600 per day.
(19) In July 2014, we declared an option to extend the charter for an additional twelve months. Under the option the rate increased from $16,500 per day to $17,550 per day on September 17, 2014.
(20) These newbuilding vessels are being constructed at Hyundai Mipo Dockyard Co. Ltd. of South Korea, or HMD. Six vessels are expected to be delivered in 2014 and six vessels in the first and second quarters of 2015.
(21) These newbuilding vessels are being constructed at SPP Shipbuilding Co., Ltd. of South Korea, or SPP. Three vessels are expected to be delivered in 2014 and four vessels in the first and second quarters of 2015.
(22) These newbuilding vessels are being constructed at Hyundai Samho Heavy Industries Co., Ltd. or HSHI. Three vessels are expected to be delivered in 2014 and two vessels in the first quarter of 2015.
(23) These newbuilding vessels are being constructed at Daewoo Shipbuilding and Marine Engineering, or DSME. One vessel is expected to be delivered in the fourth quarter of 2014 and two vessels in the second quarter of 2015.

RECENT DEVELOPMENTS

Newbuilding vessel acquisition

In August 2014, we reached an agreement with an unrelated third party to purchase an MR product tanker that was then under construction at SPP. The purchase price of the vessel is $37.1 million and we took delivery of the vessel in September 2014.

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Newbuilding vessel deliveries

The following table sets forth our vessel deliveries under our Newbuilding Program from June 30, 2014 through and including October 27, 2014.

	Name	**Month delivered**	**Type**
1	*STI Powai*	July 2014	MR
2	*STI Aqua*	July 2014	MR
3	*STI Pimlico*	July 2014	Handymax
4	*STI Elysees*	July 2014	LR2
5	*STI Dama*	August 2014	MR
6	*STI Olivia*	August 2014	MR
7	*STI Mythos*	August 2014	MR
8	*STI Hackney*	August 2014	Handymax
9	*STI Acton*	September 2014	Handymax
10	*STI Fulham*	September 2014	Handymax
11	*STI Camden*	September 2014	Handymax
12	*STI Benicia*(1)	September 2014	MR
13	*STI Regina*	September 2014	MR
14	*STI St. Charles*	September 2014	MR
15	*STI Madison*	September 2014	LR2
16	*STI Park*	September 2014	LR2
17	*STI Orchard*	September 2014	LR2
18	*STI Mayfair*	October 2014	MR
19	*STI Yorkville*	October 2014	MR
20	*STI Battersea*	October 2014	Handymax
21	*STI Wembley*	October 2014	Handymax

(1) After delivery, this vessel began a one year time charter at a rate level consistent with current one year time charter contracts which includes a profit sharing mechanism whereby earnings in excess of the base time charter rate are split between the charterer and us.

Dividend Payment

On July 28, 2014, our board of directors declared a quarterly cash dividend of $0.10 per share, which was paid on September 10, 2014 to all shareholders of record as of August 22, 2014.

Stock Buyback Program

In July 2014, our board of directors approved a new stock buyback program with authorization to purchase up to $150 million of shares of our common stock. This program replaced our stock buyback program that was approved in June 2014.

During 2014 (through and including October 27, 2014), we acquired 36,729,136 common shares that are being held as treasury shares, which includes (i) 19,101,536 common shares that were purchased in the open market at an average price of $9.06 per share, (ii) 7,500,000 common shares that were acquired in exchange for 3,422,665 shares in Dorian owned by us and (iii) 10,127,600 common shares that were acquired in conjunction with our offering of $360 million of Convertible Senior Notes. As of October 27, 2014, the remaining amount under our stock buyback program is $82.5 million.

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We expect to repurchase shares under the buy-back program in the open market, at times and prices that we consider to be appropriate, but are not obligated under the terms of the program to repurchase any shares.

Time Chartered-in Vessels

In July 2014, we extended the time charter on an LR2 tanker that is currently time chartered-in. The term of the agreement is for one year at $17,550 per day beginning in September 2014.

In August 2014, we extended the time charter on an LR2 tanker that is currently time chartered-in. The term of the agreement is for six months at $17,500 per day beginning in September 2014.

In August 2014, we extended the time charter on an LR2 tanker that is currently time chartered-in. The term of the agreement is for six months at $15,500 per day effective November 2014.

In September 2014, we extended the time charter on an Handymax tanker that is currently time chartered-in. The term of the agreement is for an additional year at $13,500 per day beginning in March 2015.

In September 2014, we extended the time charter on an LR1 tanker that is currently time chartered-in. The term of the agreement is for one year at $15,000 per day beginning in November 2014.

In September 2014, we time chartered-in an LR2 tanker that is currently under construction in South Korea with delivery expected in January 2015. Upon delivery from the shipyard, the vessel will be chartered-in for one year at $21,050 per day. We also have an option to extend the charter for one year at $22,600 per day.

Debt drawdowns

We made the following drawdowns from our credit facilities in July, August, September and October 2014:

	Credit facility		**Drawdown amount (in $ millions)**	**Drawdown date**	**Collateral**
1	2013 Credit Facility	$	19.8	July 2014	STI Aqua
2	2013 Credit Facility		19.8	August 2014	STI Dama
3	2013 Credit Facility		19.5	August 2014	STI Mythos
4	2013 Credit Facility		19.5	August 2014	STI Benicia
5	2013 Credit Facility		19.8	September 2014	STI Regina
6	2013 Credit Facility		19.5	September 2014	STI St. Charles
7	2013 Credit Facility		19.5	October 2014	STI Yorkville
8	2013 Credit Facility		18.0	October 2014	STI Wembley
9	KEXIM Credit Facility		18.8	July 2014	STI Pimlico
10	KEXIM Credit Facility		30.3	July 2014	STI Elysees
11	KEXIM Credit Facility		30.3	August 2014	STI Madison
12	KEXIM Credit Facility		18.8	September 2014	STI Hackney
13	KEXIM Credit Facility		19.0	September 2014	STI Acton
14	KEXIM Credit Facility		18.8	September 2014	STI Fulham
15	KEXIM Credit Facility		30.3	September 2014	STI Park

16	KEXIM Credit Facility	29.7	September 2014	STI Orchard
17	KEXIM Credit Facility	18.8	September 2014	STI Camden
18	K-Sure Credit Facility	19.8	July 2014	STI Powai
19	K-Sure Credit Facility	19.8	August 2014	STI Olivia
20	K-Sure Credit Facility	20.4	October 2014	STI Mayfair
21	K-Sure Credit Facility	18.9	October 2014	STI Battersea

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KEXIM Guaranteed Notes due 2019

On July 18, 2014, Seven and Seven Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the Issuer), completed an offering of $125,250,000 in aggregate principal amount of floating rate guaranteed notes due 2019 (the KEXIM Notes) in a private offering to qualified institutional buyers in accordance with Rule 144A of the Securities Act and in offshore transactions complying with Regulation S of the Securities Act. The KEXIM Notes were issued in connection with our KEXIM Credit Facility and will reduce KEXIM s funding obligations and our borrowing costs under such facility by 1.55% per year. Seven and Seven Ltd. was incorporated for the purpose of facilitating this transaction and servicing the bonds until maturity.

Payment of 100% of all regularly scheduled installments of principal of, and interest on, the KEXIM Notes are guaranteed by The Export-Import Bank of Korea (KEXIM), a statutory juridical entity established under The Export-Import Bank of Korea Act of 1969, as amended, in the Republic of Korea.

The proceeds from the initial sale of the KEXIM Notes were deposited into a deposit account and were periodically distributed, subject to the satisfaction or waiver of applicable conditions, to the facility agent under our KEXIM Credit Facility to finance advances to the borrowers thereunder to fund a portion of the purchase price of 18 new vessels, 10 of which are Handymax tankers and eight of which are LR2 tankers. Seven ice class Handymax tankers, *STI Comandante*, *STI Brixton*, *STI Pimlico*, *STI Hackney*, *STI Acton*, *STI Fulham* and *STI Camden* and four LR2 tankers, *STI Elysees*, *STI Madison*, *STI Park* and *STI Orchard* were delivered between May and September 2014. The remaining seven vessels are expected to be delivered to the respective borrowers between November 2014 and December 2014.

The KEXIM Notes are currently listed on the Singapore Exchange Securities Trading Limited (the SGX-ST). The KEXIM Notes are not listed on any other securities exchange, listing authority or quotation system.

2013 Equity Incentive Plan

In September 2014, we amended the 2013 Equity Incentive Plan to increase the number of common shares eligible for issuance by 1,088,131 common shares. All other terms of the plan remained unchanged.

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Results for the three and nine months ended September 30, 2014 and 2013

The table below sets forth our unaudited Condensed Consolidated statement of profit or loss for the three and nine months ended September 30, 2014 and 2013. The interim financial data is not necessarily indicative of future results and should be read in conjunction with our consolidated financial statements and related notes included in our Annual Report on Form 20-F for the year ended December 31, 2013, which is incorporated by reference in this prospectus supplement.

Scorpio Tankers Inc. and Subsidiaries

Condensed Consolidated Statement of Profit or Loss

(unaudited)

In thousands of U.S. dollars	**For the three months ended September 30,**		**For the nine months ended September 30,**	
except per share and share data	**2014**	**2013**	**2014**	**2013**
Revenue				
Vessel revenue	$ 82,891	$ 57,756	$ 217,070	$ 154,213
Operating expenses				
Vessel operating costs	(20,933)	(11,137)	(47,683)	(27,635)
Voyage expenses	(902)	(1,249)	(5,427)	(3,782)
Charterhire	(32,941)	(31,877)	(109,334)	(79,345)
Depreciation	(11,574)	(6,377)	(24,896)	(16,665)
General and administrative expenses	(11,676)	(6,522)	(34,300)	(14,571)
Gain on sale of VLCCs			51,419	
Gain on sale of Dorian shares			10,924	
Total operating expenses	(78,026)	(57,162)	(159,297)	(141,998)
Operating income	4,865	594	57,773	12,215
Other (expense) and income, net				
Financial expenses	(6,683)	(448)	(7,554)	(2,323)
Realized gain on derivative financial instruments		3	17	25
Unrealized gain on derivative financial instruments	75	118	187	483
Financial income	103	400	172	950
Share of income from associate	462		1,036	
Other expenses, net	19		(34)	(106)
Total other expense, net	(6,024)	73	(6,176)	(971)
Net (loss) / income	$ (1,159)	$ 667	$ 51,597	$ 11,244

Earnings / (loss) per share								
Basic	$	(0.01)	$	0.00	$	0.29	$	0.08
Diluted	$	(0.01)	$	0.00	$	0.28	$	0.08

Corporate Information

We are a Marshall Islands corporation with principal executive offices at 9, Boulevard Charles III Monaco 98000. Our telephone number at that address is 377-9798-5716. We also maintain an office at 150 East 58th Street, New York, NY 10155 and our telephone number at this address is 212-542-1616. We maintain a website on the Internet at http://www.scorpiotankers.com. The information on our website is not incorporated by reference into this prospectus supplement and does not constitute a part of this prospectus supplement.

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THE OFFERING

The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. See Description of Notes for a more detailed description of the terms and conditions of the Notes.

Issuer	Scorpio Tankers Inc., a Marshall Islands corporation.
Securities Offered	$45.0 million aggregate principal amount (plus up to an additional $6.75 million aggregate principal amount pursuant to an option granted to the underwriters) of our 7.50% Senior Notes due 2017, 2017 issued in minimum denominations of $25.00 and integral multiples of $25.00 in excess thereof.
Issue Date	October 31, 2014
Maturity Date	The Notes will mature on October 15, 2017.
Interest	The Notes will bear interest from the date of original issue until maturity at a rate of 7.50% per year, payable quarterly in arrears on January, April, July and October commencing on January 15, 2015.
Use of Proceeds	We intend to use the net proceeds of the sale of our Notes, which are expected to total approximately $43.4 million after deducting underwriting discounts and commissions and estimated offering expenses (or approximately $49.9 million if the underwriters exercise their option to purchase additional Notes in full), for general corporate purposes and working capital, which may include the acquisition of additional new or secondhand vessels. We can provide no assurance that we will be able to identify additional vessels to acquire or that we will be able to complete the acquisition of vessels that we are able to identify. Please read Use of Proceeds.
Ranking	The Notes will be our senior unsecured obligations and will rank senior to any of our future subordinated debt and rank equally in right of payment with all of our existing and future senior unsecured debt. Our Notes will effectively rank junior to our existing and future secured debt, to the extent of the value of the assets securing such debt, as well as to existing and future debt of our subsidiaries. As of June 30, 2014, we had $891.3 million of outstanding indebtedness (of which $477.5 million was secured and $413.8 million was unsecured) and as of October 27, 2014, we had $1.3

billion of outstanding indebtedness (of which $918.2 million was secured and $413.8 million was unsecured).

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No Security or Guarantees	None of our obligations under our Notes will be secured by collateral or guaranteed by any of our subsidiaries, affiliates or any other persons.
Change of Control	Upon the occurrence of certain change of control events (as defined in the indenture governing the Notes), you will have the right, as a holder of the Notes, to require us to repurchase some or all of your Notes at 101% of the principal amount, plus accrued and unpaid interest to, but excluding, the repurchase date. For additional information, please read Description of Notes Change of Control Permits Holders to Require us to Purchase Notes.
Covenants	The indenture governing our Notes contains certain restrictive covenants, including covenants that require us to limit the amount of debt we incur, maintain a certain minimum net worth, and provide certain reports. These covenants are subject to important exceptions and qualifications. For additional information, please read Description of Notes.
Additional Notes	We may reopen our Notes at any time without the consent of the holders of our Notes and issue additional notes with the same terms as our Notes (except the issue price, issue date and initial interest payment date), which will thereafter constitute a single fungible series with our Notes, provided that if the additional notes are not fungible with our Notes for U.S. federal income tax purposes, such additional notes will have a separate CUSIP number.
Ratings	The Notes will not be rated by any nationally recognized statistical rating organization.
Listing	We have applied to list our Notes for trading on The New York Stock Exchange, or NYSE, under the symbol SBNB. If the application is approved, trading of our Notes on NYSE is expected to begin within 30 days after the original issue date of our Notes. The underwriters have advised us that they intend to make a market in our Notes prior to commencement of any trading on NYSE. However, the underwriters will have no obligation to do so, and no assurance can be given that a market for our Notes will develop prior to commencement of trading on NYSE or, if developed, will be maintained.
Form	Our Notes will be represented by one or more permanent global notes, which will be deposited with the trustee as custodian for The Depository

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	Trust Company, or DTC, and registered in the name of a nominee designated by DTC. Holders of Notes may elect to hold interests in a global Note only in the manner described in this prospectus supplement. Any such interest may not be exchanged for certificated securities except in limited circumstances described in this prospectus supplement. For additional information, please read Description of Notes Book-entry System; Delivery and Form in this prospectus supplement.
Additional Amounts; Tax Redemption	Any payments made by us with respect to the Notes will be made without withholding or deduction for or on account of taxes unless required by law. If we are required by law to withhold or deduct amounts for or on account of tax imposed by a taxing authority of a jurisdiction where we are a resident or certain other jurisdictions with respect to a payment to the holders of Notes, we will, subject to certain exceptions, pay the additional amounts necessary so that the net amount received by the holders of the Notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction. See Description of Notes Additional Amounts. In the event of certain changes of law or official positions of certain taxing authorities that trigger requirements discussed immediately above that we pay additional amounts, we may redeem the Notes in whole, but not in part, at any time, upon not less than 30 nor more than 60 days notice at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to, but excluding, the date of redemption. See Description of Notes Optional Redemption for Changes in Withholding Taxes.
Settlement	Delivery of our Notes offered hereby will be made against payment therefor on or about October 31, 2014.
Risk Factors	An investment in our Notes involves risks. You should consider carefully the factors set forth in the section of this prospectus entitled Risk Factors beginning on page S-17 of this prospectus supplement and on page 8 of the accompanying base prospectus to determine whether an investment in our Notes is appropriate for you.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables set forth our summary consolidated financial and other operating data as of and for six months ended June 30, 2014 and 2013 and as of and for the years ended December 31, 2013, 2012 and 2011. The summary data as of and for the six months ended June 30, 2014 and 2013 is derived from our unaudited interim financial statements which have been prepared in accordance with International Accounting Standards IAS 34 Interim Financial Reporting, or IAS 34 and are incorporated by reference herein. The summary data as of and for the years ended December 31, 2013, 2012 and 2011 is derived from our audited consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are incorporated by reference herein.

In thousands of U.S. dollars except per share and share data	**For the year ended December 31, 2013**	**2012**	**2011**	**For the six months ended June 30, 2014**	**2013**
Consolidated income statement data					
Revenue:					
Vessel revenue	$ 207,580	$ 115,381	$ 82,110	$ 134,179	$ 96,457
Operating expenses:					
Vessel operating costs	(40,204)	(30,353)	(31,370)	(26,750)	(16,498)
Voyage expenses	(4,846)	(21,744)	(6,881)	(4,525)	(2,533)
Charterhire	(115,543)	(43,701)	(22,750)	(76,393)	(47,469)
Impairment (1)			(66,611)		
Depreciation	(23,595)	(14,818)	(18,460)	(13,322)	(10,288)
General and administrative expenses	(25,788)	(11,536)	(11,637)	(22,615)	(8,049)
Write down of vessels held for sale and loss from sales of vessels (2)	(21,187)	(10,404)			
Gain on sale of VLGCs (3)	41,375				
Gain on sale of VLCCs (4)				51,419	
Gain on sale of Dorian shares (5)				10,924	
Total operating expenses	(189,788)	(132,556)	(157,709)	(81,262)	(84,837)
Operating (loss)/income	17,792	(17,175)	(75,599)	52,917	11,620
Other income and expense:					
Financial expenses	(2,705)	(8,512)	(7,060)	(871)	(1,875)
Realized gain on derivative financial instruments	3	443		17	23
Unrealized gain / (loss) on derivative financial instruments	567	(1,231)		112	365
Financial income	1,147	35	51	69	550
Share of profit from associate	369			573	
Other expense, net	(158)	(97)	(119)	(53)	(107)
Total other income and expense	(777)	(9,362)	(7,128)	(153)	(1,044)

Net income / (loss)	$ 17,015	($ 26,537)	($ 82,727)	$ 52,764	$ 10,576
Earnings / (loss) per common share: (6)					
Basic earnings / (loss) per share	$ 0.12	($ 0.64)	($ 2.88)	$ 0.28	$ 0.09
Diluted earnings / (loss) per share	$ 0.11	($ 0.64)	($ 2.88)	$ 0.28	$ 0.09
Basic weighted average shares outstanding	146,504,055	41,413,339	28,704,876	187,563,892	114,037,469
Diluted weighted average shares outstanding	148,339,378	41,413,339	28,704,876	190,849,841	114,760,269

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In thousands of U.S. dollars	As of December 31, 2013	As of December 31, 2012	As of December 31, 2011	As of June 30, 2014
Balance sheet data				
Cash and cash equivalents	$ 78,845	$ 87,165	$ 36,833	$ 357,307
Vessels and drydock	530,270	395,412	322,458	903,596
Vessels under construction	649,526	50,251	60,333	610,655
Total assets	1,646,676	573,280	448,230	2,161,413
Current and non-current debt(7)	167,129	142,459	145,568	807,451
Shareholders equity	1,450,723	414,790	286,853	1,332,273

In thousands of U.S. dollars	For the year ended December 31, 2013	2012	2011	For the six months ended June 30, 2014	2013
Cash flow data					
Net cash inflow/(outflow)					
Operating activities	($ 5,655)	($ 1,928)	($ 12,452)	$ 18,614	($ 7,037)
Investing activities	(935,101)	(90,155)	(122,573)	(241,340)	(323,548)
Financing activities	932,436	142,415	103,671	501,188	764,269

(1) In the years ended December 31, 2011, we recorded an impairment charge of $66.6 million for 12 owned vessels.

(2) Write down of vessels held for sale and loss from sales of vessels of $21.2 million for the year ended December 31, 2013 relates to the designation of *Noemi, Senatore, Venice* and *STI Spirit* as held-for-sale and the corresponding write-down to the lower of their carrying value and fair value less costs to sell at that date. Loss from sale of vessels for the year ended December 31, 2012 of $10.4 million was the result of the sales of *STI Conqueror, STI Matador, STI Gladiator, STI Coral* and *STI Diamond* during that period.

(3) In November 2013, we sold our VLGC business, which included 11 VLGC newbuilding contracts, to Dorian LPG Ltd in exchange for newly issued shares that represented 30% of Dorian outstanding shares at the closing date. We recorded a gain of $41.4 million as a result of the sale.

(4) In March 2014, we sold seven VLCCs under construction for cash and recorded a gain of $51.4 million.

(5) In May 2014, we acquired from one of our existing shareholders 7,500,000 of our common shares in exchange for 3,422,665 common shares of Dorian in a privately negotiated transaction. As a result of this transaction, we recognized a gain of approximately $10.9 million and our ownership percentage of Dorian decreased to 16.3% from 25.7%.

(6) Basic earnings per share is calculated by dividing the net income/ (loss) attributable to equity holders of the parent by the weighted average number of common shares outstanding. Diluted earnings per share are calculated by adjusting the net income/(loss) attributable to equity holders of the parent and the weighted average number of common shares used for calculating basic earnings per share for the effects of all potentially dilutive shares. Such potentially dilutive common shares are excluded when the effect would be to increase earnings per share or reduce a loss per share.

(7) Current and non-current debt are shown net of deferred financing fees of $2.5 million, $3.4 million, $5.3 million, $22.5 million and $2.7 million as of December 31, 2013, 2012, 2011 and June 30, 2014 and 2013, respectively.

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The following table sets forth our other operating data. This data should be read in conjunction with our consolidated financial statements and related notes for the six months ended June 30, 2014 and 2013, included in our report on Form 6-K filed with the Commission on October 28, 2014 and incorporated by reference herein, and the consolidated financial statements and related notes, included in our annual report on Form 20-F for the year ended December 31, 2013, filed with the Commission on March 31, 2014 and incorporated by reference herein.

	For the year ended December 31,			For the six months ended June 30,	
	2013	**2012**	**2011**	**2014**	**2013**
Average Daily Results					
Time charter equivalent per day (1)	$ 14,369	$ 12,960	$ 12,898	$ 14,339	$ 15,943
Vessel operating costs per day (2)	6,781	7,605	7,581	7,052	6,529
Aframax/LR2					
TCE per revenue day (1)	12,718	10,201	14,951	14,986	14,680
Vessel operating costs per day (2)	8,203	8,436	6,960	8,233	7,131
Panamax/LR1					
TCE per revenue day (1)	12,599	14,264	14,743	16,556	13,600
Vessel operating costs per day (2)	7,756	7,714	7,891	8,729	7,264
MR					
TCE per revenue day (1)	16,546	12,289	12,092	13,066	18,000
Vessel operating costs per day (2)	6,069	6,770	6,748	6,462	5,905
Handymax					
TCE per revenue day (1)	12,862	13,069	11,343	14,421	14,979
Vessel operating costs per day (2)	6,852	7,594	7,619	8,464	6,453
Fleet data (3)					
Average number of owned vessels	15.9	10.8	11.3	20.9	13.7
Average number of time chartered-in vessels	22.9	9.2	5.0	29.1	19.0
Drydock					
Expenditures for drydock (in thousands of U.S. dollars)		$ 2,869	$ 2,624	$ 1,290	

(1) Freight rates are commonly measured in the shipping industry in terms of time charter equivalent per revenue day, or TCE Revenues. Vessels in the pool and on time charter do not have voyage expenses; therefore, the revenue for pool vessels and time charter vessels is the same as their TCE Revenue. TCE Revenue is calculated by subtracting voyage expenses, including bunkers and port charges, from vessel revenue and dividing the net amount (time charter equivalent revenues) by the number of revenue days in the period. Revenue days are the number of days the vessel is owned less the number of days the vessel is off-hire for drydock and repairs. We report TCE revenues, a non-IFRS measure, because (i) we believe it provides additional meaningful information in conjunction with voyage revenues and voyage expenses, the most directly comparable IFRS measure, (ii) it assists our management in making decisions regarding the deployment and use of our vessels and in evaluating their financial performance, (iii) it is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company s performance irrespective of changes in the mix of

charter types (i.e., spot charters, time charters and bareboat charters) under which the vessels may be employed between the periods, and (iv) we believe that it presents useful information to investors. Please see our annual report on Form 20-F for the year ended December 31, 2013, which is incorporated by reference herein, for a discussion of TCE Revenue, revenue days and voyage expenses.

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(2) Vessel operating costs per day represent vessel operating costs, as such term is defined in our annual report on Form 20-F for the year ended December 31, 2013, which is incorporated by reference herein, divided by the number of days the vessel is owned during the period.

(3) For a definition of items listed under Fleet Data, please see our annual report on Form 20-F for the year ended December 31, 2013, which is incorporated by reference herein.

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RISK FACTORS

Risks of Investing in our Notes and Risks Related to our Other Indebtedness

Your investment in our Notes is subject to our credit risk.

Our Notes are unsubordinated unsecured general obligations of ours and are not, either directly or indirectly, an obligation of any third party. Our Notes will rank equally with all of our other unsecured and unsubordinated debt obligations, except as such obligations may be preferred by operation of law. Any payment to be made on our Notes, including the return of the principal amount at maturity or any redemption date, as applicable, depends on our ability to satisfy our obligations as they come due. As a result, our actual and perceived creditworthiness may affect the market value of our Notes and, in the event we were to default on our obligations, you may not receive the amounts owed to you under the terms of our Notes.

Our debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.

As of October 27, 2014, we had $1.3 billion of total outstanding indebtedness and $0.7 billion of availability under our credit facilities. The amount of our outstanding borrowings under our debt facilities will increase following drawdowns in connection with the completion of our acquisition of the 27 vessels in our Newbuilding Program that we have contracted to purchase. In addition, we may enter into new debt arrangements or issue additional debt securities in the future. So long as our net borrowings do not equal or exceed 70% of our total assets, the indenture under which the Notes will be issued will permit us to incur additional indebtedness without limitation. Our level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;

- we may need to use a substantial portion of our cash from operations to make charter hire payments or principal and interest payments relating to our debt obligations, reducing the funds that would otherwise be available for operations and future business opportunities;

- our debt level could make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally; and

- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our debt and charter hire obligations will depend upon, among other things, our financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our results of operations are not sufficient to service our current or future indebtedness and charter hire obligations, we will be forced to take actions such as reducing dividends, reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms, or at all.

Our subsidiaries conduct the substantial majority of our operations and own our operating assets, and your right to receive payments on our Notes is structurally subordinated to the rights of the lenders of our subsidiaries.

Our subsidiaries conduct the substantial majority of our operations and own our operating assets. As a result, our ability to make required payments on our Notes depends in part on the operations of our subsidiaries and our subsidiaries ability to distribute funds to us. To the extent our subsidiaries are unable to distribute, or are restricted from distributing, funds to us, we may be unable to fulfill our obligations under our Notes. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay amounts due on our Notes or to make funds available for that purpose. Our Notes will not be guaranteed by any of our subsidiaries or any other person.

The rights of holders of our Notes will be structurally subordinated to the rights of our subsidiaries lenders. A default by a subsidiary under its debt obligations would result in a block on distributions from the affected subsidiary to us. Our Notes will be effectively junior to all existing and future liabilities of our subsidiaries. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries, creditors of our subsidiaries will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us. As of June 30, 2014, we had $891.3 million of outstanding indebtedness (of which $477.5 million was secured and $413.8 million was unsecured) and as of October 27, 2014, we had $1.3 billion of outstanding indebtedness (of which $918.2 million was secured and $413.8 million was unsecured).

Our Notes will be unsecured obligations and will be effectively subordinated to our secured debt.

Our Notes are unsecured and therefore will be effectively subordinated to any secured debt we maintain or may incur to the extent of the value of the assets securing the debt. In the event of a bankruptcy or similar proceeding involving us, the assets that serve as collateral will be available to satisfy the obligations under any secured debt before any payments are made on our Notes. As of June 30, 2014, we had $891.3 million of outstanding indebtedness (of which $477.5 million was secured and $413.8 million was unsecured) and as of October 27, 2014, we had $1.3 billion of outstanding indebtedness (of which $918.2 million was secured and $413.8 million was unsecured). Please read Description of Other Indebtedness. We will continue to have the ability to incur additional secured debt, subject to limitations in our credit facilities and the indenture relating to our Notes.

We may not have the ability to raise the funds necessary to purchase our Notes as required upon a change of control, and our existing and future debt may contain limitations on our ability to purchase our Notes.

Following a change of control as described under Description of Notes Change of Control Permits Holders to Require us to Purchase Notes, holders of Notes will have the right to require us to purchase their Notes for cash. A change of control may also constitute an event of default or prepayment under, and result in the acceleration of the maturity of, our then existing indebtedness. We cannot assure you that we will have sufficient financial resources, or will be able to arrange financing, to pay the change of control purchase price in cash with respect to any Notes surrendered by holders for purchase upon a change of control. In addition, restrictions in our then existing credit facilities or other indebtedness, if any, may not allow us to purchase the Notes upon a change of control. Our failure to purchase the Notes upon a change of control when required would result in an event of default with respect to the Notes which could, in turn, constitute a default under the terms of our other indebtedness, if any. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and purchase the Notes.

Some significant restructuring transactions may not constitute a change of control, in which case we would not be obligated to offer to purchase the Notes.

Upon the occurrence of a change of control, you have the right to require us to purchase your Notes. However, the change of control provisions will not afford protection to holders of Notes in the event of certain transactions that could adversely affect the Notes. For example, transactions such as leveraged recapitalizations, refinancings or certain restructurings would not constitute a change of control requiring us to repurchase the Notes. In the event of any such transaction, holders of the Notes would not have the right to require us to purchase their Notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting holders of the Notes.

Our Notes do not have an established trading market, which may negatively affect their market value and your ability to transfer or sell your Notes.

Our Notes are a new issuance of securities with no established trading market. We have applied to list our Notes on the NYSE, but there can be no assurance that the NYSE will accept our Notes for listing. Even if our Notes are approved for listing by the NYSE, an active trading market on the NYSE for our Notes may not develop or, even if it develops, may not last, in which case the trading price of our Notes could be adversely affected and your ability to transfer your Notes will be limited. If an active trading market does develop on the NYSE, our Notes may trade at prices lower than the offering price. The trading price of our Notes will depend on many factors, including:

- prevailing interest rates;
- the market for similar securities;
- general economic and financial market conditions;
- our issuance of debt or preferred equity securities; and
- our financial condition, results of operations and prospects.

We have been advised by the underwriters that they intend to make a market in our Notes pending any listing of the Notes on the NYSE, but they are not obligated to do so and may discontinue market-making at any time without notice.

Our Notes have not been rated, and ratings of any of our other securities may affect the trading price of our Notes.

We have not sought to obtain a rating for our Notes, and our Notes may never be rated. It is possible, however, that one or more credit rating agencies might independently determine to assign a rating to our Notes or that we may elect to obtain a rating of our Notes in the future. In addition, we may elect to issue other securities for which we may seek to obtain a rating. If any ratings are assigned to our Notes in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, or if ratings for such other securities would imply a lower relative value for our Notes, could adversely affect the market for, or the market value of, our Notes. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold any particular security, including our Notes. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of our Notes may not reflect all risks related to us and our business, or the structure or market value of our Notes.

Our management will have broad discretion over the use of the proceeds to us from this offering and might not apply the proceeds of this offering in ways that increase the value of your investment.

Our management will have broad discretion to use the net proceeds from this offering, and you will be relying on the judgment of our management regarding the application of these proceeds. They may not apply the net proceeds of this offering in ways that increase the value of your investment. Our management might not be able to yield a significant return, if any, on any investment of these net proceeds. We currently expect to use the net proceeds from this offering for general corporate purposes and working capital, which may include the acquisition of additional new or secondhand vessels. We can provide no assurance that we will be able to identify additional vessels to acquire or that we will be able to complete the acquisition of vessels that we are able to identify.

Servicing our current or future indebtedness limits funds available for other purposes and if we cannot service our debt, we may lose our vessels.

Borrowing under our credit facilities requires us to dedicate a part of our cash flow from operations to paying interest on our indebtedness under such facilities. These payments limit funds available for working capital, capital expenditures and other purposes, including further equity or debt financing in the future. Amounts borrowed under our credit facilities bear interest at variable rates. Increases in prevailing rates could increase the amounts that we would have to pay to our lenders, even though the outstanding principal amount remains the same, and our net income and cash flows would decrease. We expect our earnings and cash flow to vary from year to year due to the cyclical nature of the tanker industry. If we do not generate or reserve enough cash flow from operations to satisfy our debt obligations, we may have to undertake alternative financing plans, such as:

- seeking to raise additional capital;
- refinancing or restructuring our debt;

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- selling tankers; or
- reducing or delaying capital investments.

However, these alternative financing plans, if necessary, may not be sufficient to allow us to meet our debt obligations. If we are unable to meet our debt obligations or if some other default occurs under our credit facilities, our lenders could elect to declare that debt, together with accrued interest and fees, to be immediately due and payable and proceed against the collateral vessels securing that debt even though the majority of the proceeds used to purchase the collateral vessels did not come from our credit facilities.

Our credit facilities contain restrictive covenants which limit the amount of cash that we may use for other corporate activities, which could negatively affect our growth and cause our financial performance to suffer.

Our credit facilities impose operating and financial restrictions on us. These restrictions limit our ability, or the ability of our subsidiaries party thereto to, among other things:

- pay dividends and make capital expenditures if we do not repay amounts drawn under our credit facilities or if there is another default under our credit facilities;
- incur additional indebtedness, including the issuance of guarantees;
- create liens on our assets;
- change the flag, class or management of our vessels or terminate or materially amend the management agreement relating to each vessel;
- sell our vessels;
- merge or consolidate with, or transfer all or substantially all our assets to, another person; or
- enter into a new line of business.

Therefore, we will need to seek permission from our lenders in order to engage in some corporate actions. Our lenders interests may be different from ours and we may not be able to obtain our lenders permission when needed. This may limit our ability to pay dividends to you if we determine to do so in the future, finance our future operations or capital requirements, make acquisitions or pursue business opportunities.

The international nature of our operations may make the outcome of any bankruptcy proceedings difficult to predict.

We are incorporated under the laws of the Republic of The Marshall Islands and we conduct operations in countries around the world. Consequently, in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding involving us or any of our subsidiaries, bankruptcy laws other than those of the United States could apply. If we become a debtor under U.S. bankruptcy law, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States, or that a U.S. bankruptcy court would be entitled to, or accept, jurisdiction over such a bankruptcy case, or that courts in other countries that have jurisdiction over us and our operations would recognize a U.S. bankruptcy court s jurisdiction if any other bankruptcy court would determine it had jurisdiction.

Risks Related to our Industry

If the tanker industry, which historically has been cyclical, continues to be depressed in the future, our earnings and available cash flow may be adversely affected.

The tanker industry is both cyclical and volatile in terms of charter rates and profitability. A worsening of current global economic conditions may cause tanker charter rates to decline and thereby adversely affect our ability to charter or recharter our vessels or to sell them on the expiration or termination of their charters, and the

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rates payable in respect of our vessels currently operating in tanker pools, or any renewal or replacement charters that we enter into, may not be sufficient to allow us to operate our vessels profitably. Fluctuations in charter rates and vessel values result from changes in the supply and demand for tanker capacity and changes in the supply and demand for oil and oil products. The factors affecting the supply and demand for tankers are outside of our control, and the nature, timing and degree of changes in industry conditions are unpredictable.

The factors that influence demand for tanker capacity include:

- supply and demand for energy resources and oil and petroleum products;
- regional availability of refining capacity and inventories;
- global and regional economic and political conditions, including armed conflicts, terrorist activities and strikes;
- the distance oil and oil products are to be moved by sea;
- changes in seaborne and other transportation patterns;
- environmental and other legal and regulatory developments;
- weather and natural disasters;
- competition from alternative sources of energy; and
- international sanctions, embargoes, import and export restrictions, nationalizations and wars.

The factors that influence the supply of tanker capacity include:

- supply and demand for energy resources and oil and petroleum products;
- the number of newbuilding deliveries;
- the scrapping rate of older vessels;

- conversion of tankers to other uses;
- the number of vessels that are out of service;
- environmental concerns and regulations; and
- port or canal congestion.

We are dependent on spot-oriented pools and spot charters and any decrease in spot charter rates in the future may adversely affect our earnings.

As of October 27, 2014, all of our vessels except four are employed in either the spot market or in spot market-oriented tanker pools, such as the Scorpio LR2 Pool, the Scorpio Panamax Tanker Pool, the Scorpio MR Pool, or the Scorpio Handymax Tanker Pool, which we refer to collectively as the Scorpio Group Pools and which are managed members of the Scorpio Group, exposing us to fluctuations in spot market charter rates. The spot charter market may fluctuate significantly based upon tanker and oil supply and demand. The successful operation of our vessels in the competitive spot charter market, including within the Scorpio Group Pools, depends on, among other things, obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. The spot market is very volatile, and, in the past, there have been periods when spot charter rates have declined below the operating cost of vessels. If future spot charter rates decline, then we may be unable to operate our vessels trading in the spot market profitably, meet our obligations, including payments on indebtedness, or pay dividends in the future. Furthermore, as charter rates for spot charters are fixed for a single voyage which may last up to several weeks, during periods in which spot charter rates are rising, we will generally experience delays in realizing the benefits from such increases.

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Our ability to renew expiring charters or obtain new charters will depend on the prevailing market conditions at the time. If we are not able to obtain new charters in direct continuation with existing charters, or if new charters are entered into at charter rates substantially below the existing charter rates or on terms otherwise less favorable compared to existing charter terms, our revenues and profitability could be adversely affected.

An over-supply of tanker capacity may lead to a reduction in charter rates, vessel values and profitability.

The market supply of tankers is affected by a number of factors, such as supply and demand for energy resources, including oil and petroleum products, supply and demand for seaborne transportation of such energy resources, and the current and expected purchase orders for newbuildings. If the capacity of new tankers delivered exceeds the capacity of tankers being scrapped and converted to non-trading tankers, tanker capacity will increase. According to Drewry Shipping Consultants Ltd., or Drewry, as of January 31, 2014, the newbuilding orderbook, which extends to 2016 and beyond, equaled approximately 12.5% of the existing world tanker fleet and the orderbook may increase further in proportion to the existing fleet. If the supply of tanker capacity increases and if the demand for tanker capacity does not increase correspondingly or declines, charter rates could materially decline. A reduction in charter rates and the value of our vessels may have a material adverse effect on our results of operations and available cash.

Acts of piracy on ocean-going vessels could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean and in the Gulf of Aden. Although the frequency of sea piracy worldwide decreased during 2013 and the first half of 2014 to its lowest level since 2009, sea piracy incidents continue to occur, particularly in the Gulf of Aden off the coast of Somalia and increasingly in the Gulf of Guinea, with drybulk vessels and tankers particularly vulnerable to such attacks. If these piracy attacks result in regions in which our vessels are deployed being characterized by insurers as war risk zones by insurers or Joint War Committee war and strikes listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs, including costs which may be incurred to the extent we employ onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, detention hijacking as a result of an act of piracy against our vessels, or an increase in cost or unavailability of insurance for our vessels, could have a material adverse impact on our business, results of operations, cash flows and financial condition and may result in loss of revenues, increased costs and decreased cash flows to our customers, which could impair their ability to make payments to us under our charters.

The current state of the global financial markets and current economic conditions may adversely impact our ability to obtain additional financing on acceptable terms and otherwise negatively impact our business.

Global financial markets and economic conditions have been, and continue to be, volatile. In recent years, operating businesses in the global economy have faced tightening credit, weakening demand for goods and services, deteriorating international liquidity conditions and declining markets. There has been a general decline in the willingness of banks and other financial institutions to extend credit, particularly in the shipping industry, due to the historically volatile asset values of vessels. As the shipping industry is highly dependent on the availability of credit to finance and expand operations, it has been negatively affected by this decline.

Also, as a result of concerns about the stability of financial markets generally and the solvency of counterparties specifically, the cost of obtaining money from the credit markets has increased as many lenders have increased interest rates, enacted tighter lending standards, refused to refinance existing debt at all or on terms similar to current debt and reduced, and in some cases ceased to provide, funding to borrowers. Due to these factors, additional financing may not be available if needed and to the extent required, on acceptable terms or at all. If additional financing is not available when needed, or is available only on unfavorable terms, we may be unable to expand our fleet or meet our obligations as they become due or we may be unable to enhance our existing business, complete additional vessel acquisitions or otherwise take advantage of business opportunities as they arise.

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Changes in fuel, or bunkers, prices may adversely affect profits.

Fuel, or bunkers, is typically the largest expense in our shipping operations for our vessels and changes in the price of fuel may adversely affect our profitability. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by the Organization of the Petroleum Exporting Countries, or OPEC, and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Further, fuel may become much more expensive in the future, which may reduce profitability.

Tanker rates also fluctuate based on seasonal variations in demand.

Tanker markets are typically stronger in the winter months as a result of increased oil consumption in the northern hemisphere but weaker in the summer months as a result of lower oil consumption in the northern hemisphere and refinery maintenance that is typically conducted in the summer months. In addition, unpredictable weather patterns during the winter months in the northern hemisphere tend to disrupt vessel routing and scheduling. The oil price volatility resulting from these factors has historically led to increased oil trading activities in the winter months. As a result, revenues generated by our vessels have historically been weaker during the quarters ended June 30 and September 30, and stronger in the quarters ended March 31 and December 31.

We are subject to complex laws and regulations, including environmental laws and regulations that can adversely affect our business, results of operations, cash flows and financial condition, and our available cash.

Our operations are subject to numerous laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership and operation of our vessels. These requirements include, but are not limited to, the U.S. Oil Pollution Act of 1990, or OPA, the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, or CERCLA, requirements of the U.S. Coast Guard and the U.S. Environmental Protection Agency, or EPA, the U.S. Clean Air Act, U.S. Clean Water Act and the U.S. Marine Transportation Security Act of 2002, European Union Regulation, and regulations of the International Maritime Organization, or the IMO, including the International Convention for the Prevention of Pollution from Ships of 1973, as from time to time amended and generally referred to as MARPOL, including the designation of Emission Control Areas thereunder, the IMO International Convention for the Safety of Life at Sea of 1974, as from time to time amended and generally referred to as SOLAS, the International Convention