AMSC First Quarter 2011 Results - American Shipping Company ASA Stays on Course and Expects to take delivery of its Tenth Product Tanker in the Second Quarter

OSLO (April 13, 2011) –As of March 31, 2011, American Shipping Company ASA ("AMSC" or the "Company"), had nine vessels on bareboat charter hire with Overseas Shipholding Group, Inc. or one of its subsidiaries (collectively "OSG"), who in turn have time chartered the vessels to Shell, BP and Tesoro. The Company expects to take delivery of its tenth, and last, newbuilding in this series with Aker Philadelphia Shipyard ("AKPS") in the second quarter of 2011. AMSC owns and leases the most modern fleet of product tankers in the U.S. Jones Act market.

AMSC's operating revenues for Q1 2011 were USD 19.1 million, compared to USD 14.7 million in Q1 2010. This increase in revenue reflects the bareboat charter hire of two additional vessels delivered in 2010. EBITDA was USD 18.5 million in the first quarter 2011 compared to USD 13.9 million in the first quarter 2010.

Operating expenses were USD 0.6 million in Q1 2011, compared to USD 0.8 million in Q1 2010. EBIT was USD 9.0 million in Q1 2011 compared to USD 6.5 million in Q1 2010.

Net interest expense (interest expense less interest income and capitalized interest) was negative USD 14.7 million in Q1 2011, compared to negative USD 10.6 million in Q1 2010. Net foreign exchange loss was USD 8.7 million in Q1 2011, compared to a gain of USD 5.9 million in Q1 2010. Capitalization of interest is related to the financing of progress payments on ships in construction.

In addition, in Q1 2011, AMSC incurred an unrealized gain of USD 8.9 million related to the mark-to-market valuation of its interest rate swap contracts on its vessel financing. This unrealized gain on interest swaps had no cash impact on AMSC. The corresponding Q1 2010 amount was an unrealized loss of USD 7.2 million, and also had no cash impact on AMSC.

Net loss for the first quarter of 2011 was USD 5.5 million versus a net loss of USD 5.4 million in the first quarter of 2010.

INCOME STATEMENT

	unaudited	
Amounts in USD million (except share and per share information)	**Q1 2011**	**Q1 2010**
Operating revenues	19.1	14.7
EBITDA	**18.5**	**13.9**
Operating profit - EBIT	9.0	6.5
Net interest expense	(14.7)	(10.6)
Unrealized gain/(loss) on interest swaps	8.9	(7.2)
Foreign exchange gain/(loss)	(8.7)	5.9
Profit before tax	(5.5)	(5.4)
Profit/(loss) for the period *	**(5.5)**	**(5.4)**
Average number of common shares	27,600,000	27,600,000
Basic and diluted earnings per share (USD)	**(0.20)**	**(0.20)**

*** Applicable to common stockholders of the parent company.**

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	unaudited 31-Mar 2011	31-Dec 2010
Property, plant & equipment	875.1	884.1
Interest-bearing long term receivables	12.9	11.7
Other non current assets	24.7	24.7
Non-current cash held for specified uses	38.9	46.0
Trade and other receivables	0.7	0.8
Cash held for specified uses	22.2	19.6
Cash and cash equivalents	21.6	21.2
Total assets	**996.1**	**1,008.1**
Total equity	52.7	58.2
Interest-bearing long term debt	802.2	801.0
Interest-bearing short term debt	45.6	44.8
Tax payable and trade and other payables	95.6	104.1
Total equity and liabilities	**996.1**	**1,008.1**

Other non-current assets include prepayments to AKPS for vessel construction.

Interest bearing debt as of March 31, 2011 was USD 847.8 million, net of USD 14.6 million in capitalized fees versus USD 845.8 million as of December 31, 2010. This debt relates to the financing on the first nine vessels as well as the NOK denominated bond (consisting of principal amount of NOK 700 million plus payment-in-kind interest through March 2011) issued in February 2007. Tax payable, trade and other payables include the negative mark-to-market valuation of the interest rate swaps of USD 86.9 million as of March 31, 2011, and USD 95.8 million as of December 31, 2010, as well as other accrued costs and liabilities.

During the quarter, AMSC approached its bondholders seeking to amend the equity covenant. The bondholders voted in favor of the requested change which reduced the required minimum equity (exclusive of the mark-to-market adjustments on the interest rate swaps) from USD 140 million to USD 80 million. AMSC was in compliance with all of its debt covenants as of March 31, 2011.

As announced by AKPS, the agreement entered into by AKPS and the Philadelphia Shipyard Development Corporation (PSDC) in February 2011, closed March 31, 2011. As part of the agreement, AMSC has been released as a guarantor on the USD 20 million counter guarantee related to a minimum employment level at the shipyard through 2014.

Outlook

As we have noted in recent releases, the Jones Act market for product tankers continues to be in an oversupply situation with several ships remaining idle. However, our long-term charters provide AMSC with stable cash flows that are protected from short-term market movements. Our charters also provide for a profit sharing component. The extent of profit sharing is dependent on time charter rates obtained by the vessel operator as well as the ability of the operator to operate the vessels in a cost efficient manner. To date, the Company has not yet received any profit sharing contributions and based on market conditions, we do not expect to receive profit sharing in the medium term. However, we continue to believe that the market will improve over the longer-term. We remain committed to our strategy of maintaining tight controls on our costs and to be prepared to capitalize on value creation opportunities as well as remaining focused on achieving the conditions required for extending our bareboat charters to December 2019 per the settlement agreement with OSG (see the 2010 Annual Report for more information on the settlement agreement with OSG that occurred in 2009.)

Risks

The principle operating risks facing AMSC relate to the on-time delivery of the last vessel from AKPS, the operating performance of OSG, credit risk, counterparty risk with OSG and AKPS, and overall market risk.

AMSC's activities also expose it to a variety of financial risks, including refinancing, currency, interest rate and liquidity risk.

For further details of AMSC's risks, including our guarantees, refer to the 2010 Annual Report.

Definitions

Jones Act - The U.S. cabotage law, referred to as Jones Act, requires all commercial vessels operating between U.S. ports to be built, owned, operated and manned by U.S. citizens and to be registered under the U.S. flag. In 1996 certain amendments were enacted to the U.S. vessel documentations laws, allowing increased non-U.S. participation in the ownership of vessels operating in the Jones Act trade under certain conditions.

Oslo, April 13, 2011
The Board of Directors and Managing Director
American Shipping Company ASA

Annette Malm Justad Chairperson	Dag Fasmer Wittusen Director
Lars Solbakken Director	Gregory J. Matecki President/CEO and CFO

American Shipping Company ASA Group

INCOME STATEMENT

Amounts in USD million (except share and per share information)	Q1 2011 (unaudited)	Q1 2010 (unaudited)
Operating revenues	19.1	14.7
Operating expenses	(0.6)	(0.8)
Operating profit before depreciation	**18.5**	**13.9**
Depreciation	(9.5)	(7.4)
Operating profit	**9.0**	**6.5**
Net interest expense	(14.7)	(10.6)
Unrealized gain/(loss) on interest swaps	8.9	(7.2)
Foreign exchange gain/(loss)	(8.7)	5.9
Profit/(loss) before tax	**(5.5)**	**(5.4)**
Tax expense	-	-
Profit/(loss) for the period *	**(5.5)**	**(5.4)**
Average number of common shares	27,600,000	27,600,000
Basic and diluted earnings per share (USD)	**(0.20)**	**(0.20)**

*** Applicable to common stockholders of the parent company.**

STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

Amounts in USD million	Q1 2011 (unaudited)	Q1 2010 (unaudited)
Net income/(loss) for the period	(5.5)	(5.4)
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income/(loss) for the period	**(5.5)**	**(5.4)**

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	31-Mar 2011 (unaudited)	31-Dec 2010
Assets		
Non-current assets		
Property, plant & equipment	875.1	884.1
Interest-bearing long term receivables	12.9	11.7
Prepayments	24.7	24.7
Non-current cash held for specified uses	38.9	46.0
Total non-current assets	**951.6**	**966.5**
Current assets		
Trade and other receivables	0.7	0.8
Cash held for specified uses	22.2	19.6
Cash and cash equivalents	21.6	21.2
Total current assets	**44.5**	**41.6**
Total assets	**996.1**	**1,008.1**
Equity and liabilities		
Total equity	**52.7**	**58.2**
Non-current liabilities		
Bond payable	179.3	167.5
Other interest-bearing loans	637.5	649.2
Capitalized fees	(14.6)	(15.7)
Total non-current liabilities	**802.2**	**801.0**
Current liabilities		
Interest-bearing short-term debt	45.6	44.8
Tax payable and trade and other payables	95.6	104.1
Total current liabilities	**141.2**	**148.9**
Total liabilities	**943.4**	**949.9**
Total equity and liabilities	**996.1**	**1,008.1**

STATEMENT OF CHANGES IN TOTAL EQUITY

Amounts in USD million	Year to Date 2011 (unaudited)	Year to Date 2010 (unaudited)
Equity related to the equity holders of the parent company as of beginning of period	58.2	78.8
Total comprehensive income/(loss) for the period	(5.5)	(5.4)
Dividends paid from a subsidiary	-	-
Total equity as of end of period	**52.7**	**73.4**

CASH FLOW STATEMENT

Amounts in USD million	Year to Date 2011 (unaudited)	Year to Date 2010 (unaudited)
Net cash flow from operating activities	6.8	9.3
Net cash flow from investing activities	-	(0.1)
Net cash flow from financing activities	(3.8)	(3.0)
Net change in cash and cash equivalents	**3.0**	**6.2**
Effects of changes in exchange rates on cash	-	-
Cash and cash equivalents, including cash held for specified uses at the beginning of period	40.8	32.6
Cash and cash equivalents, including cash held for specified uses at end of period	**43.8**	**38.8**

Notes to the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2011

1. Introduction - American Shipping Company

American Shipping Company ASA ("AMSC") is a company domiciled in Norway. The condensed interim financial statements for the three months ended March 31, 2011 comprise AMSC and its wholly owned subsidiaries. These financial statements have not been audited or reviewed by the Company's auditors. American Shipping Company has one operating segment.

The consolidated quarterly financial statements of AMSC are available at www.americanshippingco.com.

2. Basis of Preparation

These consolidated interim financial statements reflect all adjustments, in the opinion of AMSC's management, that are necessary for a fair presentation of the results of operations for the periods presented. Operating results for the three month period are not necessarily indicative of the results that may be expected for any subsequent interim period or year. Certain prior period reclassifications were made to conform to current year presentation.

3. Statement of compliance

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended December 31, 2010.

4. Significant accounting principles

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended December 31, 2010. There have not been any new IFRS standards or interpretations issued after the completion of the annual consolidated financial statements for the year 2010 that have a significant impact on AMSC's financial reporting.

5. Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.
The most significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies, and the key sources of estimation uncertainty, are the same as those that applied to the consolidated financial statements as of and for the year ended December 31, 2010.

6. Tax estimates

Income tax expense is recognized in each interim period based on the best estimate of the expected annual income tax rates.

7. Share capital and equity

As of March 31, 2011, AMSC had 27,600,000 ordinary shares at a par value of NOK 10 per share. There have been no dividends paid on ordinary shares in 2011 or 2010.

8. Interest-bearing debt

As noted in the financial statement section of this report, during the first quarter of 2011, AMSC's bondholders voted in favor of modifying the minimum required equity covenant (exclusive of mark-to-market adjustments in the interest rate swaps) from USD 140 million to USD 80 million.
The following shows material changes in interest-bearing debt:

Amounts in USD million	**3 months to 3/31/11**	**3 months to 3/31/10**
Balance at beginning of period	845.8	705.7
Repayment of debt	(11.0)	(7.6)
Issuance of debt	-	-
Interest added to oustanding debt	3.1	2.6
Foreign currency impact	8.7	(5.9)
Amortization of loan fees	1.2	1.0
Balance at end of period	847.8	695.8

9. Related party transactions

AMSC believes that related party transactions are made on terms equivalent to those that prevail in arm's length transactions.

10. Interest

Amounts in USD million	3 months to 3/31/11	3 months to 3/31/10
Interest expense	(15.5)	(12.6)
Interest income	0.3	0.2
Interest capitalized	0.5	1.8
Net interest expense	**(14.7)**	**(10.6)**

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Disclaimer

This press release includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for American Shipping Company ASA and its subsidiaries and affiliates (the "American Shipping Company Group") lines of business. These expectations, estimates, and projections are generally identifiable by statements containing words such as "expects," "believes," "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the American Shipping Company Group's businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although American Shipping Company ASA believes that its expectations and the information in this press release were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this press release. Neither American Shipping Company ASA nor any other company within the American Shipping Company Group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the press release, and neither American Shipping Company ASA, any other company within the American Shipping Company Group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the press release.

American Shipping Company ASA undertakes no obligation to publicly update or revise any forward-looking information or statements in the press release, other than what is required by law.

The American Shipping Company Group consists of many legally independent entities, constituting their own separate identities. American Shipping Company is used as the common brand or trade mark for most of these entities. In this press release we may sometimes use "American Shipping Company"," "Group, "we," or "us," when we refer to American Shipping Company Group companies in general or where no useful purpose is served by identifying any particular company of American Shipping Company.