Third Quarter 2010 - American Shipping Company's Fleet Expands with the Delivery of its Ninth Product Tanker

OSLO (November 12, 2010) – American Shipping Company ASA's ("AMSC" or the "Company") fleet has grown to nine with the delivery of its ninth product tanker on August 31, 2010. This vessel was immediately bareboat chartered to OSG America, Inc. (a subsidiary of Overseas Shipholding Group, Inc. (collectively, "OSG")), who in turn has time chartered the vessel to Tesoro. The final vessel in this ten vessel order with Aker Philadelphia Shipyard ("AKPS") is scheduled for delivery in the second quarter of 2011.

AMSC's operating revenues for Q3 2010 and the nine months ended September 30, 2010 were USD 18.0 million and USD 48.8 million, respectively, compared to USD 15.0 million in Q3 2009 and USD 39.3 million for the nine months ended September 30, 2009. This increase in revenue reflects the bareboat charter hire revenue from the service of the first nine vessels of a ten vessel series in 2010 versus seven vessels in the first nine months of 2009. EBITDA was USD 17.6 million in the third quarter 2010 compared to USD 13.9 million in the third quarter 2009. EBITDA for the nine months ended September 30, 2010 and 2009 was USD 46.8 million and USD 35.3 million, respectively.

Operating expenses were USD 0.4 million in Q3 2010 and USD 2.0 million for the nine months ended September 30, 2010, compared to USD 1.1 million Q3 2009 and USD 4.0 million for the nine months ended September 30, 2009. This decrease in 2010 primarily relates to lower outside legal and consulting costs in connection with the arbitration and settlement negotiations with OSG that occurred in 2009. EBIT was USD 8.6 million in Q3 2010 compared to USD 6.2 million in Q3 2009. EBIT for the nine months ended September 30, 2010 was USD 22.4 million and for the nine months ended September 30, 2009 was USD 15.0 million.

Net financial items (excluding unrealized gains or losses on interest swaps) were negative USD 28.2 million in Q3 2010 and negative USD 32.8 million for the nine months ended September 30, 2010, consisting of net interest expense (interest expense less interest income and capitalized interest) of negative USD 12.8 million for Q3 2010 (negative USD 35.2 million for the nine months ended September 30, 2010), and a net foreign exchange loss of USD 15.4 million in Q3 2010 (gain of USD 2.5 million for the nine months ended September 30, 2010). Net financial items (excluding unrealized gains or losses on interest swaps) in Q3 2009 and for the nine months ended September 30, 2009 were negative USD 15.0 million and negative USD 35.5 million, respectively. The net interest expense for Q3 2009 and the nine months ended September 30, 2009 were negative USD 10.5 million and negative USD 28.3 million, respectively. The net foreign exchange impact was negative USD 4.5 million for Q3 2009 and negative USD 7.2 million for the nine months ended September 30, 2009. Capitalization of interest is related to the financing of progress payments on ships in construction.

In addition, in Q3 2010, AMSC incurred an unrealized, non-cash loss of USD 11.8 million related to its interest swap contracts on its vessel financing. The year-to-date unrealized loss of USD 35.1 million on interest swaps had no cash impact on AMSC. The corresponding Q3 and year-to-date amounts for 2009 were an unrealized loss of USD 9.7 million and unrealized gain of USD 17.7 million, respectively.

Net loss for the third quarter of 2010 was USD 31.4 million versus a net loss of USD 18.5 million in the third quarter of 2009. For the nine months ended September 30, 2010, net loss was USD 45.5 million and for the nine months ended September 30, 2009, net loss was USD 2.9 million.

INCOME STATEMENT

Amounts in USD million (except share and per share information)	Q3 2010	Q3 2009	Year to date 2010	Year to date 2009
	unaudited			
Operating revenues	18.0	15.0	48.8	39.3
EBITDA	**17.6**	**13.9**	**46.8**	**35.3**
Operating profit - EBIT	8.6	6.2	22.4	15.0
Net Financial items	(28.2)	(15.0)	(32.8)	(35.5)
Unrealized gain/(loss) on interest swaps	(11.8)	(9.7)	(35.1)	17.7
Profit before tax	(31.4)	(18.5)	(45.5)	(2.8)
Profit/(loss) for the period *	**(31.4)**	**(18.5)**	**(45.5)**	**(2.9)**
Dividends paid on preferred shares in subsidiary	-	-	-	(0.9)
Profit/(loss) attributable to equity holders of the parent for the period	**(31.4)**	**(18.5)**	**(45.5)**	**(3.8)**
Average number of common shares	27,600,000	27,600,000	27,600,000	27,600,000
Basic and diluted earnings per share (USD)	**(1.14)**	**(0.67)**	**(1.65)**	**(0.14)**

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

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	30-Sep 2010	31-Dec 2009
	unaudited	
Property, plant & equipment	893.3	703.9
Interest-bearing long term receivables	10.5	7.3
Other non current assets	24.7	74.7
Non-current cash held for specified uses	10.9	25.2
Assets held for sale	22.4	21.3
Trade and other receivables	0.6	1.3
Cash held for specified uses	23.6	12.1
Cash and cash equivalents	20.9	20.5
Total assets	**1,006.9**	**866.3**
Total equity	33.3	78.8
Interest-bearing long term debt	805.9	673.9
Interest-bearing short term debt	44.7	31.8
Tax payable and trade and other payables	123.0	81.8
Total equity and liabilities	**1,006.9**	**866.3**

Other non-current assets include prepayments to AKPS for vessel construction. Assets held for sale reflects the value of the second shipbuilding contract assigned to OSG, with delivery expected in December 2010.

Interest bearing debt as of September 30, 2010 was USD 850.6 million, net of USD 16.6 million in capitalized fees versus USD 705.7 million as of December 31, 2009. This debt relates to the financing on the first nine vessels as well as the NOK 966 million bonds (consisting of principal amount of NOK 700 million plus payment-in-kind interest through September 2010) issued in February 2007. Tax payable, trade and other payables include the negative mark-to-market valuation of the interest rate swaps of USD 114.1 million as of September 30, 2010, and USD 79.0 million as of December 31, 2009, as well as other accrued costs and liabilities.

Outlook

The U.S. Jones Act market continues to be in an over supply position as the supply of Jones Act product tankers continues to exceed demand from Charterers and several ships remain idle. Demand in the U.S. for petroleum continues to remain below historical levels. Fortunately, our long-term charters provide AMSC with stable cash flows that are protected from short-term market movements. The extent of receiving profit sharing contributions (which is a component of our bareboat charters) will depend on the time charter rates obtained by OSG as well as OSG's ability 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. Over the long term, we continue to expect that the market will improve as demand increases coupled with the expectation of the phase-out of vessels due to the Oil Pollution Act of 1990. Our strategy is to continue to maintain tight controls on our costs and to be prepared to capitalize on value creation opportunities. In addition, we will continue to focus on achieving the conditions required for extending our bareboat charters to December 2019 (from charters that currently expire between 2014 and 2016) per the settlement agreement with OSG (see the 2009 Annual Report for more information on the settlement agreement with OSG.)

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.

Risks

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

AMSC's activities also expose it to a variety of other financial risks, including currency risk, interest rate risk and liquidity risk. In addition, AMSC is subject to foreign exchange risk associated with the value of the Norwegian Kroner to the U.S. dollar.

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

AMSC does have counterparty risk with AKPS associated with various guarantees AMSC has given on AKPS obligations, pursuant to the terms under which the companies became separate publicly listed entities in 2007. The continued operations at AKPS will be dependent upon its ability to obtain new orders or financing for building additional vessels. As of today, AKPS has not received any new orders or vessel financing for building vessels beyond our ten ship order, with the last ship expected to be delivered in Q2 2011.

For further details of AMSC's risks, including our guarantees, refer to the 2009 Annual Report.

Oslo, November 11, 2010
The Board of Directors and Managing Director
American Shipping Company ASA

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

American Shipping Company

American Shipping Company ASA Group

INCOME STATEMENT

Amounts in USD million (except share and per share information)	unaudited Q3 2010	Q3 2009	Year to date 2010	Year to date 2009
Operating revenues	18.0	15.0	48.8	39.3
Operating expenses	(0.4)	(1.1)	(2.0)	(4.0)
Operating profit before depreciation	**17.6**	**13.9**	**46.8**	**35.3**
Depreciation	(9.0)	(7.7)	(24.4)	(20.3)
Operating profit	**8.6**	**6.2**	**22.4**	**15.0**
Net financial items	(28.2)	(15.0)	(32.8)	(35.5)
Unrealized gain/(loss) on interest swaps	(11.8)	(9.7)	(35.1)	17.7
Profit/(loss) before tax	**(31.4)**	**(18.5)**	**(45.5)**	**(2.8)**
Tax expense	-	-	-	(0.1)
Profit/(loss) for the period *	**(31.4)**	**(18.5)**	**(45.5)**	**(2.9)**
Dividends paid on preferred shares in subsidiary	-	-	-	(0.9)
Profit/(loss) attributable to equity holders of the parent for the period	**(31.4)**	**(18.5)**	**(45.5)**	**(3.8)**
Average number of common shares	27,600,000	27,600,000	27,600,000	27,600,000
Basic and diluted earnings per share (USD)	**(1.14)**	**(0.67)**	**(1.65)**	**(0.14)**

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

STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

Amounts in USD million	unaudited Q3 2010	Q3 2009	Year to date 2010	Year to date 2009
Net income/(loss) for the period	(31.4)	(18.5)	(45.5)	(3.8)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	**(31.4)**	**(18.5)**	**(45.5)**	**(3.8)**

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	unaudited 30-Sep 2010	31-Dec 2009
Assets		
Non-current assets		
Property, plant & equipment	893.3	703.9
Interest-bearing long term receivables	10.5	7.3
Prepayments	24.7	74.7
Non-current cash held for specified uses	10.9	25.2
Total non-current assets	**939.4**	**811.1**
Current assets		
Assets held for sale	22.4	21.3
Trade and other receivables	0.6	1.3
Cash held for specified uses	23.6	12.1
Cash and cash equivalents	20.9	20.5
Total current assets	**67.5**	**55.2**
Total assets	**1,006.9**	**866.3**
Equity and liabilities		
Total equity	**33.3**	**78.8**
Non-current liabilities		
Bond payable	164.0	158.3
Other interest-bearing loans	658.5	534.8
Capitalized fees	(16.6)	(19.2)
Total non-current liabilities	**805.9**	**673.9**
Current liabilities		
Interest-bearing short-term debt	44.7	31.8
Tax payable and trade and other payables	123.0	81.8
Total current liabilities	**167.7**	**113.6**
Total liabilities	**973.6**	**787.5**
Total equity and liabilities	**1,006.9**	**866.3**

STATEMENT OF CHANGES IN TOTAL EQUITY

Amounts in USD million	unaudited Year to date 2010	Year to date 2009
Equity related to the equity holders of the parent company as of beginning of period	78.8	81.0
Total comprehensive income/(loss) for the period	(45.5)	(2.9)
Dividends paid from a subsidiary	-	(0.9)
Equity related to the equity holders of the parent company as of end of period	**33.3**	**77.2**
Preferred shares in subsidiary as of beginning of period	-	20.0
Preferred stock issued / (redeemed)	-	(20.0)
Total equity as of end of period	**33.3**	**77.2**

CASH FLOW STATEMENT

Amounts in USD million	unaudited Year to date 2010	Year to date 2009
Net cash flow from operating activities	22.7	29.5
Net cash flow from investing activities	(160.3)	(198.0)
Net cash flow from financing activities	149.5	125.7
Net change in cash and cash equivalents	**11.9**	**(42.8)**
Effects of changes in exchange rates on cash	-	0.4
Cash and cash equivalents, including cash held for specified uses at the beginning of period	32.6	71.8
Cash and cash equivalents, including cash held for specified uses at end of period	**44.5**	**29.4**

Notes to the unaudited condensed consolidated interim financial statements for the first nine months and the three months ended September 30, 2010

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 and the three months ended September 30, 2010 comprise AMSC and its wholly owned subsidiaries. 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 and nine month periods 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, 2009.

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, 2009. There have not been any new IFRS standards or interpretations issued after the completion of the annual consolidated financial statements for the year 2009 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, 2009.

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 September 30, 2010, 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 2010 or 2009.

8. Interest-bearing debt

The following shows material changes in interest-bearing debt:

Amounts in USD million	9 months to 9/30/2010	9 months to 9/30/2009
Balance at beginning of period	705.7	504.4
Repayment of debt	(24.3)	(13.4)
Issuance of debt	160.0	160.0
Interest added to oustanding debt	9.2	8.3
Foreign currency impact	(2.5)	25.4
Amortization of loan fees	2.5	2.8
Balance at end of period	850.6	687.5

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 9/30/2010	3 months to 9/30/2009	9 months to 9/30/2010	9 months to 9/30/2009
Interest expense	(14.3)	(12.2)	(40.4)	(34.5)
Interest income	0.2	0.1	0.5	0.6
Interest capitalized	1.3	1.6	4.7	5.6
Net interest expense	**(12.8)**	**(10.5)**	**(35.2)**	**(28.3)**

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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.

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