



American Shipping Company ASA



SEB Nordic Seminar
8-10 January 2018

Important information

- This Company Presentation is current as of January 2018. Nothing herein shall create any implication that there has been no change in the affairs of American Shipping Company ASA ("AMSC" or the "Company") since such date. 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.

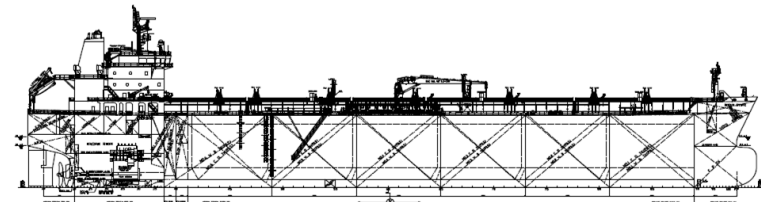
American Shipping Company (AMSC)

AMSC Snapshot

- Established in 2005
- Oslo listed with mcap. of USD ~180m*
 - OSE ticker: AMSC
 - U.S. OTC ticker: ASCJF
 - Bond ticker: AMTI01
- Pure play Jones Act tanker owner with a modern tanker fleet
- Long-term bareboat leases generate stable, predictable cash flow
- Solid balance sheet with no debt maturities before Q4 2020
- Exploring growth and diversification opportunities in the U.S. Jones Act market
- Admitted to OTCQX International to increase awareness and public profile among U.S. investors

Fleet overview

#	Vessel	Design	Type	Built
1	Overseas Houston	Veteran Class MT 46	MR	2007
2	Overseas Long Beach	Veteran Class MT 46	MR	2007
3	Overseas Los Angeles	Veteran Class MT 46	MR	2007
4	Overseas Anacortes	Veteran Class MT 46	MR	2008
5	Overseas Texas City	Veteran Class MT 46	MR	2008
6	Overseas Boston	Veteran Class MT 46	MR	2008
7	Overseas Nikiski	Veteran Class MT 46	MR	2009
8	Overseas Martinez	Veteran Class MT 46	MR	2010
9	Overseas New York	Veteran Class MT 46	MR	2010
10	Overseas Tampa	Veteran Class MT 46 Shuttle tanker		2011



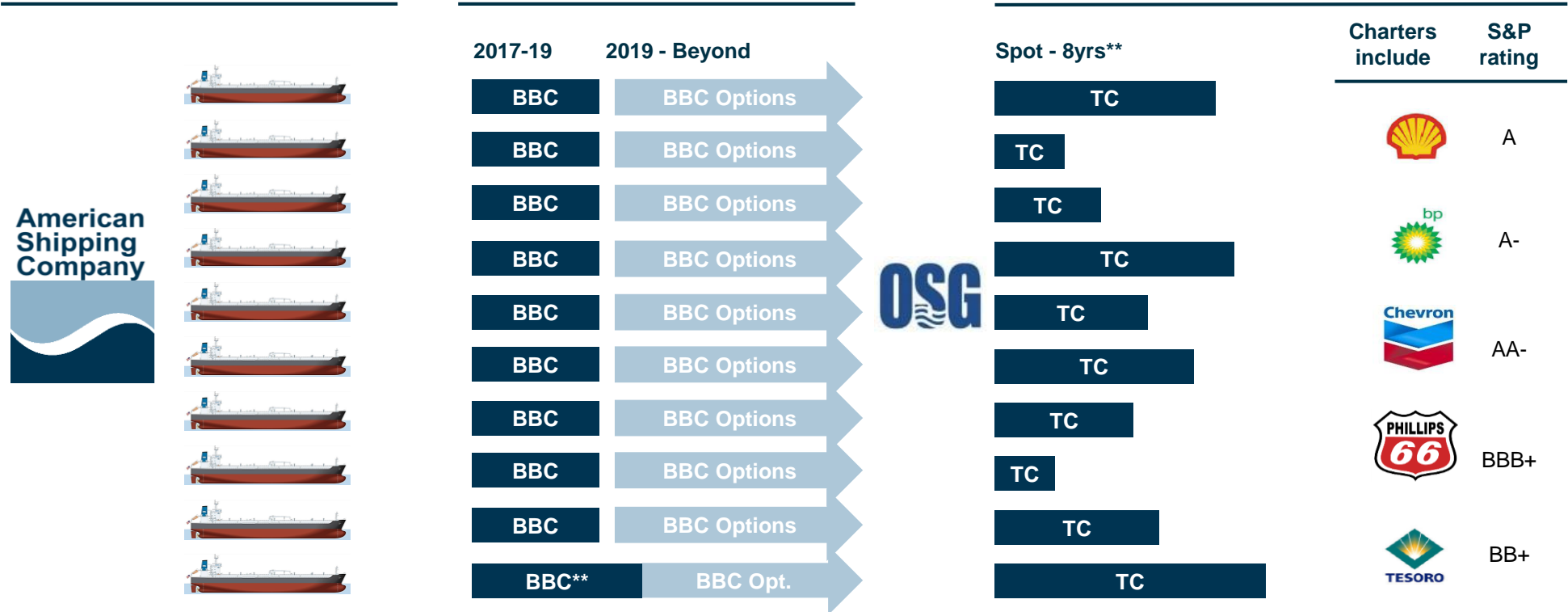
* Market cap. based on closing share price of NOK 23.9 per January 3rd, 2018

Long Term Contracts Returning Stable Cash Flow

American Shipping Company

Bareboat charter to OSG

TCs to blue chip charterers*



Bareboat Charter (fixed rate of USD ~88m/year)

+

DPO (fixed deferred charter hire, USD ~4m/year)

+

Profit Split (variable 50/50 sharing of profits)

=

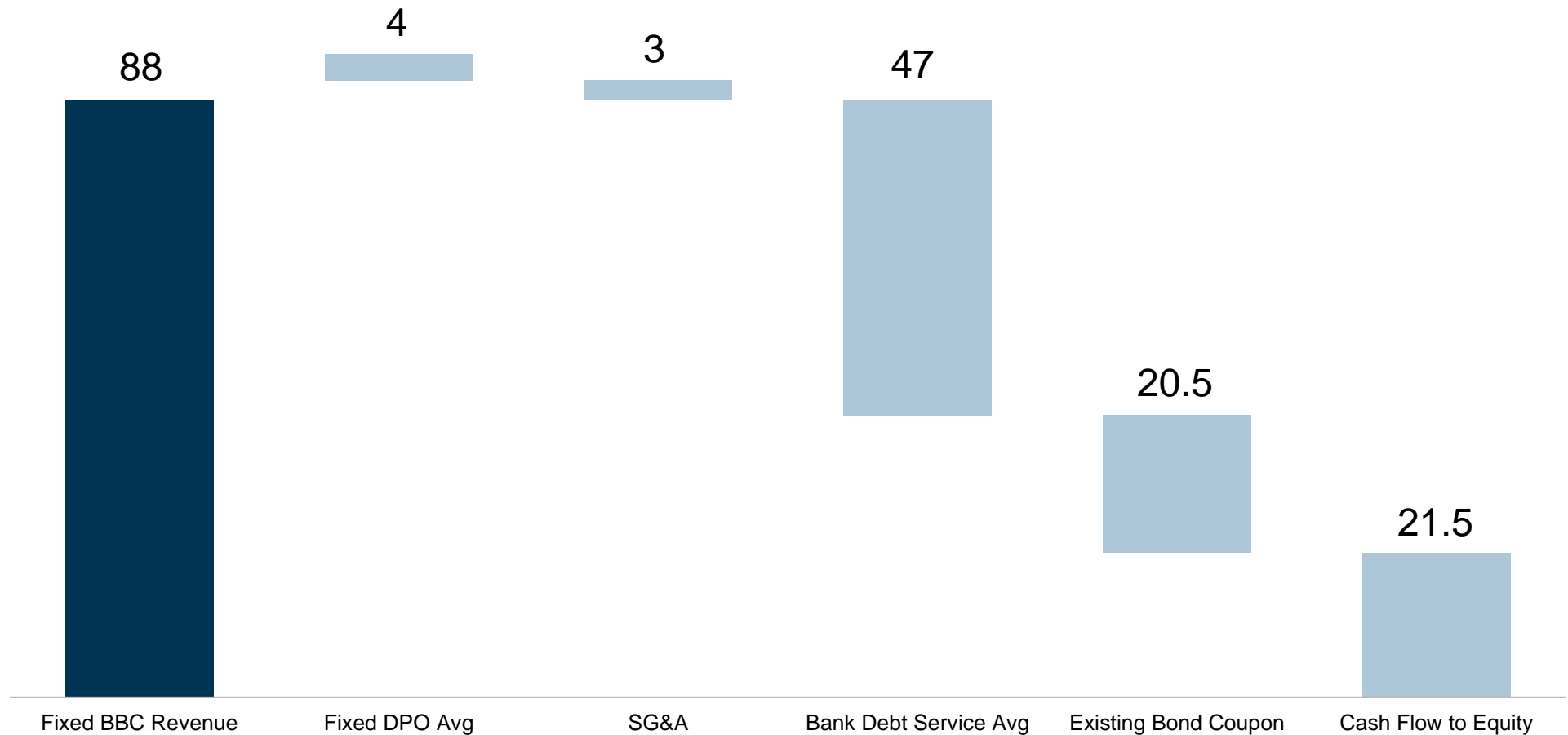
Stable annual cash flows

*Illustrative TC contract duration

**Tampa was converted to a shuttle tanker and is on a 10 year BBC backed by a 10 year TC

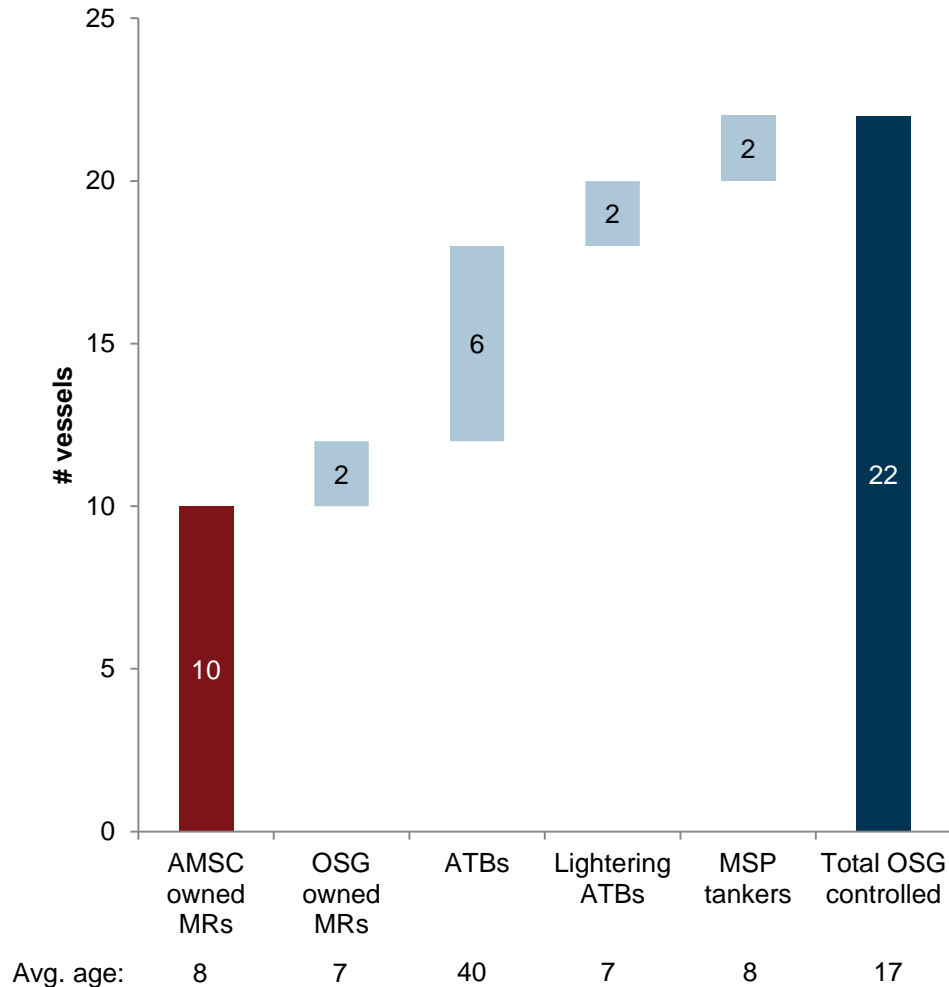
Stable, Predictable Cash Flow

Simplified illustration of AMSC's annual cash flow *excluding* profit share (USDm)



Integral Part of OSG's Fleet

AMSC's tankers is a substantial part of OSG's fleet

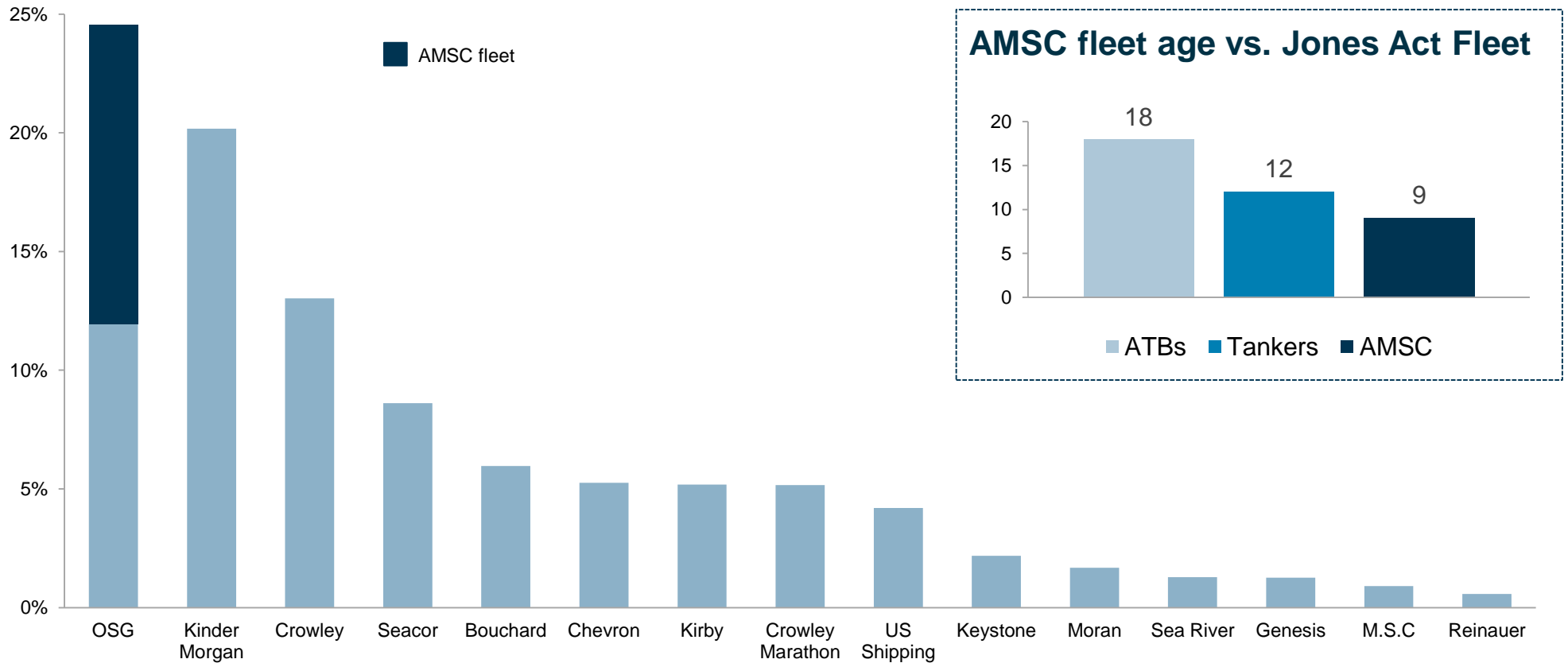


AMSC is important to OSG

- OSG is a pure-play Jones Act company following its spin-off of its international fleet into International Seaways Inc.
- AMSC's 10 vessels are a core part of OSG's Jones Act tanker fleet
- The AMSC fleet represent ~30% of all modern Jones Act tankers below 10 years (36 in total including newbuilds)
- The AMSC fleet is the most cost-efficient modern fleet in the Jones Act tanker market due to favourable construction cost compared to newbuilds delivered today

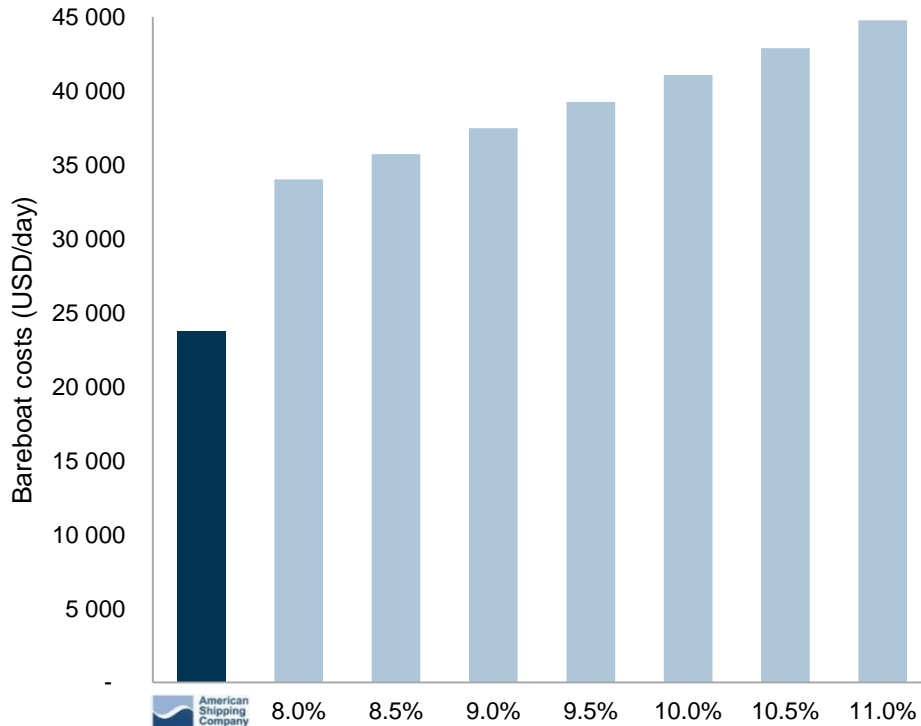
A Major Component of the Jones Act Fleet

Jones Act tanker & ATB ownership based on carrying capacity



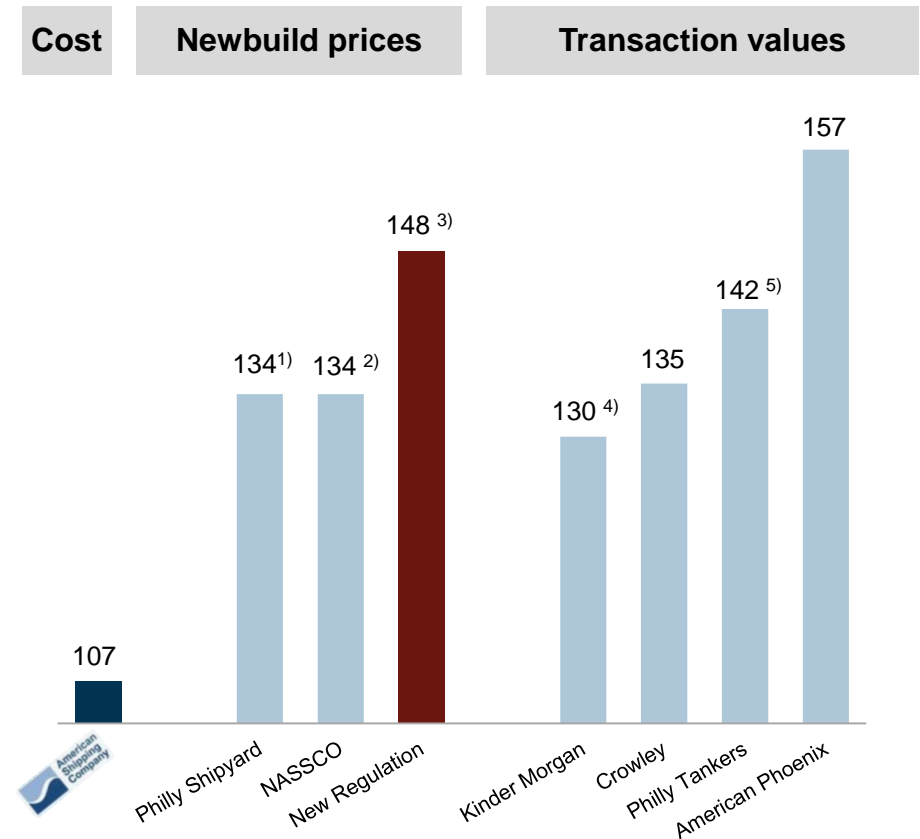
Competitive Position Reduces Re-Chartering Risk

AMSC can offer charters at attractive levels...



Annual bareboat costs given various total capital IRRs with newbuild cost @ USD 134m

...due to substantially discounted acquisition costs

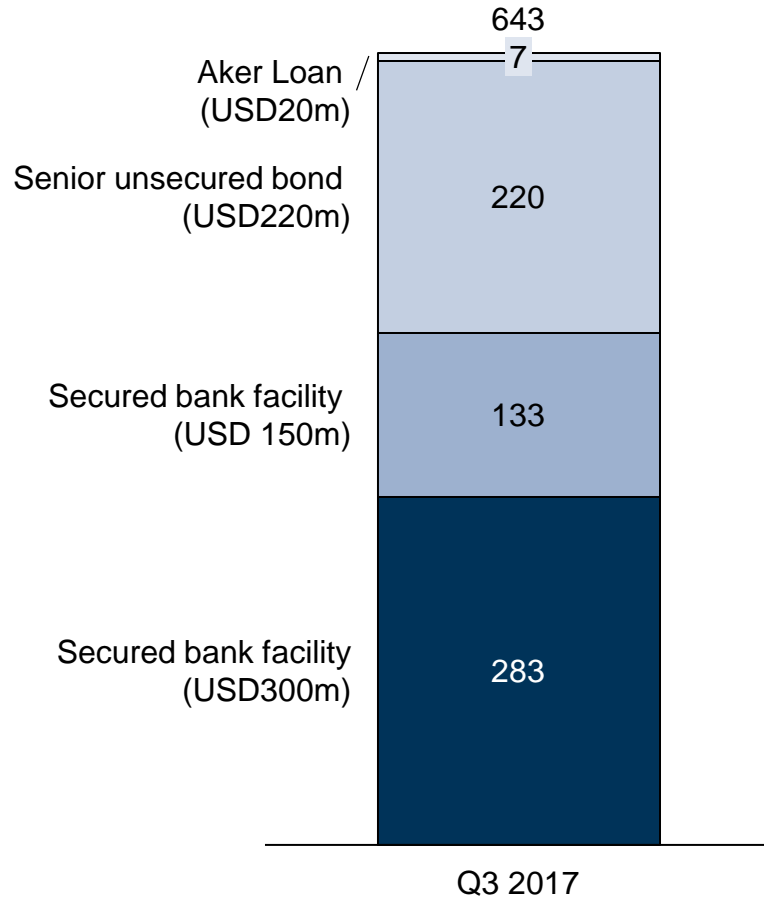


- Notes:
- 1) Based on Philly Tankers
 - 2) Based on newbuild cost for the tankers delivered to American Petroleum Tankers (Golden State excluded due to cost overrun)
 - 3) New regulation adds NOx emission requirement that estimated will increase cost to USD 145-150m
 - 4) Based on total consideration for 9 vessels, including additional expenses incurred by Kinder Morgan for taking delivery
 - 5) Based on average price for 4 vessels

Source: Company materials

Fully Financed until Q4-2020

Current debt structure (USD million)



Key terms on funding

Bank debt

- Average weighted tenor: 6 years (80% of the loan amount with 5 year tenor and 20% with a 10 year tenor)
- Average weighted interest cost: Libor + 325 bps margin
- Total annual installments:
 - Y1: USD 8.3m
 - Y2-4: USD 28.3m (annually)
 - Y5: USD 44.3m (expect to refinance after year 4)

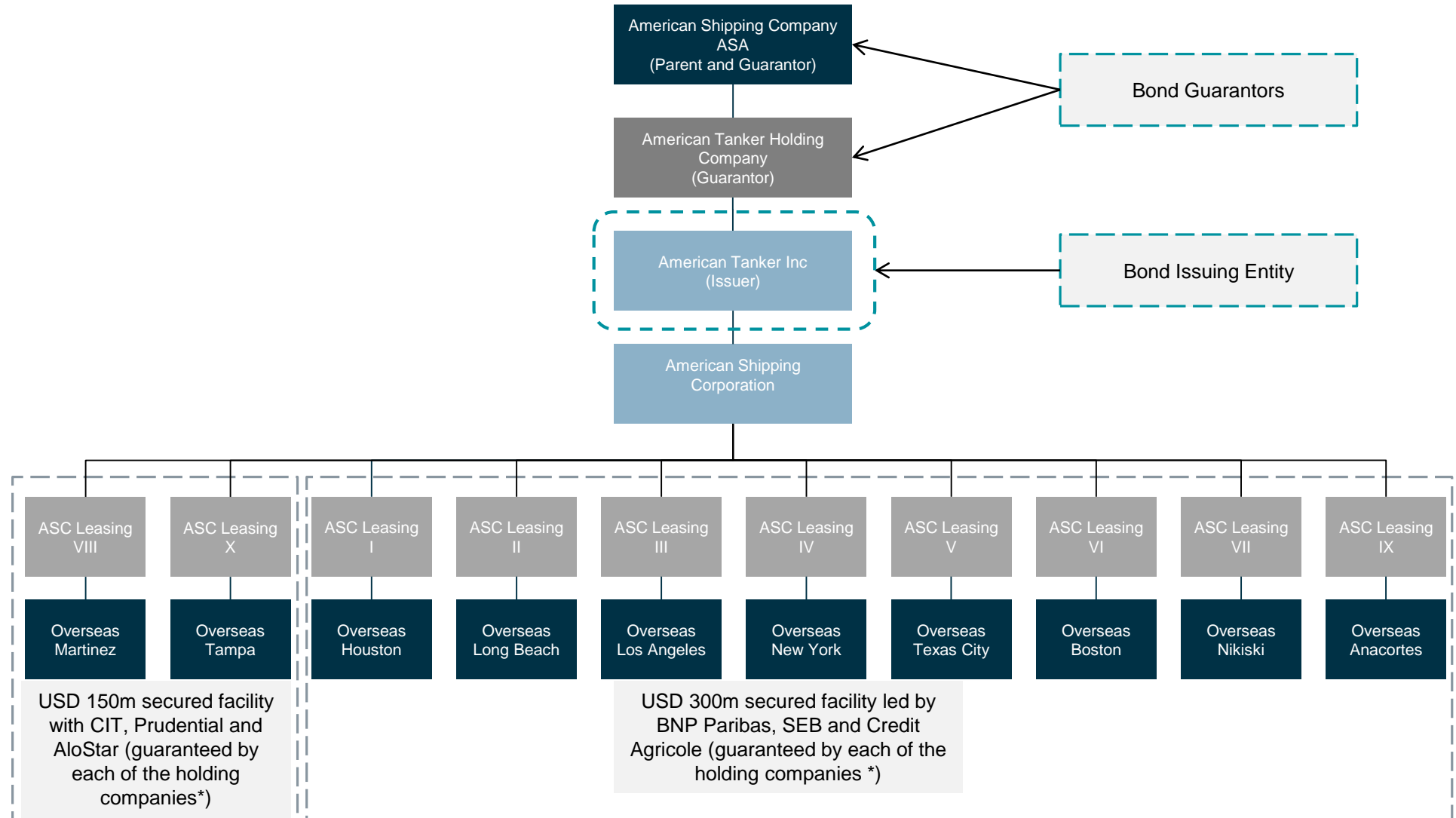
Unsecured bond

- 9.25% fixed rate, semi annual installments
- Senior unsecured debt with maturity Feb 2022
- Ammortization commencing at 42 months of USD 20m per year
- Covenants include minimum cash, maximum debt restrictions and dividends incurrence test

Aker loan

- Accruing interest of 10.25% with maturity in 4Q 2020
- Will be repaid by proceeds from Philly Tankers

Company Structure



Focus on Growth and Increased Visibility

Fully Refinanced and Exploring Growth

- Senior debt refinanced in Q4-15
- USD 220 million bond launched in Q1-17
- First debt maturity in Q4-20
- Shift in focus to explore growth opportunities with the aim to:
 - Diversify customer base
 - Vary lease maturities
 - Expand fleet
 - Enter new marine segments
- AMSC has access to different sources of capital interested in exploring Jones Act lending and investment opportunities

Admitted to OTCQX

- U.S. ticker: ASCJF
- Ability to trade AMSC stock in USD through U.S. brokerage accounts
- Create awareness of AMSC among U.S. retail and professional investors
- Increase the availability of information about AMSC to create better transparency for U.S. investors
- Broadly distribute AMSC company updates across multiple financial / investing platforms
- Leverage value-added services of OTC Markets offered in connection with OTCQX, including online conferences, video interviews, and social media coverage

Overview of the Jones Act

The Jones Act has been in place since 1920...

- The Jones Act generally restricts the marine transportation of cargo and passengers between points in the United States to vessels that meet the following criteria:
 - Built in the United States
 - Registered under the U.S. flag
 - Manned predominately by U.S. crews
 - At least 75% owned and controlled by U.S. citizens
- AMSC's operation in the Jones Act market is made possible by the lease finance exception of the Jones Act
- Essential feature of U.S. national security, ensuring non-dependency of ships controlled by foreign nations
- Large U.S. employer

...and is a vital part of the U.S. economy

100,000,000,000

USD 100bn contribution to the U.S. domestic economy

30,000,000,000

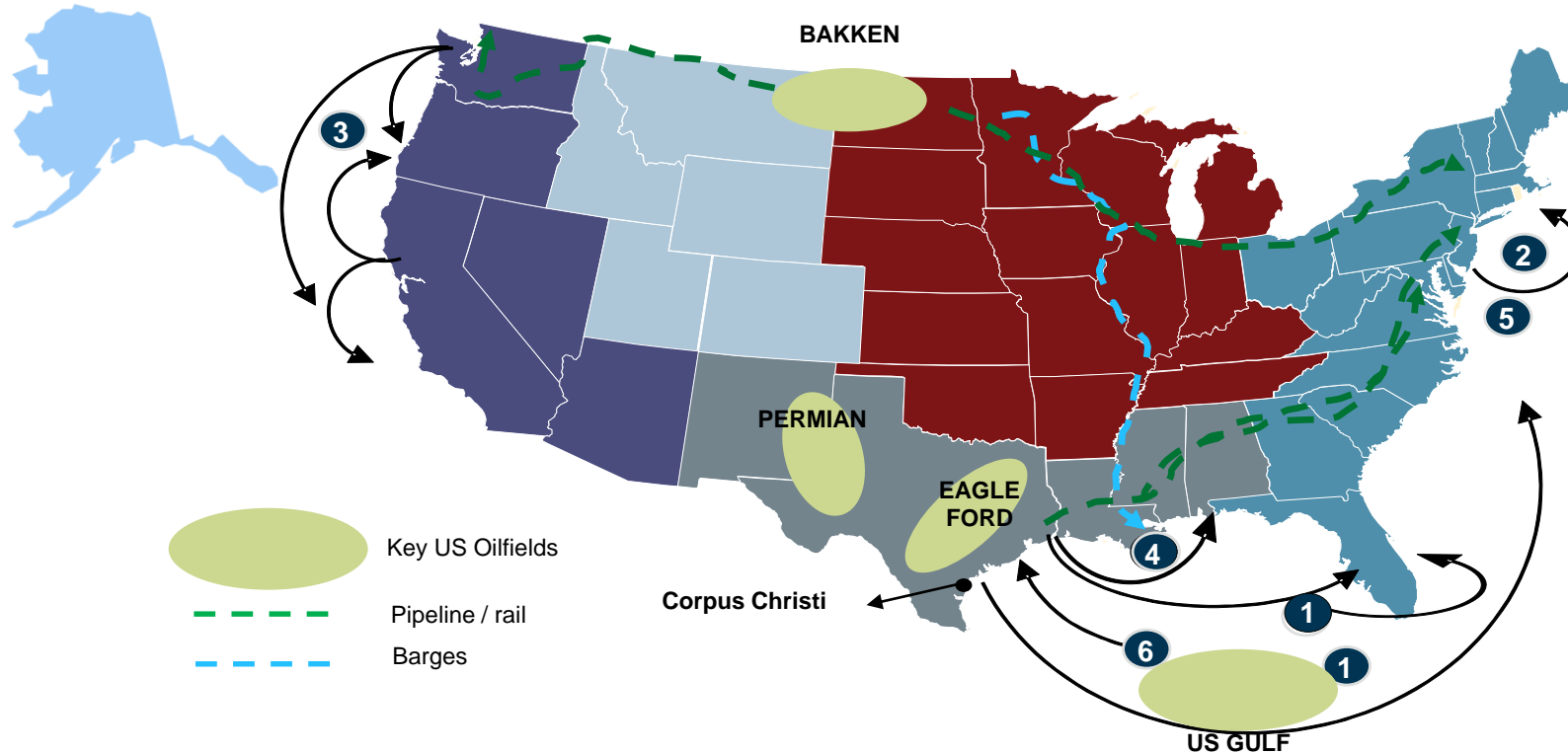
USD 30bn total investments in over 40,000 vessels

400,000

jobs directly and indirectly impacted by the U.S. maritime industry

A Critical Part of Oil Majors' Transportation Logistics

Jones Act crude oil & products primary trade routes

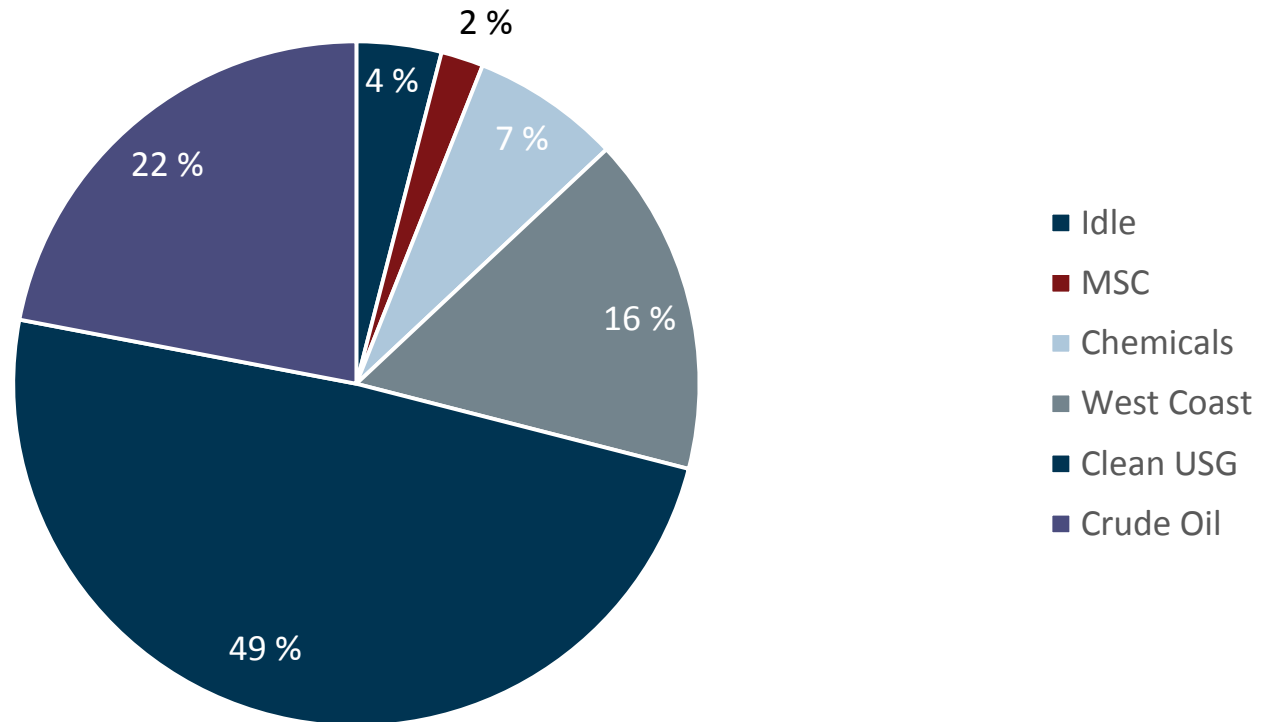


Jones Act Tanker Routes:

- 1 Gulf Coast refineries to Florida and East Coast (Clean)
- 2 Mid-Atlantic to New England (Clean)
- 3 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)

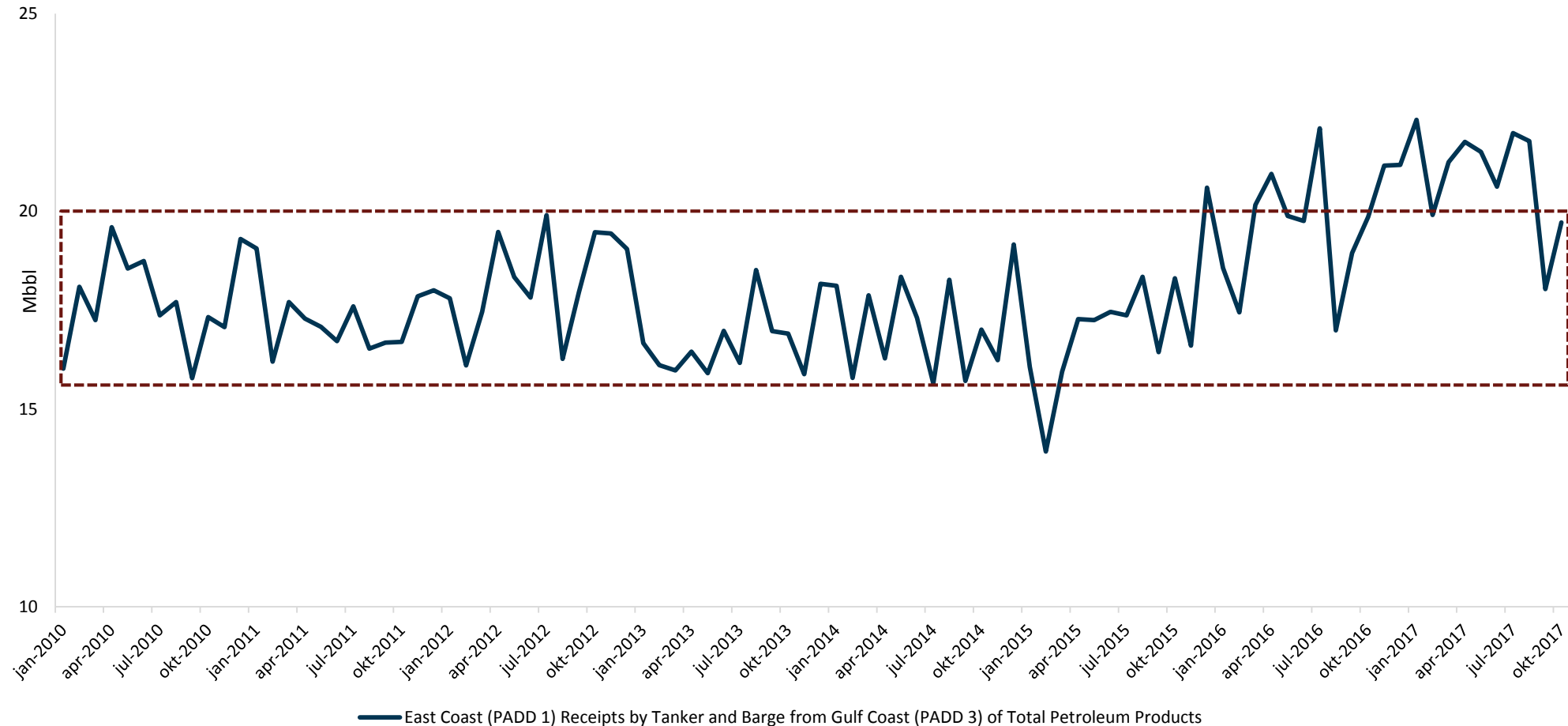
Majority of Fleet carry Clean Products

Jones Act tanker fleet deployment by main trades (Tankers and ATBs)



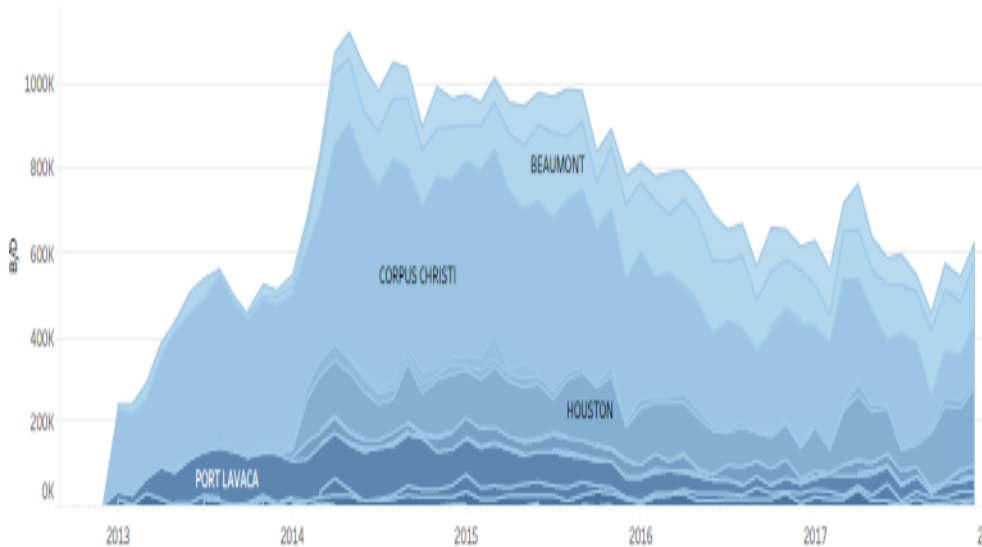
Stable Clean Product Volumes

Seaborne products transport from Gulf Coast to East Coast is very consistent (Mbbls per month)



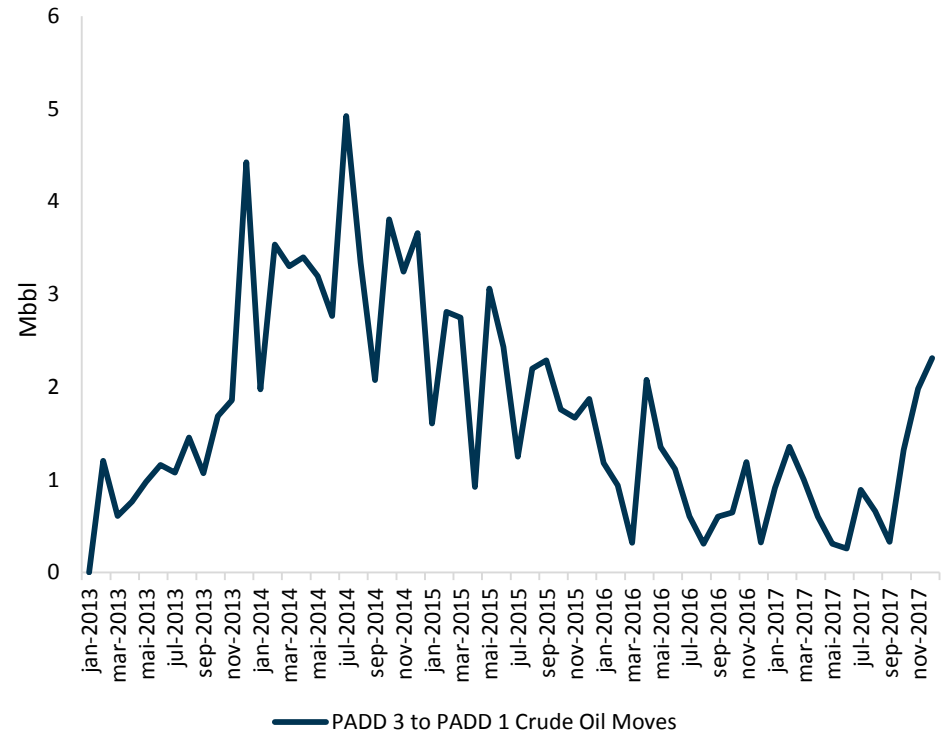
Crude Shipping Volumes Stabilizing Intra Gulf whilst Returning to Peak Levels on East Coast

Intra PADD 3 Crude Oil Moves by Area of Loading, (KBD's)



- JA USG loading of 650m bbls per day utilizes ~11 vessels for USG crude trade (assuming 5 days roundtrip)
- Volumes poised to recover

PADD 3 to PADD 1 Crude Oil Moves by Tanker and Barge (Mbbbls per month)

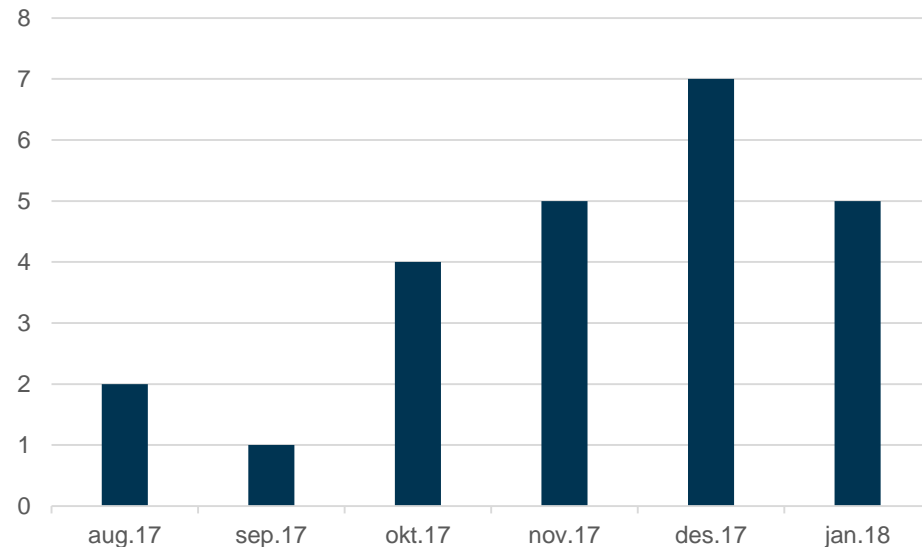


- Volumes in East Coast trade is back to ~5 tankers, up from ~1 tanker during 2017
- Volumes driven by spread in pricing of US oil vs international alternatives

- Argus Houston vs. Bonny Light

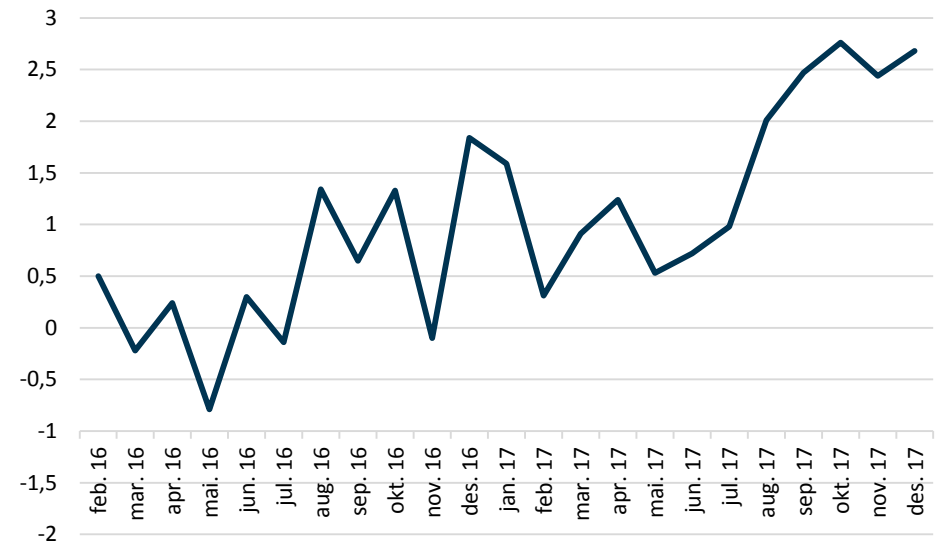
Oil Price Spread - Key Driver for Increase in PADD 3 to PADD 1 Crude Shipping Volumes

PADD 3 to PADD 1 Crude Oil Moves by Number of Tanker Liftings



- Steady cargo growth in Q4 2017
- ~ 5 tankers in shuttle activity from U.S. Gulf up to North East refineries
- 5x cargoes in transit to date in 2018

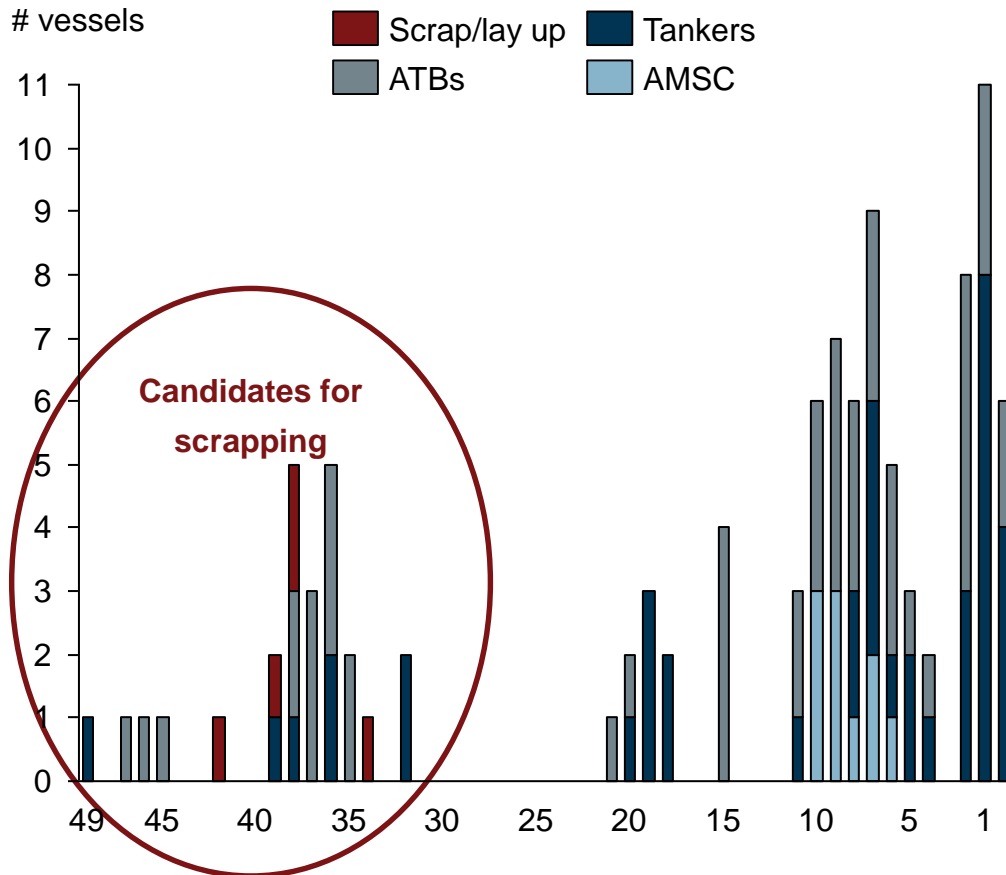
Crude Oil Price Spread - Argus Houston vs. Bonny Light



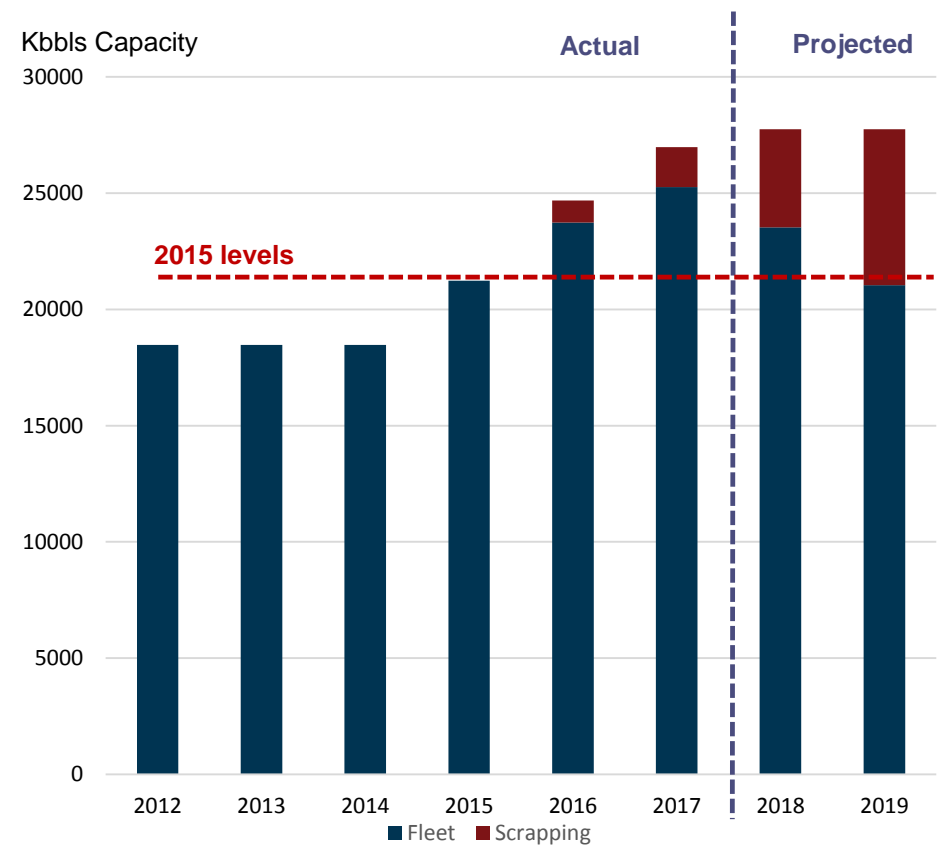
- Crude loaded in Houston vs. West Africa needs to be minimum \$1.50 cheaper to be competitive for U.S. East Coast Refiners
- Spread has been sufficiently wide since Aug/Sept 2017

Limited Remaining Fleet Growth and Scrapping Continues

Fleet profile by vessel age



Considerable fleet growth over the last 3 years, but scrapping likely to bring fleet back to 2015 levels



Investment Highlights

Highlights

INCREASED DEMAND IN KEY TRADES

- Increased crude shipments from U.S. Gulf to the U.S. North East
- Intra gulf volumes crude stabilizing
- Clean trade to U.S. East Coast increased over last 18 months

NO NEW VESSEL ORDERS

- Final MR tanker delivered and only 2 smaller ATBs entering the market in 2018
- No vessel orders for the past 3 years
- Scrapping / lay-up of older tonnage continues

LEADING MARKET POSITION WITH STABLE CASH FLOWS

- AMSC has the most cost efficient modern Jones Act tanker fleet
- Stable cash flow from fixed rate bareboat contracts and upside potential from profit share arrangement
- Committed to returning capital to shareholders through dividends, whilst prudently managing the balance sheet and maintaining financial flexibility

