American Shipping Company's Fifth Vessel Delivered

Third quarter 2008 – Our fifth vessel, the *Overseas Texas City,* was the latest in the twelve-ship series to be delivered on time.

OSLO / PHILADELPHIA (October 31, 2008) –
Upon its delivery on September 19, 2008, American Shipping Company ASA ("AMSC" or the "Company") immediately bareboat chartered the *Overseas Texas City* to OSG America L.P. ("OSG"), who subsequently time chartered the vessel to BP for operation in the U.S. Gulf to East Coast Florida trade. This is our third vessel to be time chartered from OSG to BP.

Due to the current credit market turmoil, AMSC will be faced with challenges in the near term to raise equity and to secure debt financing for additional new build opportunities. Consequently, this may require a re-timing of the Company's schedule to exercise newbuild option vessels with Aker Philadelphia Shipyard ("AKPS").

AMSC's operating revenues for Q3 2008 and the nine months ended September 30, 2008 were USD 8.6 million and USD 22.8 million, respectively, compared to USD 4.0 million in Q3 2007 and USD 7.5 million for the nine months ended September 30, 2007. This increase in revenue reflects the bareboat charter hire revenue from the service of the first five vessels of a twelve vessel series in the first nine months of 2008 versus two vessels in the first nine months of 2007. EBITDA was USD 7.3 million in the third quarter 2008 compared to USD 3.6 million in the third quarter 2007. EBITDA for the nine months ended September 30, 2008 and 2007 was USD 19.4 million and USD 6.7 million, respectively. For 2007, Aker Philadelphia Shipyard is included as discontinued operations as the shipyard was sold in December 2007.

Operating expenses were USD 1.3 million in Q3 2008 and USD 3.4 million for the nine months ended September 30, 2008 compared to USD 0.4 million in Q3 2007 and USD 0.8 million for the nine months ended September 30, 2007. This increase relates to the growth of the business, primarily personnel and other Sales, General and Administrative expenses. EBIT was USD 2.8 million in Q3 2008 compared to USD 1.4 million in Q3 2007. EBIT for the nine months ended September 30, 2008 and 2007 was USD 7.4 million and USD 2.6 million, respectively.

Net financial items (excluding unrealized gain/(loss) on interest swaps) were minus USD 4.8 million in Q3 2008 and minus USD 14.4 million for the nine months ended September 30, 2008, consisting of net interest expense (interest expense less interest income and capitalized interest) of minus USD 6.4 million for Q3 2008 and minus USD 16.6 for the nine months ended September 30, 2008, and a net foreign exchange gain of USD 1.6 million in Q3 2008 and a gain of USD 2.2 million for the nine months ended September 30, 2008. Net financial items in Q3 2007 and for the nine months ended September 30, 2007 were minus USD 4.0 million and minus USD 10.2 million, respectively. The net interest expense for Q3 2007 was minus USD 3.3 million and for the nine months ended September 30, 2007 was minus USD 11.1 million. The net foreign exchange impact for 2007 was minus USD 0.7 million for Q3 2007 and a positive USD 0.9 million for the nine months ended September 30, 2007. Capitalization of interest is related to the financing of progress payments on ships in construction.

In addition, in Q3 2008, AMSC incurred an unrealized loss of USD 8.4 million related to its interest swap contracts for the financing provided by Fortis. The year-to-date unrealized loss on interest swaps total USD 8.1 million and had no cash impact on AMSC.

Net loss for the third quarter of 2008 was USD 10.5 million versus a net loss of USD 6.3 million in the third quarter of 2007. For the nine months ended September 30, 2008 and 2007, there were net losses of USD 15.3 million and USD 10.4 million, respectively.

INCOME STATEMENT

Amounts in USD million	Q1 2008	Q2 2008	Q3 2008	Q3 2007	January - September 2008	January - September 2007	Full Year 2007
Operating revenues	6.2	8.0	8.6	4.0	22.8	7.5	12.7
EBITDA	**5.4**	**6.7**	**7.3**	**3.6**	**19.4**	**6.7**	**10.9**
Operating profit - EBIT	2.1	2.5	2.8	1.4	7.4	2.6	4.0
Net Financial items	(3.6)	(6.0)	(4.8)	(4.0)	(14.4)	(10.2)	(13.0)
Unrealized gain/(loss) on interest swaps	(27.1)	27.4	(8.4)	-	(8.1)	-	(34.5)
Profit before tax	(28.6)	23.9	(10.4)	(2.6)	(15.1)	(7.6)	(43.5)
Profit for the period from continuing operations	**(28.6)**	**23.8**	**(10.5)**	**(2.6)**	**(15.3)**	**(7.6)**	**(44.1)**
Profit for the period from discontinued operations	-	-	-	(3.7)	-	(2.8)	8.2
Profit/(loss) for the period *	**(28.6)**	**23.8**	**(10.5)**	**(6.3)**	**(15.3)**	**(10.4)**	**(35.9)**
Average number of common shares	27,600,000	27,600,000	27,600,000	27,600,000	27,600,000	27,600,000	27,600,000
Basic and diluted earnings per share from continuing operations (USD)	**(1.04)**	**0.86**	**(0.38)**	**(0.09)**	**(0.55)**	**(0.28)**	**(1.60)**
Basic and diluted earnings per share from discontinued business (USD)	**-**	**-**	**-**	**(0.13)**	**-**	**(0.10)**	**0.30**
Basic and diluted earnings per share (USD)	**(1.04)**	**0.86**	**(0.38)**	**(0.22)**	**(0.55)**	**(0.38)**	**(1.30)**

*** Applicable to common stockholders of the parent company. No dividends were paid on preferred stock.**

BALANCE SHEET

Amounts in USD million	31-Mar 2008	30-Jun 2008	30-Sep 2008	30-Sep 2007	31-Dec 2007
Property, plant & equipment	315.6	420.2	523.6	490.4	316.2
Intangible assets	-	-	-	11.6	-
Deferred tax assets	-	-	-	1.1	-
Interest-bearing long term receivables	4.6	25.6	26.1	4.6	3.9
Other non current assets	103.0	93.9	84.0	0.1	94.6
Inventories, trade and other receivables	6.4	5.9	3.2	21.5	6.4
Cash and cash equivalents	167.2	132.4	105.9	98.5	151.9
Total assets	**596.8**	**678.0**	**742.8**	**627.8**	**573.0**
Total equity	147.2	171.0	160.5	181.3	155.8
Deferred tax liabilities	-	-	-	6.7	-
Interest-bearing long term debt	381.2	465.3	527.4	312.8	371.0
Interest-bearing construction loans	-	-	-	96.2	-
Interest-bearing short term debt	-	-	-	2.1	-
Tax payable and trade and other payables	68.4	41.7	54.9	28.7	46.2
Total equity and liabilities	**596.8**	**678.0**	**742.8**	**627.8**	**573.0**

Interest bearing long term debt as of September 30, 2008 was USD 527.4 million net of USD 22.1 million in capitalized fees. This debt relates to the financing on the first five vessels as well as the NOK 700 million bond issued in February 2007.

Other non-current assets include prepayments to Aker Philadelphia Shipyard. Tax payable, trade and other payables include the unrealized loss on interest swaps of USD 42.5 million as well as other accrued costs and liabilities. The balance sheet as of September 30, 2007 includes Aker Philadelphia Shipyard.

Outlook

As conveyed at the Company's Investor Day 2008 on September 9th, AMSC continues to be optimistic about the long-term prospects for the Jones Act product tanker market, as well as the potential for a substantial shuttle tanker market in the deepwater U.S. Gulf of Mexico. Although Jones Act spot market rates have been drifting lower recently due to surplus tonnage and decreased demand, the Company believes these are short-term conditions. It should also be noted that AMSC is not exposed to the current spot market as all of the Company's vessels are on long-term bareboat charter to OSG. In any event, AMSC is confident that the current surplus tonnage situation will be short lived as older, less fuel efficient vessels will be phased out prior to their OPA 90 retirement dates. With respect to demand, the Company believes that demand will begin to increase again as the overall economy generally improves and announced refinery expansions become operational over the next several years.

AMSC continues to work closely with several of the oil companies who have significant interests in the deepwater U.S. Gulf region. AMSC remains confident that shuttle tankers will play a major role in supplying oil from production sites in the deepwater U.S. Gulf of Mexico to refineries along the U.S. Gulf coast.

The Company continues to explore market opportunities associated with various vessel types. Our advantageous relationship with AKPS remains strong and positions us well to pursue new business development ideas.

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 and an overall market risk.

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

For further details of AMSC's risks, refer to the 2007 Annual Report.

Oslo, October 30, 2008
The Board of Directors
American Shipping Company ASA

American Shipping Company ASA Group

INCOME STATEMENT

Amounts in USD million	Q1 2008	Q2 2008	Q3 2008	Q3 2007	January - September 2008	January - September 2007	Full Year 2007
Operating revenues	6.2	8.0	8.6	4.0	22.8	7.5	12.7
Operating expenses	(0.8)	(1.3)	(1.3)	(0.4)	(3.4)	(0.8)	(1.8)
Operating profit before depreciation	**5.4**	**6.7**	**7.3**	**3.6**	**19.4**	**6.7**	**10.9**
Depreciation	(3.3)	(4.2)	(4.5)	(2.2)	(12.0)	(4.1)	(6.9)
Operating profit	**2.1**	**2.5**	**2.8**	**1.4**	**7.4**	**2.6**	**4.0**
Net financial items	(3.6)	(6.0)	(4.8)	(4.0)	(14.4)	(10.2)	(13.0)
Unrealized gain/(loss) on interest swaps	(27.1)	27.4	(8.4)	-	(8.1)	-	(34.5)
Profit before tax	**(28.6)**	**23.9**	**(10.4)**	**(2.6)**	**(15.1)**	**(7.6)**	**(43.5)**
Tax expense	-	(0.1)	(0.1)	-	(0.2)	-	(0.6)
Profit for the period from continuing operations	**(28.6)**	**23.8**	**(10.5)**	**(2.6)**	**(15.3)**	**(7.6)**	**(44.1)**
Profit for the period from discontinued operations	-	-	-	(3.7)	-	(2.8)	8.2
Profit/(loss) for the period *	**(28.6)**	**23.8**	**(10.5)**	**(6.3)**	**(15.3)**	**(10.4)**	**(35.9)**
Average number of common shares	27,600,000	27,600,000	27,600,000	27,600,000	27,600,000	27,600,000	27,600,000
Basic and diluted earnings per share continuing operations (USD)	**(1.04)**	**0.86**	**(0.38)**	**(0.09)**	**(0.55)**	**(0.28)**	**(1.60)**
Basic and diluted earnings per share discontinued business (USD)	**-**	**-**	**-**	**(0.13)**	**-**	**(0.10)**	**0.30**
Basic and diluted earnings per share (USD)	**(1.04)**	**0.86**	**(0.38)**	**(0.22)**	**(0.55)**	**(0.38)**	**(1.30)**

*** Applicable to common stockholders of the parent company. No dividends were paid on preferred shares.**

BALANCE SHEET

Amounts in USD million	31-Mar 2008	30-Jun 2008	30-Sep 2008	30-Sep 2007	31-Dec 2007
Assets					
Non-current assets					
Property, plant & equipment	315.6	420.2	523.6	490.4	316.2
Intangible assets	-	-	-	11.6	-
Deferred tax assets	-	-	-	1.1	-
Interest-bearing long term receivables	4.6	25.6	26.1	4.6	3.9
Prepayments	103.0	93.9	84.0	0.1	94.6
Total non-current assets	**423.2**	**539.7**	**633.7**	**507.8**	**414.7**
Current assets					
Trade and other receivables	6.4	5.9	3.2	21.5	6.4
Cash and cash equivalents	167.2	132.4	105.9	98.5	151.9
Total current assets	**173.6**	**138.3**	**109.1**	**120.0**	**158.3**
Total assets	**596.8**	**678.0**	**742.8**	**627.8**	**573.0**
Equity and liabilities					
Total equity	**147.2**	**171.0**	**160.5**	**181.3**	**155.8**
Non-current liabilities					
Bond payable	150.3	156.1	140.0	133.7	138.2
Other interest-bearing loans	230.9	309.2	387.4	179.1	232.8
Deferred tax liabilities	-	-	-	6.7	-
Total non-current liabilities	**381.2**	**465.3**	**527.4**	**319.5**	**371.0**
Current liabilities					
Construction loans	-	-	-	96.2	-
Interest-bearing short-term debt	-	-	-	2.1	-
Tax payable and trade and other payables	68.4	41.7	54.9	28.7	46.2
Total current liabilities	**68.4**	**41.7**	**54.9**	**127.0**	**46.2**
Total liabilities	**449.6**	**507.0**	**582.3**	**446.5**	**417.2**
Total equity and liabilities	**596.8**	**678.0**	**742.8**	**627.8**	**573.0**

STATEMENT OF CHANGES IN TOTAL EQUITY

Amounts in USD million	Q1 2008	Q2 2008	Q3 2008	Q3 2007	January - September 2008	January - September 2007	Full Year 2007
Equity related to the equity holders of the parent company as of beginning of period	155.8	127.2	151.0	187.6	155.8	191.7	191.7
Profit for the period	(28.6)	23.8	(10.5)	(6.3)	(15.3)	(10.4)	(35.9)
Equity related to the equity holders of the parent company as of end of period	**127.2**	**151.0**	**140.5**	**181.3**	**140.5**	**181.3**	**155.8**
Preferred stock issued	20.0	-	-	-	20.0	-	-
Total equity as of end of period	**147.2**	**171.0**	**160.5**	**181.3**	**160.5**	**181.3**	**155.8**

CASH FLOW STATEMENT

Amounts in USD million	Q1 2008	Q2 2008	Q3 2008	Q3 2007	January - September 2008	January - September 2007	Full Year 2007
Net cash flow from operating activities	2.8	4.2	(2.8)	5.3	4.2	26.7	33.2
Net cash flow from investing activities	(8.6)	(117.4)	(95.3)	(58.3)	(221.3)	(190.8)	(187.3)
Net cash flow from financing activities	17.8	77.9	77.4	(1.2)	173.1	267.5	346.2
Net cash flow from discontinued operations	-	-	-	33.8	-	(22.3)	(59.7)
Net change in cash and cash equivalents	**12.0**	**(35.3)**	**(20.7)**	**(20.4)**	**(44.0)**	**81.1**	**132.4**
Effects of changes in exchange rates on cash	3.3	0.5	(5.8)	4.3	(2.0)	6.9	9.0
Cash and cash equivalents at the beginning of period	151.9	167.2	132.4	114.6	151.9	10.5	10.5
Cash and cash equivalents at end of period	**167.2**	**132.4**	**105.9**	**98.5**	**105.9**	**98.5**	**151.9**

Notes to the unaudited condensed consolidated interim financial statements for the 1st nine months of 2008

1. Introduction - American Shipping Company

American Shipping Company ASA ("AMSC") is a company domiciled in Norway. The condensed interim financial statements for the first nine months of 2008 and the three months ended September 30, 2008, 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

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 nine 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, 2007.

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, 2007. There have not been any new IFRS standards or interpretations issued after the completion of the annual consolidated financial statements for the year 2007. However, some changes have been made, among others to IAS 27, IFRS 2, IFRS 3, and IAS 32. These changes have no material effect on the AMSC accounts.

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, 2007.

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

At the end of 2007, AMSC had 27,600,000 ordinary shares at a par value of NOK 10 per share. There were no paid dividends in 2007.

In Q1 2008, one of AMSC's subsidiaries issued 500 shares of non dilutive, redeemable preferred stock for USD 40,000 per share to Aker ASA. The preferred stock is redeemable at the option of AMSC and there have been no dividends declared.

8. Interest-bearing debt

The following shows material changes in interest-bearing debt:

Total interest-bearing debt

Amounts in USD million	**3 months to 09.30.08**	**3 months to 09.30.07**	**9 months to 09.30.08**	**9 months to 09.30.07**
Balance at beginning of period	465.3	362.2	371.0	144.8
Repayment of debt	(2.2)	(1.2)	(5.7)	(1.8)
Issuance of debt	80.0	-	160.0	269.3
Interest added to oustanding debt	4.4	2.9	12.3	5.5
Foreign currency impact	(20.5)	10.6	(10.7)	15.2
Amortization of loan fees	0.4	0.2	0.5	0.5
Discontinued operations	-	36.4	-	(22.4)
Balance 09.30	527.4	411.1	527.4	411.1

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 sold its majority ownership in AMSC. Therefore, Aker ASA and its subsidiaries are no longer related parties.
AMSC has a service agreement with Aker ASA which provides certain specified accounting, financial and administrative services. All payables are paid within the normal course of business. Through June 6, 2008, related costs were USD 137 thousand (USD 126 thousand for the first nine months of 2007).
On April 1, 2008, a Company subsidiary also issued an interest-bearing long term note receivable to Aker ASA for USD 20 million (from the proceeds of the sale of preferred stock – see Footnote No. 7). Accrued interest through June 6, 2008 was USD 0.2 million.
Except as described elsewhere, AMSC believes that related party transactions are made on terms equivalent to those that prevail in arm's length transactions.

10. Interest

Interest

Amounts in USD million	**3 months to 09.30.08**	**3 months to 09.30.07**	**9 months to 09.30.08**	**9 months to 09.30.07**
Interest expense	(10.5)	(6.2)	(28.6)	(20.1)
Interest income	1.4	1.1	4.5	2.9
Interest capitalized	2.7	1.8	7.5	6.1
Net interest expense	**(6.4)**	**(3.3)**	**(16.6)**	**(11.1)**

11. Other material transactions
AMSC has entered into shipbuilding contracts with Aker Philadelphia Shipyard ASA ("AKPS") for nine tankers for a purchase price of USD 103.975 million each. This price is subject to escalation due to actual increases in material cost and foreign exchange currency losses. As such, the total contract value is approximately USD 935.8 million before escalation. Through Q3 2008, AMSC has taken delivery of two tankers and has made deposits of USD 84.0 million for the remaining seven tankers. In addition, AMSC has option agreements with AKPS to build an additional thirteen tankers.

12. Events after the Balance Sheet date
After the close of the quarter, AMSC notified AKPS and OSG that the build sequence for the 12 tanker build program would be changed, as AMSC has not yet been able to arrange financing for the two shuttle tankers in the program. Without financing in place for the shuttle tankers, AKPS cannot draw on its construction financing facility to build these vessels, and therefore the building sequence was changed. The shipbuilding contracts and bareboat charters for the shuttle tankers provide flexibility with respect to delivery of the vessels and made this change in building sequence possible. AMSC currently anticipates that the two shuttle tankers will be delivered in compliance with their respective bareboat charters, provided that financing is in place. The change in building sequence will not delay the delivery of the product tankers.

Contact information:
American Shipping Company ASA
Fjordalleen 16
Postboks 1423 Vika
0115 Oslo
NORWAY

Robert Kurz	Gregory J. Matecki	Bengt A. Rem
President & CEO	CFO	Vice President
Tel: + 1 215 875 2716	+1 215 875 2647	+47 24 13 00 03
Cell: + 1 215 776 0173	+1 610 888 5549	+47 91 63 00 03
rob.kurz@amshipco.com	greg.matecki@amshipco.com	bar@akerasa.com

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.

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