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TOP TANKERS INC.
Form 6-K
November 10, 2005

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of November 2005

TOP TANKERS INC.
(Translation of registrant's name into English)

109-111 Messogion Avenue
Politia Centre
Athens 115 26 GR

(Address of principal executive offices)

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

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Set forth herein as Exhibit 1 is a copy of the press release issued by TOP Tankers Inc. (the "Company") on November 10, 2005 announcing its third quarter 2005 earnings.

Exhibit 1

NEWS RELEASE for November 10, 2005

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TOP TANKERS REPORTS FINANCIAL RESULTS FOR THE THIRD QUARTER AND THE NINE-MONTH PERIOD OF 2005

ATHENS, GREECE (November 10, 2005) ... TOP Tankers Inc (NasdaqNM:TOPT) today announced operating results for the third quarter ended September 30, 2005.

For the three months ended September 30, 2005, the Company reported net income of \$7,921,000, or \$0.28 per share, compared with net income of \$6,500,000, or \$0.42 per share, for the third quarter of 2004. The weighted average number of basic and diluted shares used in the computations was 28,020,990 and 15,342,390 for the third quarter of 2005 and 2004 respectively. For the three months ended September 30, 2005, operating income was \$13,670,000, compared with \$7,881,000 for the third quarter of 2004. EBITDA(1) for the third quarter of 2005 was \$28,324,000, compared with \$11,792,000 for previous year's third quarter. Voyage revenues for the third quarter of 2005 were \$50,003,000, compared to \$20,896,000 recorded in the third quarter of the previous year.

 1 Please read later in this press release for a reconciliation of EBITDA to net income.

For the nine months ended September 30, 2005, the Company reported net income of \$40,594,000, or \$1.45 per share, compared to \$13,453,000, or \$1.47 per share, for the nine months ended September 30, 2004. The weighted average number of basic and diluted shares used in the computations was 27,895,019 and 9,136,861 for the first nine months of 2005 and 2004 respectively. For the nine-month period ended September 30, 2005, operating income was \$53,845,000, compared with \$15,965,000 for the same period last year. EBITDA for the nine-month period ended September 30, 2005 was \$91,171,000, compared to \$23,827,000 for the same period last year. Voyage revenues for the nine-month period ended September 30, 2005, were \$153,623,000, compared to \$46,052,000 recorded in the same period last year.

Evangelos J. Pistiolis, President and Chief Executive Officer of TOP Tankers Inc, commented, "During the third quarter of 2005, we established the foundations to further expand our managed fleet and become one of the world's largest operators of double-hull Suezmax and Handymax tankers. Upon delivery of the final Suezmax tanker in early December, we will have organically grown the number of vessels under our management by nine tankers in 2005, to a total of 27 vessels.

In addition to the significant fleet growth, the Company has paid a total of \$1.09 per share of cash dividends so far in 2005, while maintaining conservative leverage levels of 53%."

TOP TANKERS REPORTS FINANCIAL RESULTS FOR THE THIRD QUARTER

The following key indicators serve to highlight changes in the Company's fleet financial performance during the third quarter and nine-month periods ended September 30, 2004 and 2005:

(In U.S. Dollars unless otherwise stated)	Suezmax Fleet			
	Three Months Ended September 30,	2005	Change	Nine Months 2004
	2004	2005	-----	-----
	----	----	-----	----
Total available ship days	199	828	316.1%	399
Total operating days	184	729	296.2%	376
Utilization	92.5%	88.0%	-4.8%	94.2%

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Average Suezmax TCE	44,310	27,075	-38.9%	40,814
Vessel operating expenses per ship per day	5,658	7,743	36.8%	6,055
				Handymax Fleet
	Three Months Ended	September 30,		Nine Months
(In U.S. Dollars unless otherwise stated)	2004	2005	Change	2004
	----	----	-----	----
Total available ship days	491	1,209	146.2%	855
Total operating days	455	1,142	151.0%	819
Utilization	92.7%	94.5%	1.9%	95.8%
Average Handymax TCE	15,541	18,369	18.2%	14,581
Vessel operating expenses per ship per day	3,919	4,875	24.4%	4,142
				Total Fleet
	Three Months Ended	September 30,		Nine Months
(In U.S. Dollars unless otherwise stated)	2004	2005	Change	2004
	----	----	-----	----
Net voyage revenues (2)	17,244	41,126	138.5%	35,920
Total available ship days	960	2,111	119.9%	2,070
Total operating days	817	1,945	138.1%	1,908
Utilization	85.1%	92.1%	8.3%	92.2%
Average Fleet TCE (2)	21,106	21,144	0.2%	18,826
Vessel operating expenses per ship per day	4,447	5,932	33.4%	4,640
General and administrative expenses per ship per day	1,460	4,141*	183.6%	1,345

 * The daily General and Administrative expenses include approximately \$2,900 for the 3-month period and \$1,160 for the 9-month period of non-cash restricted stock expense, convertible offering expense write-off and general compensation provision.

2 Time charter equivalent, or TCE, is a measure of the average daily revenue performance of a vessel on a per voyage basis. Our method of calculating TCE is consistent with industry standards and is determined by dividing net voyage revenue by voyage days for the relevant time period. Net voyage revenues are voyage revenues minus voyage expenses. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract, as well as commissions.

Fleet Report

As of September 30, 2005, the Company's fleet size was 22 vessels (including the 5 vessels that were sold and leased back), or 2.0 million dwt, compared with 16 vessels, or 1.1 million dwt on September 30, 2004.

On July 13, 2005, the Company sold the M/T Fearless to a third party. The gain of \$ 10.0 million was recognized in the third quarter of 2005.

On August 3, 2005, the Company sold and leased-back the Handymax tankers M/T Restless and M/T Sovereign for a period of seven years. The lease is a bareboat

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charter, with TOP Tankers performing the operational and commercial management of the vessels. The Company generated a gain of \$7.0 million, which was amortized over the seven year lease period. The bareboat charter rate is \$11,600 per ship per day and both vessels will continue their time charter contracts with Vitol and Glencore for their remaining period of two and four years, respectively. This sale and leaseback qualifies as an operating lease under U.S. GAAP.

On September 14, 2005, the Company sold and leased-back the Handymax tankers M/T Invincible, M/T Victorious and M/T Relentless for a period of seven years. The lease is a bareboat charter, with TOP Tankers performing the operational and commercial management of the vessels. The Company generated a gain of \$10.0 million, which was amortized over the seven year lease period. The bareboat charter rate is \$11,500 per ship per day and vessels will continue their time charter contracts with Glencore for their remaining period of four years. This sale and leaseback qualifies as an operating lease under the U.S. GAAP.

Upon delivery of all acquisitions announced in September and October 2005, the Company's fleet under management will be 27 double-hull tankers, consisting of 13 Suezmaxes and 14 Handymaxes, with a total carrying capacity of approximately 2.6 million dwt.

Fleet Deployment

During the third quarter of 2005, the Company had approximately 81% of the fleet's net operating days on long-term employment contracts, and all profit-sharing contracts generated profits above the base rate. The average daily Suezmax rate for the third quarter of 2005 was \$27,075 and the average daily Handymax rate for the same period was \$18,369.

For the fourth quarter of 2005, the Company has secured 55% of its Suezmax spot days at an average of \$52,500 per day, and the overall Suezmax average rate is approximately \$42,500 to the date of the announcement, including profit-sharing allocation and straight time charters. The average rate for the Handymax tankers in the fourth quarter is approximately \$23,000 per day, including profit-sharing allocation.

The Company has secured approximately 66% of the estimated operating days for 2006 under long-term employment contracts. At the same time, the nine Suezmaxes operating in the spot market, together with the profit sharing component of the time charter contracts, expose approximately 64% of the Company's estimated operating days for 2006 to potentially higher spot rates.

All of the Company's profit-sharing contracts settle on a quarterly basis and the potentially generated profit is presented in the financial statements for the corresponding period. Each settlement is full and final (except for voyages in progress and demurrage), and is not affected by the average rates of future periods.

The following table presents the Company's fleet list after the two remaining deliveries and the employment agreements:

	Dwt	Year Built	Charter Type	Expiry	Daily Base Rate	Profit S Above Base
	---	-----	-----	-----	-----	-----
13 Suezmax Tankers						
Timeless.....	154,970	1991	Time Charter	Q2/2007	\$28,000	100% first
Flawless.....	154,970	1991	Time Charter	Q2/2007	\$28,000	100% first
Stopless.....	154,970	1991	Time Charter	Q2/2007	\$28,000	100% first
Faultless.....	154,970	1992	Time Charter	Q2/2010	\$37,000 (1)	

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Priceless.....	154,970	1991	Spot			
Noiseless.....	149,554	1992	Spot			
Stainless.....	149,599	1992	Spot			
Endless.....	135,915	1992	Spot			
Limitless.....	136,055	1993	Spot			
Errorless (A).....	147,048	1993	Spot			
Edgeless (B).....	147,048	1994	Spot			
Ellen P.....	146,268	1996	Spot			
Stormless.....	150,038	1993	Spot			
14 Handymax Tankers						
Victorious (C).....	47,084	1991	Time Charter	Q3/2009	\$14,500 (2)	100% f
Sovereign (C).....	47,084	1992	Time Charter	Q3/2009	\$14,500 (2)	100% f
Invincible (C).....	47,084	1992	Time Charter	Q3/2009	\$14,500 (2)	100% f
Relentless (C).....	47,084	1992	Time Charter	Q3/2009	\$14,500 (2)	100% f
Vanguard.....	47,084	1992	Time Charter	Q1/2007	\$14,250 (3)	100% f
Restless (C).....	47,084	1991	Time Charter	Q1/2007	\$14,250 (3)	100% f
Spotless.....	47,094	1991	Time Charter	Q1/2007	\$14,250 (3)	100% f
Doubtless.....	47,076	1991	Time Charter	Q1/2007	\$14,250 (3)	100% f
Faithful.....	45,720	1992	Time Charter	Q1/2007	\$14,250 (3)	100% f
Topless.....	47,262	1998	Time Charter	Q2/2010	\$17,000 (4)	30%
Taintless.....	46,217	1999	Time Charter	Q1/2010	\$17,000 (4)	30%
Dauntless.....	46,168	1999	Time Charter	Q1/2010	\$17,000 (4)	30%
Soundless.....	46,185	1999	Time Charter	Q2/2010	\$17,000 (4)	30%
Ioannis P.....	46,346	2003	Time Charter	Q3/2010	\$18,000 (5)	35%
Total Tanker DWT	2,590,881					

-
- A. Expected delivery around November 17, 2005
 - B. Expected delivery early December 2005
 - C. Vessels sold and leased back for a period of 7 years.

1. Base rate will change to \$36,000 in the third year of the contract and \$35,000 in the fourth year until expiration.
2. Base rate will change to \$14,000 in the third year of the contract until expiration.
3. Base rate will change to \$13,250 from 1/1/2006 until expiration of the contracts, with 100% profit sharing participation in the first \$1,250 above base rate and 50% thereafter.
4. Base rate will change to \$16,250 in the second year of the contract until expiration, with 100% profit sharing participation in the first \$1,000 above base rate and 50% thereafter.
5. Profit sharing will change in the second year of the contract until expiration to 100% profit sharing participation in the first \$1,000 above base rate and 50% thereafter.

Credit Facility

As of September 30, 2005, TOP Tankers had total indebtedness of \$394.0 million, provided by the Royal Bank of Scotland (RBS) and DVB Bank, maturing in 2013 and 2012, respectively.

In October 2005, the Company refinanced \$196.0 million of its term credit facility with RBS for a period of seven years and entered into a revolving credit facility of up to \$350.0 million for a period of 10 years. Approximately \$172.0 million out of the total \$350.0 million is currently available for further acquisitions. The average spread with RBS was reduced from 100 basis points to 86.5 basis points. The Company also refinanced its swap agreements with RBS, and the loan amounts hedged by interest rate swaps are \$100.5 million at a rate of 4.63% and \$36.6 million at a rate of 4.66%, for a period of 5 years

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and 4 years, respectively.

In November 2005, the Company entered into a \$154.0 million credit facility with HSH Nordbank to partly finance the acquisition of four Suezmax tankers. The facility will mature in 2013 and the average spread will be 85 basis points above LIBOR.

On September 30, 2005, the Company's ratio of indebtedness to total capital was approximately 53%.

Dividend

During the third quarter of 2005, the Company paid its third quarterly cash dividend of \$0.21 per share and a special cash dividend of \$0.25 per share on July 20 and July 27, respectively. On October 25, 2005, the Company paid its fourth quarterly dividend of \$0.21 per share to shareholders of record as of October 14, 2005.

Conference Call and Webcast

TOP Tankers' management team will host a conference call on November 10, 2005, at 11:00 AM EST. Participants should dial into the call 10 - 15 minutes before the scheduled time using the following numbers: 877 407 8035 (from the US and Canada) or +1 201 689 8035 (from outside the US and Canada). A live webcast of the conference call will also be accessible via the Internet at www.toptankers.com, or by going to www.vcall.com.

A telephonic replay of the conference call will be available by dialing 877 660 6853 (from the US and Canada) or +1 201 612 7415 (from outside the US and Canada); enter account number 286 and conference ID number 174572. An online archive will also be available immediately following the call at the sites noted above. Both are available through November 16, 2005.

About TOP Tankers Inc

TOP Tankers Inc is an international provider of worldwide seaborne crude oil and petroleum products transportation services. Upon delivery of two Suezmax tankers, the Company will operate a fleet of 27 tankers. The fleet under management will consist of 13 double-hull Suezmax tankers and 14 double-hull Handymax tankers, with a total carrying capacity of approximately 2.6 million dwt of which 88.8 percent are sister ships. Eighteen of the Company's 27 tankers are on time charter contracts with an average term of over three years with all but one of the time charters including profit sharing agreements.

Forward Looking Statement

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may 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 forward-looking statements in this release 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 TOP Tankers believes 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, TOP Tankers cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

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Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charterhire rates and vessel values, failure of a seller to deliver one or more vessels, failure of a buyer to accept delivery of a vessel, inability to procure acquisition financing, changes in demand for oil and petroleum products, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers, scheduled and unscheduled drydocking, changes in our voyage and operating expenses, including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations including requirements for double-hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by TOP Tankers with the US Securities and Exchange Commission.

TOP TANKERS INC.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Expressed in thousands of U.S. Dollars - except for share and per share data)

	Three Months Ended September 30,		Nine Se
	2004	2005	2004
REVENUES:			
Voyage revenues	20,896	50,003	46,05
EXPENSES:			
Voyage expenses	3,652	8,877	10,13
Vessel operating expenses	4,269	14,421	9,60
Depreciation and amortization	3,911	14,634	7,80
General and administrative expenses	1,402	5,499	2,78
Stock-based compensation	-	3,243	
Amortization on deferred gain on sale of vessels	-	(225)	
(Gain) on sale of vessels	(237)	(10,115)	(23
Foreign currency (gains) / losses, net	18	(1)	
	7,881	13,670	15,96
OPERATING INCOME			
OTHER INCOME (EXPENSES):			
Interest and finance costs	(1,504)	(6,280)	(2,69
Interest income	123	511	12
Other, net	-	20	6
	(1,381)	(5,749)	(2,51
TOTAL OTHER EXPENSES, NET			

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Net Income	6,500	7,921	13,45
	=====	=====	=====
Earnings per share, basic and diluted			
- Vested shares	0.42	0.28	1.4
	=====	=====	=====
- Non-vested shares		0.28	
		=====	
EBITDA RECONCILIATION(3)			
(Expressed in Thousands of U.S Dollars)			
	Three Months Ended		Nine
	September 30,		Se
	-----	-----	-----
	2004	2005	2004
	-----	-----	-----
EBITDA	11,792	28,324	23,82
DEPRECIATION AND AMORTIZATION	(3,911)	(14,634)	(7,80
INTEREST AND FINANCE COSTS, NET	(1,381)	(5,769)	(2,57
	-----	-----	-----
NET INCOME	6,500	7,921	13,45
	=====	=====	=====

3 EBITDA represents earnings 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 GAAP, and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included in this press release because it is a basis upon which we assess our liquidity position and because we believe that it presents useful information to investors regarding our ability to service and/or incur indebtedness.

TOP TANKERS INC.

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of U.S. Dollars -
except for share and per share data)

	December 31,	September 30,
	2004	2005
	-----	-----
		(Unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	114,768	110,842
Other current assets	26,283	23,706
	-----	-----
Total current assets	141,051	134,548
ADVANCES FOR VESSELS ACQUISITIONS	25,650	10,875
VESSELS, NET	355,997	610,596
OTHER NON-CURRENT ASSETS	17,188	19,026
	-----	-----
Total assets	539,886	775,045
	=====	=====

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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Current portion of long-term debt	19,540	55,235
Dividends payable	5,845	-
Deferred income, current portion	-	2,827
Other current liabilities	17,178	19,761
	-----	-----
Total current liabilities	42,563	77,823
FINANCIAL INSTRUMENTS		
	248	585
LONG-TERM DEBT, net of current portion	175,266	334,853
DEFERRED INCOME, net of current portion	-	15,237
STOCKHOLDERS' EQUITY	321,809	346,547
	-----	-----
Total liabilities and stockholders' equity	539,886	775,045
	=====	=====

TOP TANKERS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Expressed in thousands of U.S. Dollars)

	Nine Months Ended September 3	
	2004	2005
	-----	-----
Cash Flows from (used in) Operating Activities:		
Net income	13,453	40
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,211	38
Amortization of deferred income	-	
Gain on sale of vessels	(237)	(10)
Change in operating assets and liabilities	(2,164)	5
Payments for dry-docking	(2,819)	(6)
	-----	-----
Net Cash from Operating Activities	16,444	67

Cash Flows from (used in) Investing Activities:		
Advances for vessels acquisitions	-	(10)
Acquisition of vessels	(327,629)	(387)
Net proceeds from sale of vessels	3,728	153
Other	8	
	-----	-----
Net Cash used in Investing Activities	(323,893)	(245)

Cash Flows from (used in) Financing Activities:		
Proceeds from long-term debt	253,701	284

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Payments of long-term debt	(73,736)	(87)
Swap termination proceeds	-	1
Issuance of common stock, net of related expenses and capital contributions	141,640	
Issuance of restricted shares	-	3
Payment of financing costs	(2,715)	(2)
Dividends paid	(2,318)	(24)
	-----	-----
Net Cash from Financing Activities	316,572	173

Net increase (decrease) in cash and cash equivalents	9,123	(3)
Cash and cash equivalents at beginning of period	2,343	114
	-----	-----
Cash and cash equivalents at end of period	11,466	110
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	2,201	13
	=====	=====

SIGNATURES

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

TOP TANKERS INC.
(registrant)

Dated: November 10, 2005

By: /s/ Stamatis N. Tsantanis

Stamatis N. Tsantanis
Chief Financial Officer

23116.0001 #617134