American Shipping Company Remains Steadfast in Confronting Difficult Market Conditions

Second Quarter 2009 – American Shipping Company ASA continues to focus on long-term potential as the current Jones Act market remains challenging

OSLO/PHILADELPHIA (August 4, 2009) – American Shipping Company ASA ("AMSC" or the "Company") now has seven product tankers on bareboat charter to OSG America L.P., as our seventh vessel, the *Overseas Nikiski*, was delivered on June 11, 2009. This vessel was delivered on schedule and is performing well under its time charter to Tesoro.

AMSC continues to forge ahead despite the difficult market conditions. The lingering recession has prevented a resurgence of domestic petroleum demand and this has continued to put downward pressure on Jones Act freight rates. Challenging market conditions, as well as rising vessel operating costs, continue to be significant impediments to achieving new orders and profit sharing under our bareboat charters. In addition, AMSC has continued to pursue a settlement with Overseas Shipholding Group, Inc. on all of our commercial disagreements. For more details, see the "Risks" section below.

AMSC's operating revenues for Q2 2009 and the six months ended June 30, 2009 were USD 13.1 million and USD 24.3 million, respectively, compared to USD 8.0 million in Q2 2008 and USD 14.2 million for the six months ended June 30, 2008. This increase in revenue reflects the bareboat charter hire revenue from the service of the first seven vessels of a twelve vessel series in 2009 versus four vessels in the first half of 2008. EBITDA was USD 11.8 million in the second quarter 2009 compared to USD 6.7 million in the second quarter 2008. EBITDA for the six months ended June 30, 2009 and 2008 was USD 21.4 million and USD 12.1 million, respectively.

Operating expenses were USD 1.3 million in Q2 2009 and USD 2.9 million for the six months ended June 30, 2009, compared to USD 1.3 million Q2 2008 and USD 2.1 million for the six months ended June 30, 2008. This increase from 2008 primarily relates to outside legal and consulting costs in connection with the arbitration and settlement negotiations associated with various commercial disputes with Overseas Shipholding Group, Inc. and OSG America L.P. (collectively "OSG"). EBIT was USD 5.0 million in Q2 2009 compared to USD 2.5 million in Q2 2008. EBIT for the six months ended June 30, 2009 and 2008 was USD 8.8 million and USD 4.6 million, respectively.

Net financial items (excluding unrealized gains or losses on interest swaps) were negative USD 12.4 million in Q2 2009 and negative USD 20.4 million for the six months ended June 30, 2009, consisting of net interest expense (interest expense less interest income and capitalized interest) of negative USD 9.6 million for Q2 2009 (negative USD 17.8 million for the six months ended June 30, 2009), and a net foreign exchange loss of USD 2.8 million in Q2 2009 (negative USD 2.6 million for the six months ended June 30, 2009). Net financial items (excluding unrealized gains or losses on interest swaps) in Q2 2008 and for the six months ended June 30, 2008 were negative USD 6.0 million and negative USD 9.6 million, respectively. The net interest expense for Q2 2008 and the six months ended June 30, 2008 were negative USD 5.9 million and negative USD 10.1 million, respectively. The net foreign exchange impact was negative USD 0.1 million for Q2 2008 and USD 0.5 million for the six months ended June 30, 2008. Capitalization of interest is related to the financing of progress payments on ships in construction.

In addition, in Q2 2009, AMSC incurred an unrealized gain of USD 22.5 million related to its interest swap contracts for the financing provided by Fortis. The year-to-date unrealized gain of USD 27.4 million on interest swaps had no cash impact on AMSC. The corresponding Q2 and year-to-date amounts for 2008 were an unrealized gain of USD 27.4 million and USD 0.3 million, respectively, and also had no cash impact on AMSC.

Net profit for the second quarter of 2009 was USD 15.1 million versus USD 23.8 million in the second quarter of 2008. For the six months ended June 30, 2009 and 2008, net income was USD 15.7 million and negative USD 4.8 million, respectively.

INCOME STATEMENT

Amounts in USD million (except share and per share information)	Q2 2009	Q2 2008	Year to date 2009	Year to date 2008
	unaudited			
Operating revenues	13.1	8.0	24.3	14.2
EBITDA	**11.8**	**6.7**	**21.4**	**12.1**
Operating profit - EBIT	5.0	2.5	8.8	4.6
Net Financial items	(12.4)	(6.0)	(20.4)	(9.6)
Unrealized gain/(loss) on interest swaps	22.5	27.4	27.4	0.3
Profit before tax	15.1	23.9	15.8	(4.7)
Profit/(loss) for the period *	**15.1**	**23.8**	**15.7**	**(4.8)**
Average number of common shares	27,600,000	27,600,000	27,600,000	27,600,000
Basic and diluted earnings per share (USD)	**0.55**	**0.86**	**0.57**	**(0.17)**

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

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	*unaudited* 30-Jun 2009	31-Dec 2008
Property, plant & equipment	720.2	520.8
Interest-bearing long term receivables	5.5	6.3
Other non current assets	77.4	93.0
Inventories, trade and other receivables	0.9	22.2
Cash and cash equivalents	51.4	71.8
Total assets	**855.4**	**714.1**
Total equity	95.8	101.0
Interest-bearing long term debt	676.5	-
Interest-bearing short term debt	-	504.4
Tax payable and trade and other payables	83.1	108.7
Total equity and liabilities	**855.4**	**714.1**

Interest bearing debt as of June 30, 2009 was USD 676.5 million, net of USD 20.5 million in capitalized fees versus USD 504.4 million as of December 31, 2008. This debt relates to the financing on the first seven vessels as well as the NOK 700 million bonds issued in February 2007. The increase is primarily due to taking delivery of our sixth and seventh vessels in 2009.

As noted in last quarter's release, our bondholders agreed to certain changes in our bondholders' agreement in February 2009. One of the changes was to modify the covenant to exclude unrealized gains and losses on the interest rate swaps from the minimum consolidated equity calculation. However, because as of December 31, 2008, equity was less than the required minimum amount, all of the Company's debt was classified as current on its Statement of Financial Position due to IFRS requirements. As of March 31, 2009, that debt has been reclassed back to long-term.

Other non-current assets include prepayments to Aker Philadelphia Shipyard ("APSI"). Other current receivables decreased due to the calling of a USD 20 million note receivable, plus interest, from AMSC's former parent company (Aker ASA). In conjunction with calling the note, a company subsidiary redeemed all if its preferred shares outstanding at par (total USD 20 million) plus a dividend (on the income and surplus capital in the subsidiary) in accordance with the redemption agreement. Tax payable, trade and other payables include the negative mark-to-market valuation of the interest swaps of USD 73.2 million as of June 30, 2009, and USD 100.6 million as of December 31, 2008, as well as other accrued costs and liabilities.

Outlook

The near term outlook for new tanker orders in the Jones Act Shipping market is poor. The financial and credit markets continue to be very challenging, particularly with respect to overall availability of funds with commercially viable terms. As conveyed previously, market rates remain under pressure due to the drop in demand for petroleum products. Exploration and production in the U.S. Gulf has also slowed with the reduction in the price of crude oil compared to past year highs. However, we remain confident in the long-term prospects of the Jones Act tanker market as the phase-out of older vessels accelerates and demand gradually increases with a recovering economy.

Definitions

Jones Act - The U.S. coastwise laws, referred to as Jones Act, require 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.

Risks

The principle risks facing AMSC relate to the construction and on-time delivery of the vessels, the operating performance of OSG, credit risk and an overall market risk.

AMSC's activities also expose it to a variety of other financial risks, including currency risk, interest rate risk, price risk due to material escalation and liquidity risk.

AMSC has limited counterparty risk with its bareboat charters to OSG, who in turn time charters the vessels to major oil companies

As noted earlier and in our 2008 Annual Report, AMSC is subject to a variety of financial risks, including credit risk. AMSC has not yet been able to arrange financing for the two shuttle tankers. We continue to seek financing for these vessels. In the event that we are unable to raise the required equity and debt financing in a timely manner, AMSC will be subject to delays or cancellations in the construction of those vessels as APSI's construction financing is dependent on AMSC's ability to obtain take-out financing.

Also, as we announced in March of this year, we agreed to temporarily stop the arbitration between AMSC and OSG and signed a Nonbinding Agreement in principle to settle outstanding commercial disagreements, including the arbitration. The Nonbinding Agreement in principle has not been implemented and there is no assurance that AMSC and OSG will enter into a definitive agreement. Absent an agreement, AMSC will need to raise additional debt or equity financing in the near term in order to meet the required liquidity needs of the business.

Failure to raise additional capital is likely to have a materially adverse impact on AMSC's financial position and operations.

For further details of AMSC's risks, refer to the 2008 Annual Report.

Responsibility statement

The unaudited condensed interim consolidated financial statements of American Shipping Company ASA and its subsidiaries ("Group") and interim financial report as of June 30, 2009 and for the first half of 2009 were approved by the Board of Directors and Managing Director on August 4, 2009.

The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU and the additional requirements in the Norwegian Securities Trading Act.

To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principle opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Oslo, August 4, 2009
The Board of Directors and Managing Director
American Shipping Company ASA

Robert N. Caruso Chairman	Annette Malm Justad Director	John Rose Director
Mavis R. Hawkes Director	Dag Fasmer Wittusen Director	Robert Kurz President/CEO

American Shipping Company ASA Group

INCOME STATEMENT

Amounts in USD million (except share and per share information)	Q2 2009 (unaudited)	Q2 2008 (unaudited)	Year to date 2009 (unaudited)	Year to date 2008 (unaudited)
Operating revenues	13.1	8.0	24.3	14.2
Operating expenses	(1.3)	(1.3)	(2.9)	(2.1)
Operating profit before depreciation	**11.8**	**6.7**	**21.4**	**12.1**
Depreciation	(6.8)	(4.2)	(12.6)	(7.5)
Operating profit	**5.0**	**2.5**	**8.8**	**4.6**
Net financial items	(12.4)	(6.0)	(20.4)	(9.6)
Unrealized gain/(loss) on interest swaps	22.5	27.4	27.4	0.3
Profit before tax	**15.1**	**23.9**	**15.8**	**(4.7)**
Tax expense	-	(0.1)	(0.1)	(0.1)
Profit/(loss) for the period *	**15.1**	**23.8**	**15.7**	**(4.8)**
Average number of common shares	27,600,000	27,600,000	27,600,000	27,600,000
Basic and diluted earnings per share (USD)	**0.55**	**0.86**	**0.57**	**(0.17)**

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

STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

Amounts in USD million	Q2 2009 (unaudited)	Q2 2008 (unaudited)	Year to date 2009 (unaudited)	Year to date 2008 (unaudited)
Net income for the period	15.1	23.8	15.7	(4.8)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	**15.1**	**23.8**	**15.7**	**(4.8)**

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	30-Jun 2009 (unaudited)	31-Dec 2008
Assets		
Non-current assets		
Property, plant & equipment	720.2	520.8
Interest-bearing long term receivables	5.5	6.3
Prepayments	77.4	93.0
Total non-current assets	**803.1**	**620.1**
Current assets		
Trade and other receivables	0.9	22.2
Cash and cash equivalents	51.4	71.8
Total current assets	**52.3**	**94.0**
Total assets	**855.4**	**714.1**
Equity and liabilities		
Total equity	**95.8**	**101.0**
Non-current liabilities		
Bond payable	137.8	-
Other interest-bearing loans	559.2	-
Capitalized fees	(20.5)	-
Total non-current liabilities	**676.5**	**-**
Current liabilities		
Interest-bearing short-term debt	-	504.4
Tax payable and trade and other payables	83.1	108.7
Total current liabilities	**83.1**	**613.1**
Total liabilities	**759.6**	**613.1**
Total equity and liabilities	**855.4**	**714.1**

STATEMENT OF CHANGES IN TOTAL EQUITY

Amounts in USD million	Year to date 2009 (unaudited)	Year to date 2008 (unaudited)
Equity related to the equity holders of the parent company as of beginning of period	81.0	155.8
Total comprehensive income for the period	15.7	(4.8)
Dividends paid from a subsidiary	(0.9)	-
Equity related to the equity holders of the parent company as of end of period	**95.8**	**151.0**
Preferred shares in subsidiary as of beginning of period	20.0	-
Preferred stock issued / (redeemed)	(20.0)	20.0
Total equity as of end of period	**95.8**	**171.0**

CASH FLOW STATEMENT

Amounts in USD million	Year to date 2009 (unaudited)	Year to date 2008 (unaudited)
Net cash flow from operating activities	19.2	7.0
Net cash flow from investing activities	(171.5)	(126.0)
Net cash flow from financing activities	131.7	95.7
Net change in cash and cash equivalents	**(20.6)**	**(23.3)**
Effects of changes in exchange rates on cash	0.2	3.8
Cash and cash equivalents at the beginning of period	71.8	151.9
Cash and cash equivalents at end of period	**51.4**	**132.4**

Notes to the unaudited condensed consolidated interim financial statements for the 1st half 2009

1. Introduction - American Shipping Company

American Shipping Company ASA ("AMSC") is a company domiciled in Norway. The condensed interim financial statements for the first half of 2009 and the three months ended June 30, 2009 comprise AMSC and its wholly owned subsidiaries. American Shipping Company has one business segment.

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

The half-year report has not been subject to audit or review procedures by an independent public accountant.

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 and six month periods are not necessarily indicative of the results that may be expected for any subsequent interim period or year.

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, 2008.

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, 2008. There have not been any new IFRS standards or interpretations issued after the completion of the annual consolidated financial statements for the year 2008 that have a significant impact on AMSC's financial reporting. However, a new requirement of IAS 1 (*IAS 1.7*) requires the completion of a new statement on Other Comprehensive Income, which is shown as a separate statement, following the Income Statement. This new requirement does not have a material effect on the AMSC accounts or financial statements.

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, 2008.

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 June 30, 2009, AMSC had 27,600,000 ordinary shares at a par value of NOK 10 per share. There were no dividends paid on ordinary shares in 2009 or 2008.

In Q1 2009, one of AMSC's subsidiaries redeemed its preferred shares and declared and paid a dividend of USD 0.9 million on the preferred stock.

8. Interest-bearing debt

The following shows material changes in interest-bearing debt:

Amounts in USD million	6 months to 6/30/2009	6 months to 6/30/2008
Balance at beginning of period	504.4	371.0
Repayment of debt	(7.3)	(4.3)
Issuance of debt	160.0	80.0
Interest added to oustanding debt	5.8	7.9
Foreign currency impact	11.8	9.9
Amortization of loan fees	1.8	0.8
Balance at end of period	676.5	465.4

9. Related party transactions

The ultimate parent company of AMSC prior to June 6, 2008 was Aker ASA. As of June 6, 2008, Aker ASA reduced its majority ownership in AMSC. Therefore, Aker ASA and its subsidiaries are no longer related parties.
AMSC has service agreements with Aker ASA and APSI which provide certain specified accounting, financial and administrative services. The agreement with APSI also includes shared services of legal counsel. The cost of these services was not material, however they are important to the Company's operations.
In Q1 2009, a Company subsidiary called its interest-bearing long term note receivable to Aker ASA for USD 20 million plus accrued interest of USD 0.9 million
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 6/30/2009	3 months to 6/30/2008	6 months to 6/30/2009	6 months to 6/30/2008
Interest expense	(11.4)	(9.8)	(22.3)	(18.1)
Interest income	0.1	1.3	0.5	2.9
Interest capitalized	1.7	2.6	4.0	5.1
Net interest expense	**(9.6)**	**(5.9)**	**(17.8)**	**(10.1)**

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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.