American Shipping Company ASA

Q3 2020 financial results and company update

20 November 2020

Important information

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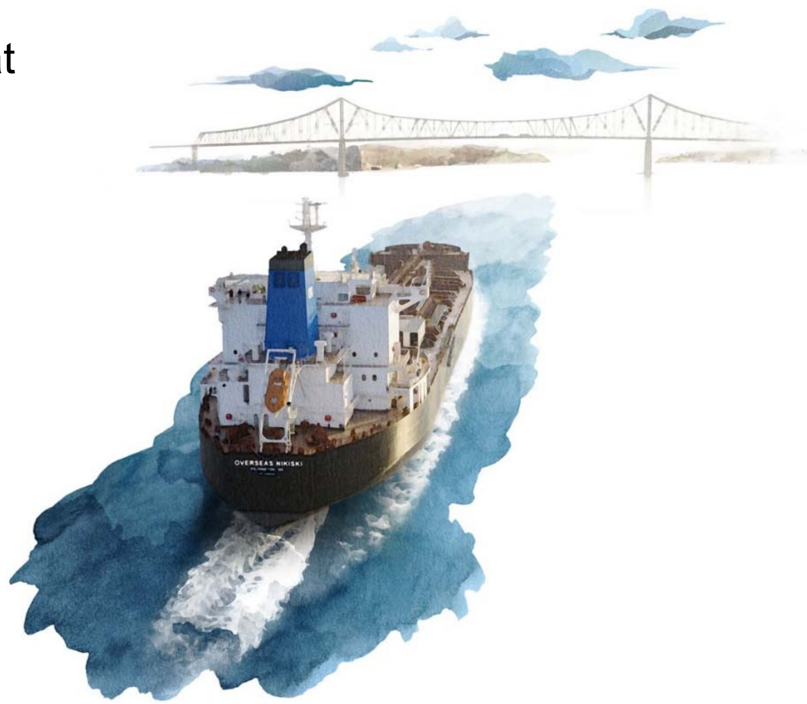
- Nothing herein shall create any implication that there has been no change in the affairs of American Shipping Company ASA ("AMSC" or the "Company") as of the date of this Company Presentation. This Company Presentation contains forward-looking statements relating to the Company's business, the Company's prospects, potential future performance and demand for the Company's assets, the Jones Act tanker market and other forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Company Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development.

Third quarter 2020 highlights

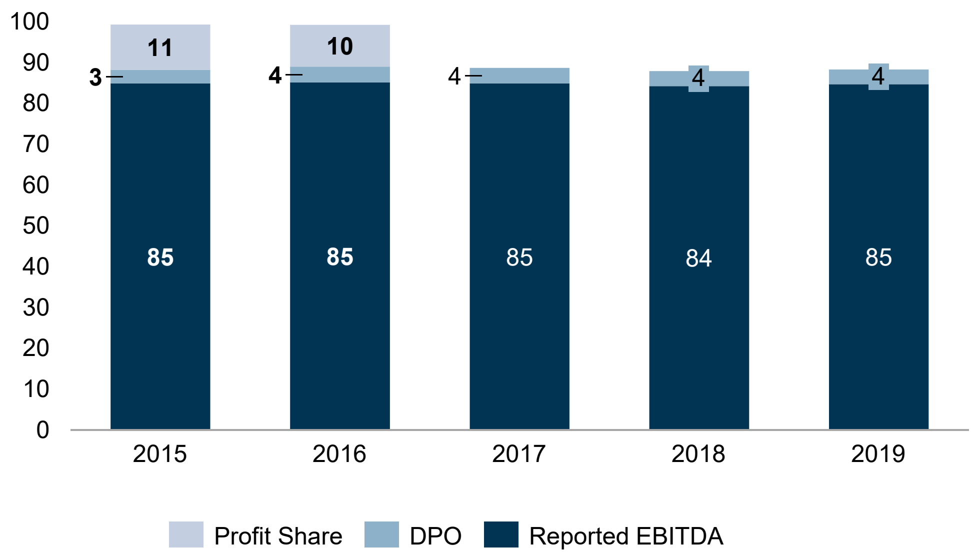
- Adjusted net profit of USD 4.6 million*
- Normalized EBITDA** of USD 22.4 million
  - DPO of USD 0.9 million
- Closed the USD 200m senior unsecured bond refinancing at a significantly lower coupon rate
- Paid increased dividends backed by the company's increasing free cash flow
- Declared Q3 dividend of USD 0.10 per share,
  - Ex-dividend date of 26 November 2020 with payment on or about 7 December 2020
  - Classified as a return of paid in capital



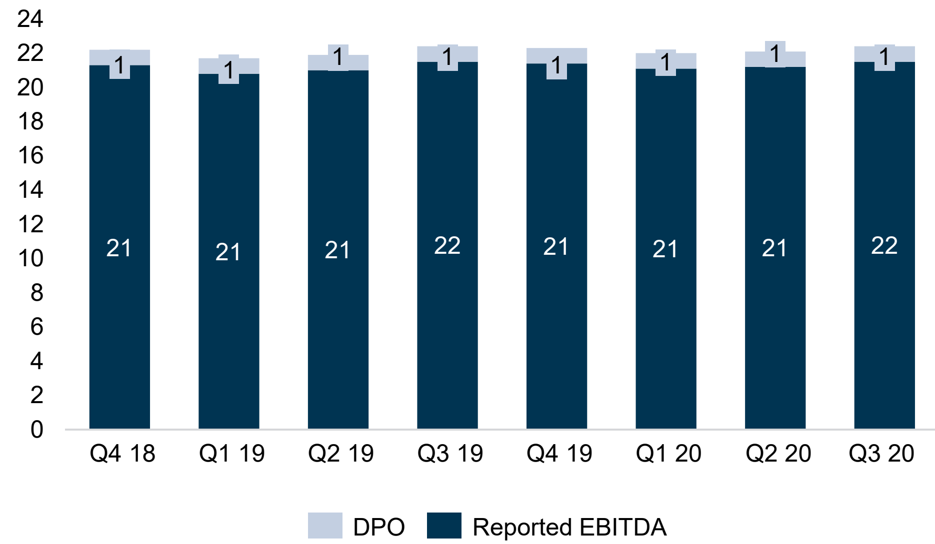
* Net profit after tax, adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax
** Includes DPO, reported EBITDA for Q3 20 is USD 21.5 million

Stable, predictable EBITDA

Normalized EBITDA (USD millions)



Normalized EBITDA per quarter (USD millions)



- Normalized EBITDA of USD 22.4 million in Q3 20 (USD 22.4 million in Q3 19)

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Fleet deployment overview

Long-term fixed rate bareboat charters to OSG secures cash flow

Vessel	Firm Charter	Options
Houston	BBC exp. 2022	BBC Options
Long Beach	BBC exp. 2022	BBC Options
Los Angeles	BBC exp. 2022	BBC Options
New York	BBC exp. 2022	BBC Options
Texas City	BBC exp. 2022	BBC Options
Boston	BBC exp. 2023	BBC Options
Nikiski	BBC exp. 2023	BBC Options
Martinez	BBC exp. 2023	BBC Options
Anacortes	BBC exp. 2023	BBC Options
Tampa	BBC exp. 2025	Options

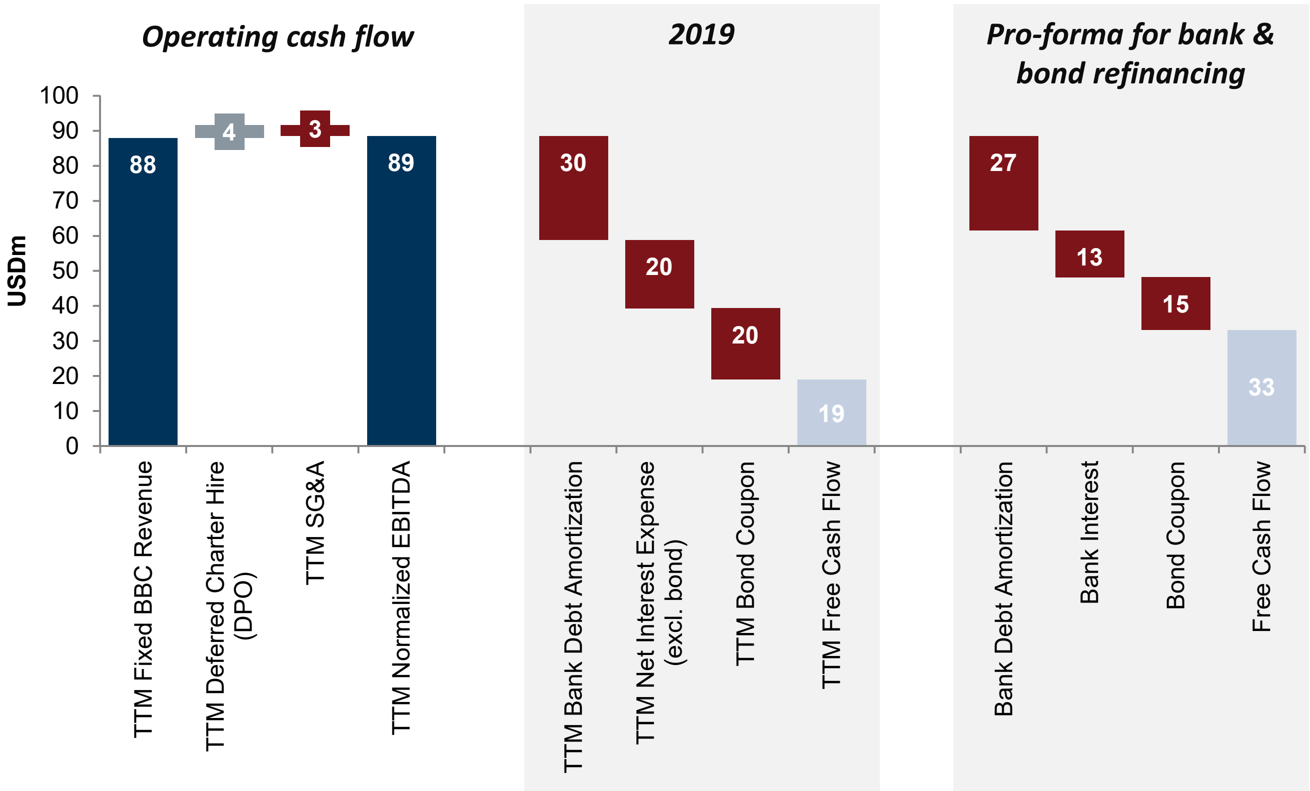
Jones Act end users

Shell, bp, Chevron, Phillips 66, Marathon Oil

- AMSC's fleet is on firm BB Charters to OSG with evergreen extension options
- AMSC receives fixed annual bareboat revenue of USD 88 million + ~50% of the profits generated by OSG under the time charter contracts
- OSG time charters the vessels to oil majors for U.S domestic trade

Illustrative cash flow waterfall

Simplified cash flow waterfall and pro-forma for recent bank and bond debt refinancing



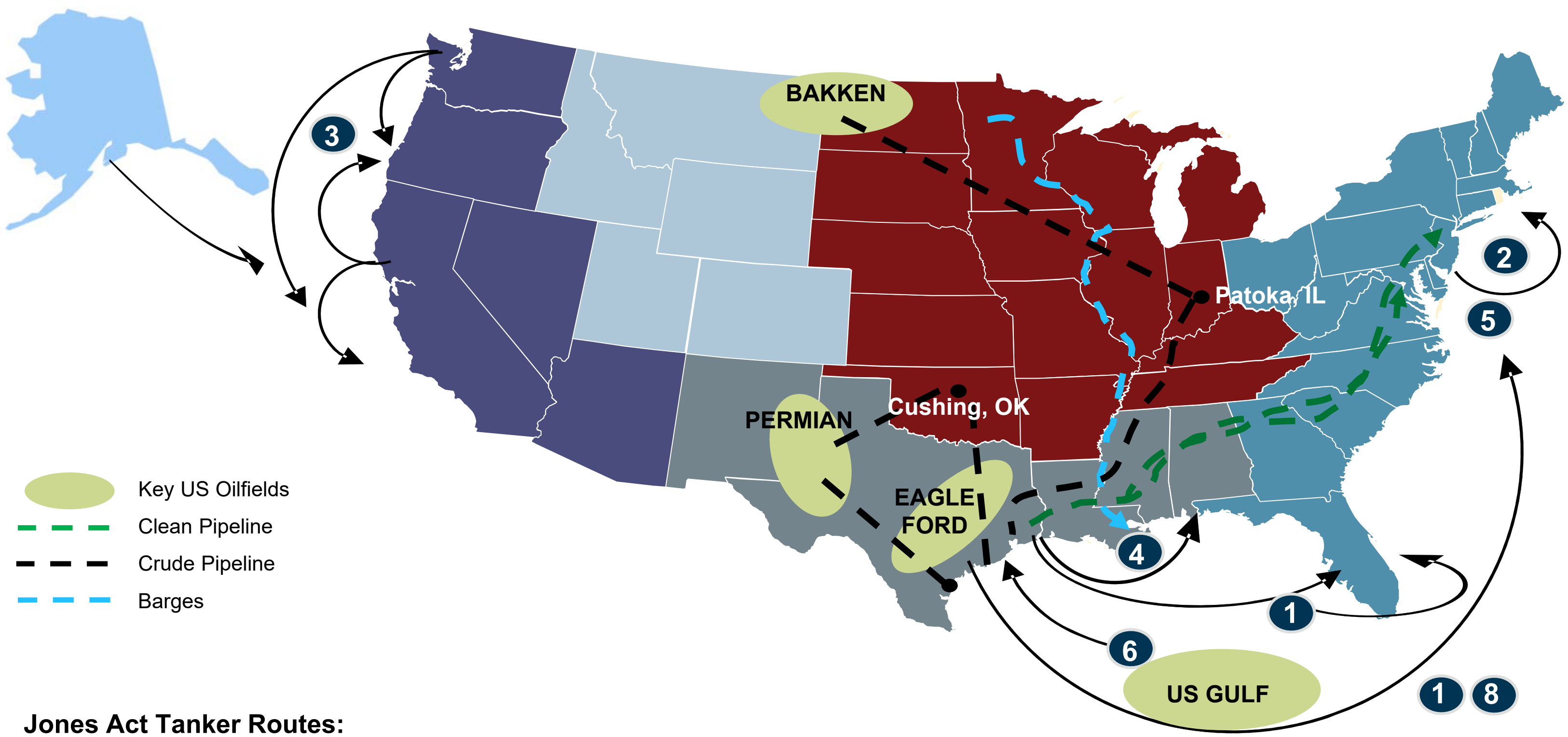
- Bareboat charters and DPO revenue (less SG&A) provides a comfortable cash flow for debt service and dividend capacity
  - Stable, low risk from fully chartered fleet
- Figures are pro-forma for the bank and bond debt refinancing are based on estimated next twelve months debt service

Bank and bond debt refinancing increases free cash flow substantially going forward

Note: Cash flow illustration excludes profit share. Bank debt interest pro-forma for refinancing calculated based on 0.49% LIBOR swap rate for USD 220m swapped amount and an assumed 0.75% LIBOR rate for the remaining bank debt. Bond Coupon at 7.75%.

A critical part of oil majors' transportation logistics

Jones Act crude oil & products primary trade routes



Jones Act Tanker Routes:

1. Gulf Coast refineries to Florida and East Coast (Clean)
2. Mid-Atlantic to New England (Clean)
3. Alaska and Intra-west coast movements (Clean/Dirty)
4. Cross-Gulf movements (Dirty)
5. Delaware Bay Lightening (Crude)
6. Shuttle tankers from deep water U.S. Gulf to Gulf Coast Refineries (Crude)
7. Crude from Corpus Christi, TX to LOOP (not shown)
8. Crude from Corpus Christie and Beaumont to Northeast

Source: Navigistics' Wilson Gillette Report

Current weakness in clean product demand expected to gradually recover during 2021

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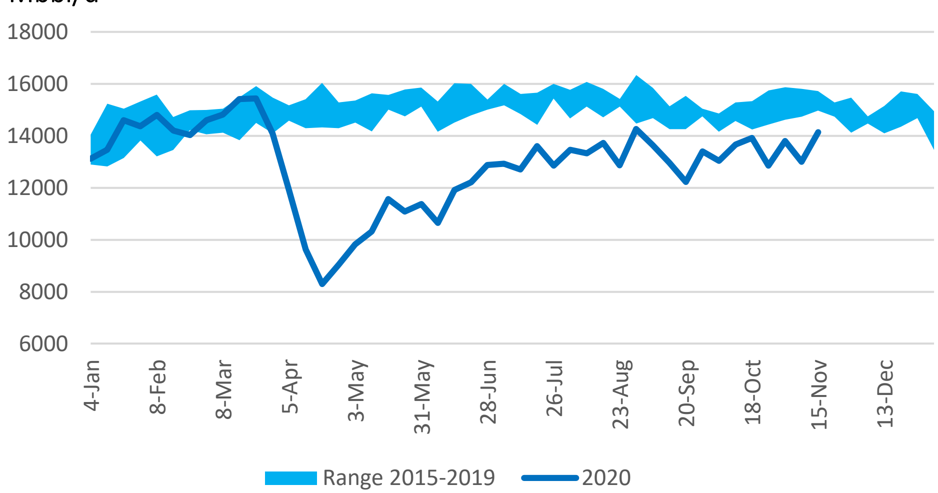
Drop in clean products demand already recovering

- Demand for clean products in the USA decreased by ~30% in Q2 2020
- Demand recovery during Q3 2020 has been significant
- Latest data suggests current demand is 11% below 5 year average
- EIA is forecasting a gradual recovery during 2021

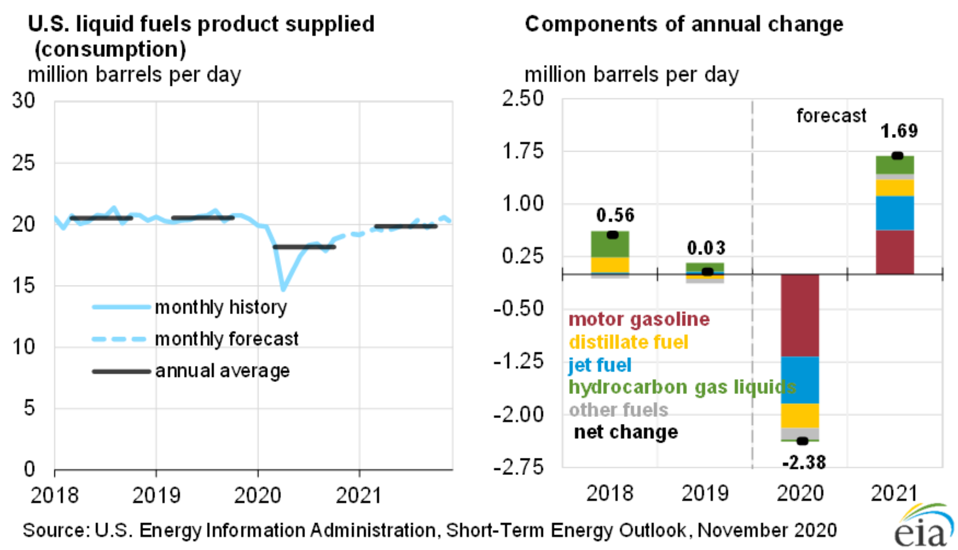
EIA forecast gradual recovery in 2021

- Clean products demand in the US is very stable over time
- Q2 and Q3 fuel demand has been severely impacted by “stay at home policies” across the US, caused by the Covid-19 pandemic
- Gasoline demand has mostly recovered as the economies has gradually opened up
- Demand for diesel is less impacted due its industrial nature being consumed by trucks, buses, machinery, etc.
- Demand for Jet fuel will likely suffer until commercial air traffic is back in favour

Total demand for Gasoline, Diesel and Jet fuel



Source: EIA Weekly Petroleum Status Report, November 2020

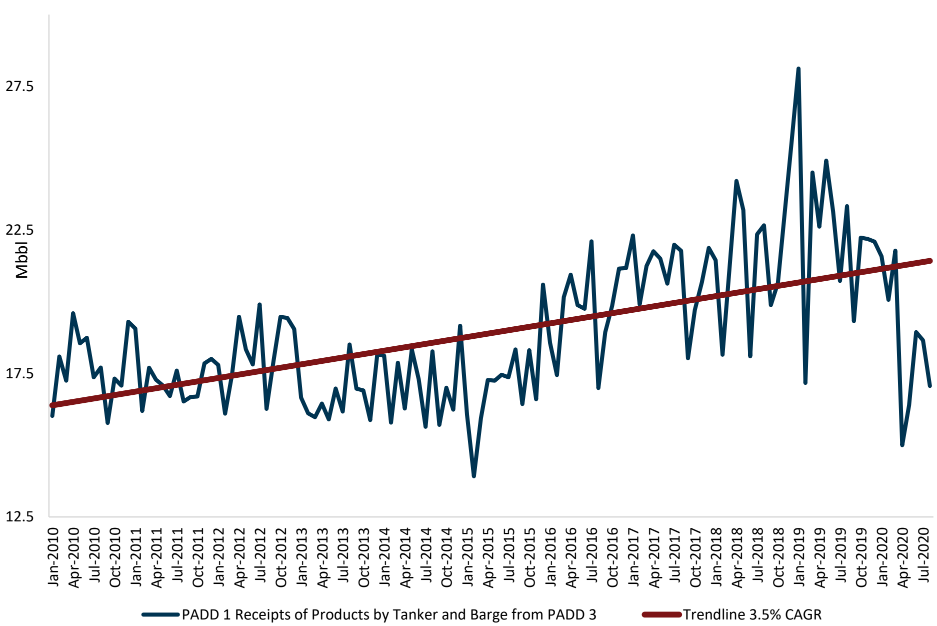


Clean products shipments to Florida reduced by COVID-19

Long-term trend of increasing marine transportation of clean products into Florida, reduced by COVID-19

- Increasing consumption of clean products in Florida is driving demand for Jones Act tanker shipments cross US Gulf
- Over the past 10 years this trade has grown with a CAGR of about 3.5%
- Impact from Covid-19 mitigating measures have significantly reduced shipments in 2020, but expected to gradually return to normal during 2021

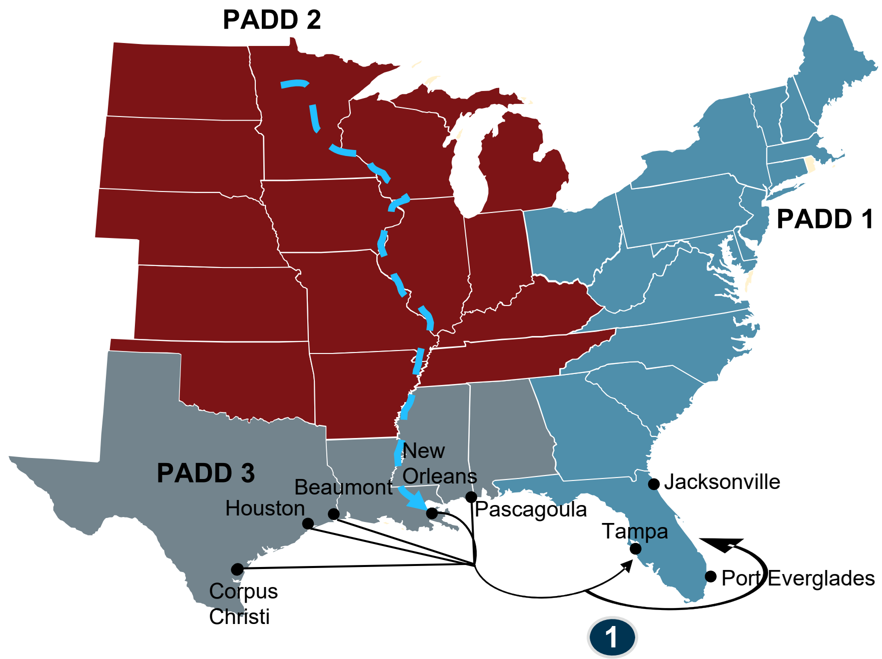
Mbbls per month



Sources: EIA, data through August 2020

Gulf Coast to Florida Trade Lane

- As Florida has no pipeline connection nor any refineries, all clean products consumed are supplied by sea
- Florida is sourcing 90% of its clean products demand on a Jones Act tanker from US Gulf refineries
- Florida consumption is split 65-70% Gasoline, 15-20% Diesel and 10-15% Jet fuel



Crude trade to Northeast has remained strong despite COVID-19, may face increased volatility in the short term

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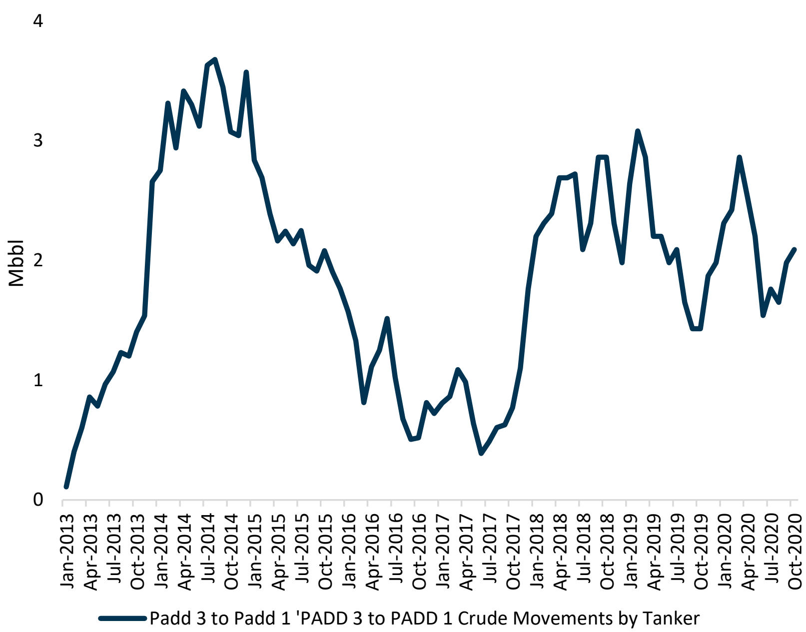
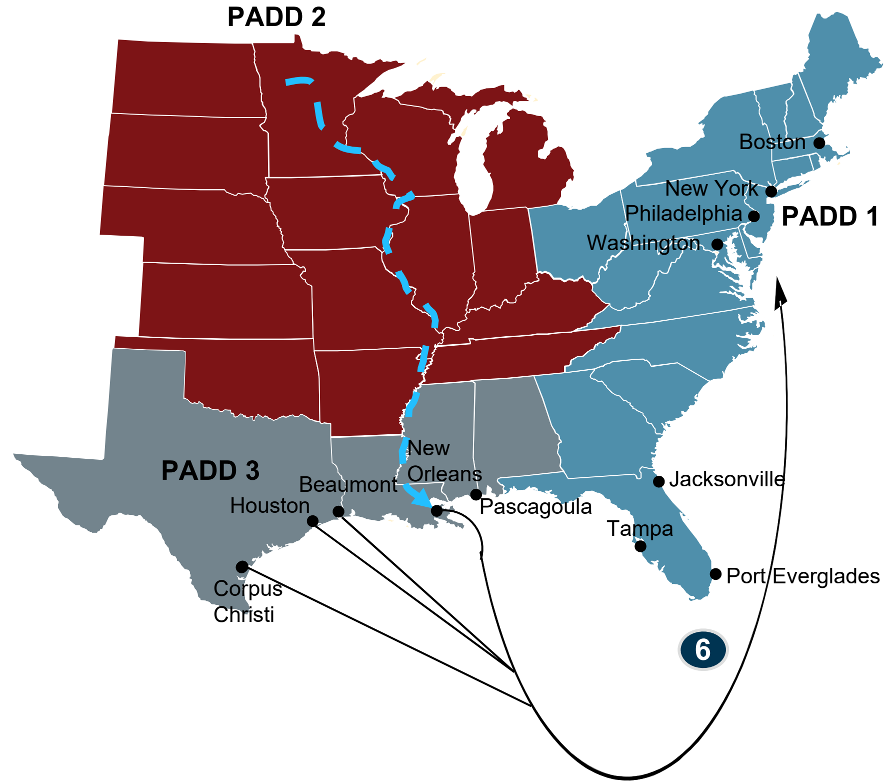
PADD 3 to PADD 1 Crude Oil Moves by Tanker and Barge (3 month moving average)



Trade lane carrying Crude from Gulf Coast to U.S. Northeast

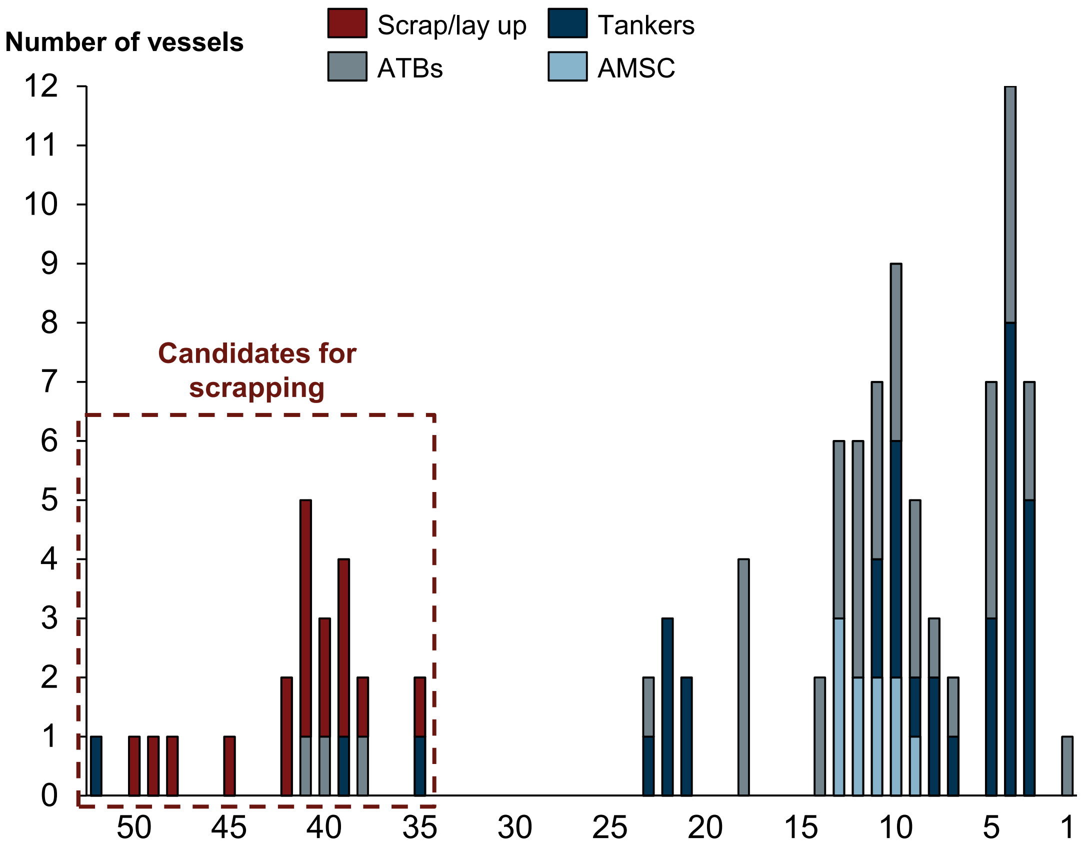


- Historically, volumes have been driven by spread in pricing of U.S. Crude Oil vs. international alternatives
- Low crude oil price and falling US oil production is potentially increasing oil price spread volatility going forward

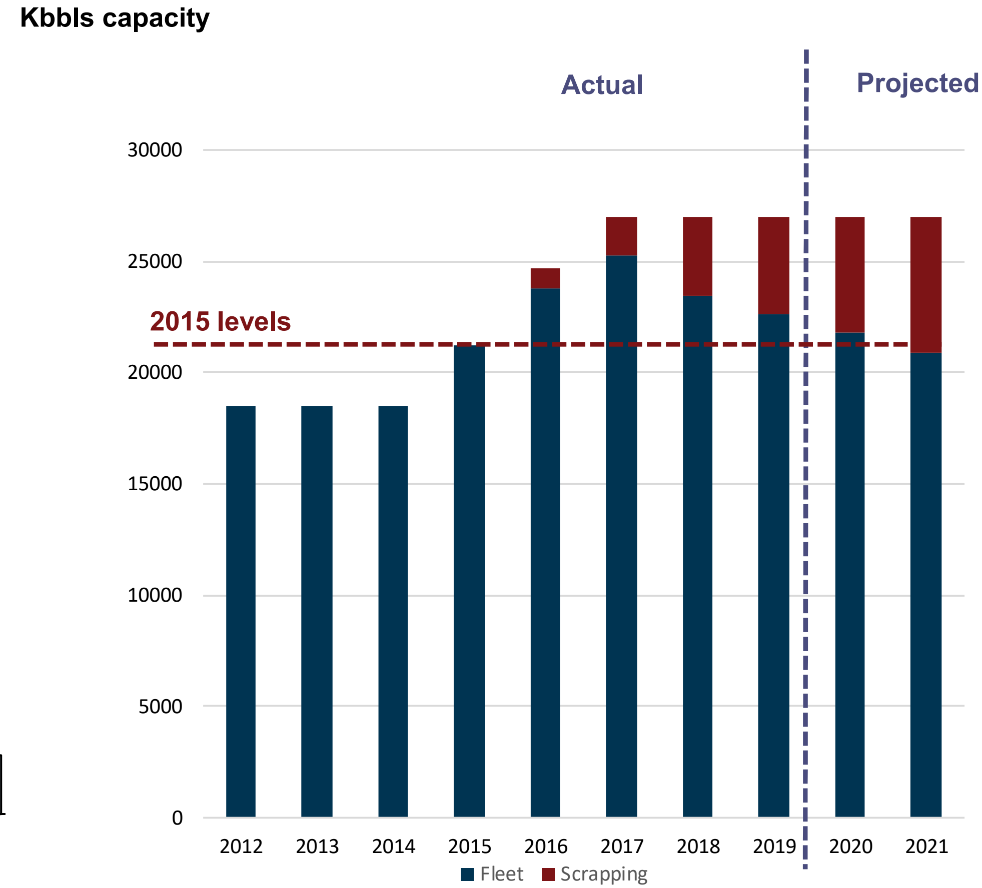
Source: EIA, Marine Traffic and AMSC analysis

Fleet reduction as scrapping continues

Fleet profile by vessel age



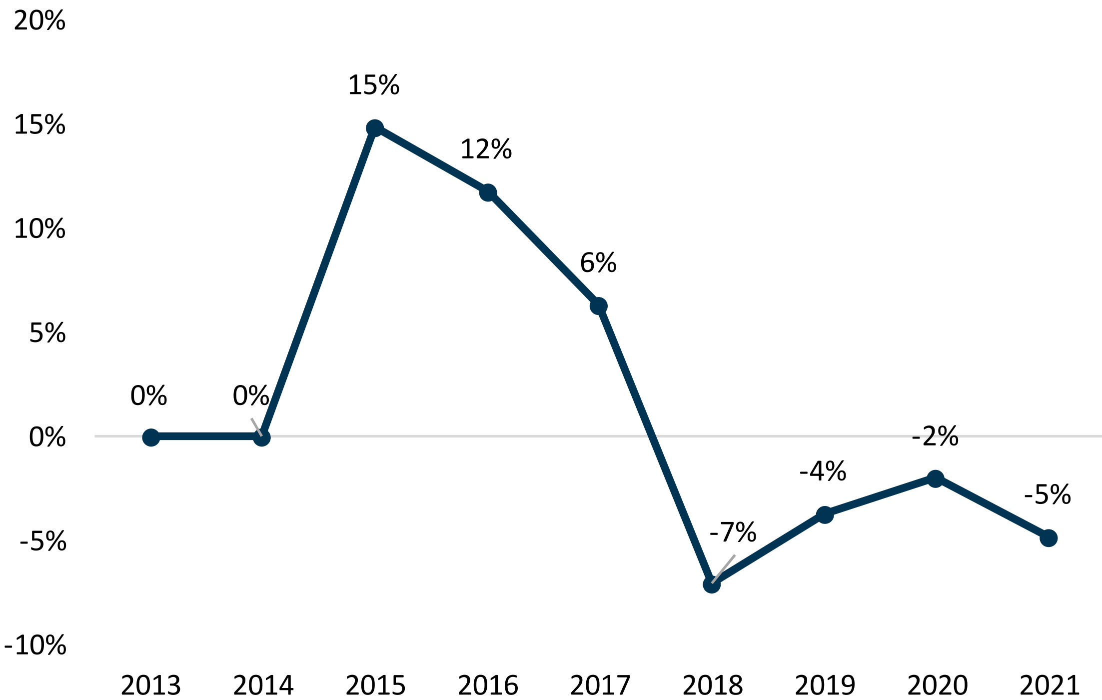
Considerable fleet growth in past years, but scrapping has already reduced active fleet to 2015 levels



Source: Navigistics' Wilson Gillette Report September 2020, broker reports and AMSC analysis

Negative fleet growth

Net capacity reduction driven by scrapping and limited orderbook



- Since 2016, five tankers and thirteen ATBs has been scrapped, sold for operations outside the Jones Act market or gone into definite lay-up
- The entire JA tanker orderbook consist of two small barges for delivery in 2020 and no new tankers expected in the next five years
- Yard capacity for tankers are limited with NASSCO mainly building navy ships and Philly Shipyard building MARAD Training Ships
- Likely delivered cost for a newbuild is now around USD150m with first available delivery slot in 2025
- Sustainable multi-year TC rates of ~USD70,000 per day required to justify newbuilds

Source: Navigistics' Wilson Gillette Report September 2020, broker reports and AMSC analysis

Income Statement (unaudited)

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Figures in USD million (except share and per share information)	Q3 2020	Q3 2019
Operating revenues	22.2	22.1
Operating expenses	(0.7)	(0.6)
Operating profit before depreciation - EBITDA	**21.5**	**21.5**
Depreciation	(8.6)	(8.5)
Operating profit - EBIT	**12.9**	**13.0**
Net financial expense	(19.0)	(10.0)
Unrealized gain/(loss) on interest swaps	(0.5)	0.1
Net foreign exchange gain / (loss)	-	-
Profit/(loss) before income tax	**(6.6)**	**3.1**
Income tax expense	(0.2)	-
Non-cash income tax benefit/(expense)	2.3	(0.2)
Net profit / (loss) for the period *	**(4.5)**	**2.9**
Average number of common shares	60,616,505	60,616,505
Earnings/(loss) per share (USD)	**(0.07)**	**0.05**

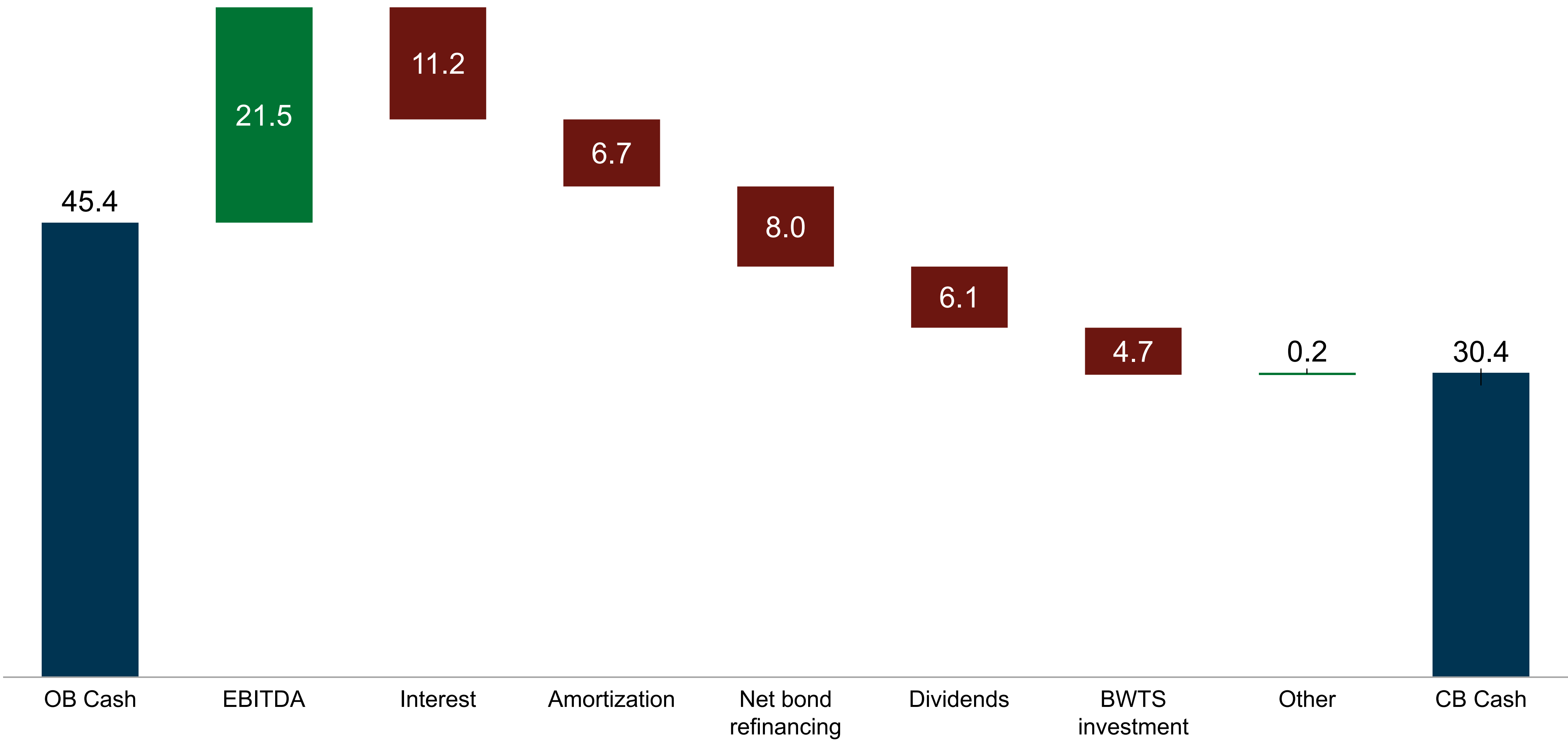
*Applicable to common stockholders of the parent company

Balance Sheet (unaudited)

Figures in USD millions	30.09.2020	30.09.2019
Vessels	658.1	686.5
Interest-bearing long term receivables (DPO)	23.8	25.3
Trade and other receivables	0.1	0.1
Cash held for specified uses	0.5	2.4
Cash and cash equivalents	29.9	50.5
TOTAL ASSETS	**712.4**	**764.8**
Total equity	147.5	166.0
Deferred tax liabilities	8.9	12.7
Interest-bearing long term debt	532.3	538.5
Derivative financial liabilities	1.6	0.9
Capitalize Fees	(9.2)	(5.3)
Interest-bearing short term debt	26.8	41.6
Deferred revenues and other payables	4.6	10.4
TOTAL EQUITY AND LIABILITIES	**712.4**	**764.8**

Cash position decreased during the quarter

CASH DEVELOPMENT IN 3Q 20 (USD millions)



Summary – long term stable business model despite short term volatility imposed by Covid-19

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LONG TERM CONTRACTS PROVIDE STABLE CASH FLOW

- Bareboat contracts provide strong and stable cash flows
- Likely to continue with OSG for many years through evergreen extension options
- Most cost competitive fleet reduces re-chartering risk

SHORT TERM DEMAND REDUCTION DUE TO COVID-19

- Crude trade from U.S. Gulf to the U.S. Northeast may weaken in the short term
- Reduced demand on clean trade into Florida, but likely to recover during 2021
- Jones Act tanker market expected to recover despite current volatility

REDUCING FLEET CAPACITY WITH NO YARD AVAILABILTY

- Slim orderbook with only one replacement barges for delivery late 2020
- No available yard capacity to build Jones ACT tankers until 2025 or later
- Negative fleet growth expected next year as scrapping of old tonnage continues

STRONG AND IMPROVING FINANCIAL PERFORMANCE

- Modest loan to asset values and healthy credit metrics
- Contracted cash flow providing solid debt service coverage
- Significant free cash flow generation