Fourth Quarter 2011 Results

OSLO (February 27, 2011) – AMSC's operating revenues for Q4 and the full year 2011 were USD 21.9 million and USD 83.9 million, respectively, compared to USD 19.5 million and USD 68.3 million for the same periods of 2010. This increase in revenues reflects the increase in the number of vessels in 2011 over 2010. EBITDA was USD 21.0 million in Q4 2011 compared to USD 19.2 million in Q4 2010. EBITDA for the full year 2011 and 2010 was USD 81.2 million and USD 66.0 million, respectively.

EBIT was USD 10.6 million in Q4 2011 compared to USD 9.5 million in Q4 2010. EBIT for the full year 2011 and 2010 was USD 40.1 million and USD 31.8 million, respectively.

Net interest expense (interest expense less interest income and capitalized interest) for Q4 and the full year 2011 was negative USD 16.5 million and USD 64.3 million, respectively , compared to negative USD 14.5 million and USD 49.8 million for the same periods of 2010. Net foreign exchange gain was USD 4.9 million in Q4 2011 and USD 5.4 million for the full year 2011, compared to a net foreign exchange loss of USD 0.5 million in Q4 2010 and net gain of USD 2.0 million for the full year 2010. The foreign exchange gains/losses, resulting from the translation of Norwegian kroner denominated debt and accrued interest into USD, are unrealized and had no cash impact on AMSC.

In addition, in Q4 2011, AMSC had an unrealized gain of USD 8.6 million related to the mark-to-market valuation of its interest rate swap contracts on its vessel financing (gain of USD 11.4 million for full year 2011). The corresponding Q4 2010 and full year 2010 amounts were an unrealized gain of USD 18.3 million and unrealized loss of USD 16.8 million, respectively. These unrealized gains/losses had no cash impact on AMSC.

As a result of the foreign exchange and interest swap gains, AMSC had a net profit for the fourth quarter of 2011 of USD 7.6 million versus a net profit of USD 25.0 million in the fourth quarter of 2010. For the full year 2011 and 2010, net loss was USD 7.4 million and USD 20.6 million, respectively.

INCOME STATEMENT

	unaudited			
	Q4	**Q4**	**Full Year**	
Amounts in USD million (except share and per share information)	**2011**	**2010**	**2011**	**2010**
Operating revenues	21.9	19.5	83.9	68.3
Operating profit before depreciation - EBITDA	**21.0**	**19.2**	**81.2**	**66.0**
Operating profit - EBIT	10.6	9.5	40.1	31.8
Gain on sale of shipbuilding contract	-	12.2	-	12.2
Net interest expense	(16.5)	(14.5)	(64.3)	(49.8)
Unrealized gain/(loss) on interest swaps	8.6	18.3	11.4	(16.8)
Net foreign exchange gain/(loss)	4.9	(0.5)	5.4	2.0
Profit/(loss) before income tax	7.6	25.0	(7.4)	(20.6)
Net profit/(loss) for the period *	**7.6**	**25.0**	**(7.4)**	**(20.6)**
Average number of common shares	27,600,000	27,600,000	27,600,000	27,600,000
Basic and diluted earnings/(loss) per share (USD)	**0.28**	**0.91**	**(0.27)**	**(0.75)**

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

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	unaudited 31-Dec 2011	31-Dec 2010
Vessels	949.0	884.1
Interest-bearing long term receivables	17.0	11.7
Other non current assets	-	24.7
Non-current cash held for specified uses	28.9	46.0
Trade and other receivables	0.5	0.8
Cash held for specified uses	21.5	19.6
Cash and cash equivalents	20.8	21.2
Total assets	**1,037.7**	**1,008.1**
Total equity	50.8	58.2
Interest-bearing long term debt	841.6	801.0
Derivative financial liabilities - long term portion	78.2	89.4
Interest-bearing short term debt	51.7	44.8
Derivative financial liabilities - short term portion	6.2	6.4
Trade and other payables	9.2	8.3
Total equity and liabilities	**1,037.7**	**1,008.1**

The increase in Vessels from December 31, 2010 reflects delivery of the final vessel from AKPS in April. The changes in Interest-bearing long term debt and short term debt reflect the increase in bank debt for delivery of the last vessel on order.

Interest bearing debt as of December 31, 2011 was USD 893.3 million, net of USD 11.8 million in capitalized fees versus USD 845.8 million as of December 31, 2010. This debt relates to the bank financing of the ten vessels, the NOK denominated bond (consisting of principal amount of NOK 700 million plus payment-in-kind interest through December 2011 of NOK 354 million) issued in February 2007 and a subordinated loan from Converto Capital Fund AS. During the quarter, the Company reclassified the portion of its interest rate swap liability that will not be realized over the next 12 months to long term. Accordingly, certain reclassifications were made to conform to current year presentation.

In the third quarter of 2011, the Company obtained bondholders' approval to extend the maturity of the bond to February 2018. In addition, the bondholders approved reductions in the required minimum equity covenant (defined as book equity exclusive of the mark-to-market adjustments on the interest rate swaps) from USD 80 million to USD 50 million. In connection with the extension of the bond maturity on October 5, Aker ASA offered to buy out bond holders, receiving acceptances of 17% of the outstanding bond loan. AMSC was in compliance with all of its debt covenants as of December 31, 2011.

Outlook

Economic fundamentals impacting the Jones Act petroleum products trade have improved somewhat during the second half of 2011 with a reduction in fleet capacity, the impending shut down of half of the Middle Atlantic refinery capacity, a reduction in European gasoline exports to the East Coast and pipeline constraints. All these factors have resulted in increases in spot fixtures and time charter rates from the low levels seen in early 2011. AMSC's long-term bareboat charters provide AMSC with stable cash flows 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, as does the industry, that the market will improve over the longer-term. We remain committed to our strategy of maintaining tight cost control and to be prepared to capitalize on value creation opportunities. In addition, we are focused on achieving the one remaining condition, viz. the refinancing or extension of the vessel debt, required for extending our bareboat charters to December 2019 per the settlement agreement with OSG (see note 11 below for more information).

Risks

The risks facing AMSC principally relate to the operational and financial performance of OSG as well as 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, known as the finance lease exception.

Oslo, February 27, 2011

The Board of Directors and Managing Director

American Shipping Company ASA

Annette Malm Justad Chairperson	Frank O. Reite Director
Lars Solbakken Director	Dag Fasmer Wittusen President/CEO

American Shipping Company ASA Consolidated Group

INCOME STATEMENT

Amounts in USD million (except share and per share information)	Q4 2011 (unaudited)	Q4 2010 (unaudited)	Full Year 2011 (unaudited)	Full Year 2010 (unaudited)
Operating revenues	21.9	19.5	83.9	68.3
Operating expenses	(0.9)	(0.3)	(2.7)	(2.3)
Operating profit before depreciation - EBITDA	**21.0**	**19.2**	**81.2**	**66.0**
Depreciation	(10.4)	(9.7)	(41.1)	(34.2)
Operating profit - EBIT	**10.6**	**9.5**	**40.1**	**31.8**
Gain on sale of shipbuilding contract	-	12.2	-	12.2
Net interest expense	(16.5)	(14.5)	(64.3)	(49.8)
Unrealized gain/(loss) on interest swaps	8.6	18.3	11.4	(16.8)
Net foreign exchange gain/(loss)	4.9	(0.5)	5.4	2.0
Profit/(loss) before income tax	**7.6**	**25.0**	**(7.4)**	**(20.6)**
Income tax expense	-	-	-	-
Net profit/(loss) for the period *	**7.6**	**25.0**	**(7.4)**	**(20.6)**
Average number of common shares	27,600,000	27,600,000	27,600,000	27,600,000
Basic and diluted earnings/(loss) per share (USD)	**0.28**	**0.91**	**(0.27)**	**(0.75)**

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

STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

Amounts in USD million	Q4 2011 (unaudited)	Q4 2010 (unaudited)	Full Year 2011 (unaudited)	Full Year 2010 (unaudited)
Net income/(loss) for the period	7.6	25.0	(7.4)	(20.6)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period *	**7.6**	**25.0**	**(7.4)**	**(20.6)**

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

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	31-Dec 2011 (unaudited)	31-Dec 2010 (unaudited)
Assets		
Non-current assets		
Vessels	949.0	884.1
Interest-bearing long term receivables	17.0	11.7
Prepayments	-	24.7
Non-current cash held for specified uses	28.9	46.0
Total non-current assets	**994.9**	**966.5**
Current assets		
Trade and other receivables	0.5	0.8
Cash held for specified uses	21.5	19.6
Cash and cash equivalents	20.8	21.2
Total current assets	**42.8**	**41.6**
Total assets	**1,037.7**	**1,008.1**
Equity and liabilities		
Total equity	**50.8**	**58.2**
Non-current liabilities		
Bond payable	175.8	167.5
Other interest-bearing loans	677.6	649.2
Derivative financial liabilities - long term portion	78.2	89.4
Capitalized fees	(11.8)	(15.7)
Total non-current liabilities	**919.8**	**890.4**
Current liabilities		
Interest-bearing short-term debt	51.7	44.8
Derivative financial liabilities - short term portion	6.2	6.4
Trade and other payables	9.2	8.3
Total current liabilities	**67.1**	**59.5**
Total liabilities	**986.9**	**949.9**
Total equity and liabilities	**1,037.7**	**1,008.1**

STATEMENT OF CHANGES IN TOTAL EQUITY

Amounts in USD million	Full Year 2011 (unaudited)	Full Year 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	(7.4)	(20.6)
Total equity as of end of period	**50.8**	**58.2**

CASH FLOW STATEMENT

Amounts in USD million	Full Year 2011 (unaudited)	Full Year 2010 (unaudited)
Net cash flow from operating activities	32.6	44.6
Net cash flow from investing activities	(80.6)	(140.4)
Net cash flow from financing activities	49.5	104.0
Net change in cash and cash equivalents	**1.5**	**8.2**
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	**42.3**	**40.8**

Notes to the unaudited condensed consolidated interim financial statements for the three and twelve months ended December 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 and twelve months ended December 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 and twelve 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, 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. Certain prior period reclassifications were made to conform to current year presentation.

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 December 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 third 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 80 million to USD 50 million. The Company's equity as defined under the loan covenant as of December 31, 2011 was USD 135 million. The bondholders also voted in favor of extending the bond's maturity date from February 28, 2012 to February 28, 2018 and to make any of the interest payments until the maturity date as PIK.

The following shows material changes in interest-bearing debt:

Amounts in USD million	12 months to 12/31/2011	12 months to 12/31/2010
Balance at beginning of period	845.8	705.7
Repayment of debt	(47.6)	(34.6)
Issuance of debt	80.0	160.0
Interest added to oustanding debt	16.0	13.2
Foreign currency impact	(5.4)	(2.1)
Amortization of loan fees	4.5	3.6
Balance at end of period	893.3	845.8

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 12/31/2011	3 months to 12/31/2010	12 months to 12/31/2011	12 months to 12/31/2010
Interest expense	(16.9)	(15.6)	(66.5)	(56.0)
Interest income	0.4	0.2	1.4	0.7
Interest capitalized	-	0.9	0.7	5.5
Net interest expense	**(16.5)**	**(14.5)**	**(64.4)**	**(49.8)**

11. Settlement Agreement with OSG

In December 2009, the Company announced that it had entered into a settlement agreement ("Settlement Agreement") with OSG that settled all of the outstanding commercial disputes between AMSC and OSG. The Settlement Agreement enabled the Company to complete the vessel build series with AKPS.

As part of the Settlement Agreement, the fixed terms of the bareboat charters of the ten product tankers will be extended to a common expiration date that is ten years from the settlement date upon satisfaction of certain conditions including timely delivery of the remaining vessels in the twelve ship order and the satisfactory refinancing or extension of AMSC's vessel debt and bond obligations. Two of the three conditions have been met with the delivery of the final vessel in Q2 2011 and the extension of the bond debt on October 5, 2011. To meet the third and final condition for the charter extensions, the Company has started the process of evaluating different alternatives for the refinancing or extension of its vessel debt.

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Disclaimer

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American Shipping Company ASA undertakes no obligation to publicly update or revise any forward-looking information or statements in the 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 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.