Fourth Quarter 2012 Results

OSLO (18 February 2013) – On 14 November 2012, Overseas Shipholding Group, Inc. and certain of its subsidiaries (collectively "OSG"), which has all of AMSC's vessels on bareboat charter, filed a petition with the U.S. Bankruptcy Court for the District of Delaware for relief under Chapter 11 of the U.S. Bankruptcy Code. So far OSG has continued to make all of its charter payments to AMSC on time.

Subsequent to the close of the fourth quarter, on 9 January 2013, the U.S. Bankruptcy Court approved OSG's motion to continue to perform all of its obligations under the bareboat charters and attendant agreements with AMSC. AMSC works on the assumption that the charters are profitable to OSG and that OSG will therefore continue to perform under the agreements with AMSC.

Fourth quarter results

AMSC's operating revenues for Q4 2012 were USD 22.2 million, compared to USD 21.9 million for Q4 2011. EBITDA was USD 21.3 million in Q4 2012 compared to USD 21.0 million in Q4 2011. EBIT was USD 12.9 million in Q4 2012 compared to USD 10.6 million in Q4 2011.

Net interest expense (interest expense less interest income and capitalized interest) for Q4 2012 was negative USD 14.7 million, compared to negative USD 16.5 million for Q4 2011. Net foreign exchange loss was USD 4.2 million in Q4 2012, compared to a net foreign exchange gain of USD 4.9 million in Q4 2011. The foreign exchange gains and 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 2012, AMSC had an unrealized gain of USD 6.6 million related to the mark-to-market valuation of its interest rate swap contracts on its vessel financing. The corresponding Q4 2011 unrealized gain was USD 8.6 million. These unrealized gains and losses had no cash impact on AMSC.

AMSC had a net profit for Q4 of 2012 of USD 0.6 million versus USD 7.6 million in Q4 of 2011. This significant swing in net profit/loss was mainly due to the unrealized foreign exchange gains and losses during the comparable quarters.

Year to date results

AMSC's operating revenues for the full year 2012 and 2011 were USD 87.8 million and 83.9 million, respectively. This increase in revenues reflects the operation of the full fleet of ten vessels in 2012. The tenth vessel was delivered in April 2011. EBITDA for the full year 2012 and 2011 was USD 84.6 million and USD 81.2 million, respectively. EBIT for the full year 2012 and 2011 was USD 51.0 million and USD 40.1 million, respectively. Net interest expense of USD 62.9 million, net unrealized foreign exchange loss of USD 13.7 million and unrealized gain on interest swaps of USD 16.7 million are included in net financial items for 2012. The same figures for 2011 include net interest expense of USD 64.3 million, net unrealized foreign exchange gain of USD 5.4 million and net unrealized gain on interest swaps of USD 11.4 million. Net loss for the full year 2012 was USD 8.9 million, while the full year 2011 had a net loss of USD 7.4 million.

CONDENSED INCOME STATEMENT

	unaudited			
	Q4	Q4	Full Year	
Amounts in USD million (except share and per share information)	**2012**	**2011**	**2012**	**2011**
Operating revenues	22.2	21.9	87.8	83.9
Operating profit before depreciation - EBITDA	**21.3**	**21.0**	**84.6**	**81.2**
Operating profit - EBIT	**12.9**	**10.6**	**51.0**	**40.1**
Net interest expense	(14.7)	(16.5)	(62.9)	(64.3)
Unrealized gain/(loss) on interest swaps	6.6	8.6	16.7	11.4
Net foreign exchange gain/(loss)	(4.2)	4.9	(13.7)	5.4
Net profit/(loss) for the period *	**0.6**	**7.6**	**(8.9)**	**(7.4)**
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)	**0.02**	**0.28**	**(0.32)**	**(0.27)**

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

CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in USD million	*unaudited* 31-Dec 2012	31-Dec 2011
Vessels	915.4	949.0
Interest-bearing long term receivables	23.0	17.0
Non-current cash held for specified uses	-	28.9
Trade and other receivables	0.4	0.5
Cash held for specified uses	7.0	21.5
Cash and cash equivalents	15.4	20.8
Total assets	**961.2**	**1,037.7**
Total equity	41.9	50.8
Interest-bearing long term debt	798.5	841.6
Derivative financial liabilities - long term portion	62.9	78.2
Interest-bearing short term debt	43.8	51.7
Derivative financial liabilities - short term portion	4.8	6.2
Trade and other payables	9.3	9.2
Total equity and liabilities	**961.2**	**1,037.7**

The decrease in Vessels from 31 December 2011 reflects depreciation of the Company's ten product tankers for 2012. Effective as of 1 January 2012, AMSC increased its estimate for the useful lives of its vessels to 30 years. In previous years, the estimated useful life of vessels was 25 years. The Company's decision to increase the useful life was based on several factors including its experience with vessels operating in the U.S. Jones Act market, reference to comparable companies and its maintenance program. The total impact on depreciation of the change in estimate was USD 1.9 million for Q4 2012 and USD 7.7 million for 2012.

The reduction of cash from 31 December 2011 was mainly due to a prepayment of approximately USD 33 million of the Company's vessel debt and scheduled debt service payments made during 2012.

Interest bearing debt as of 31 December 2012 was USD 842.3 million, net of USD 10.9 million in capitalized fees versus USD 893.3 million as of 31 December 2011. 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 2012 of NOK 435 million) and a subordinated loan from Converto Capital Fund AS.

AMSC was in compliance with all of its debt covenants as of 31 December 2012.

Outlook

Trade fundamentals that impact the U.S. Jones Act product fleet continued to show signs of improvement during the last quarter of 2012. Positive developments include full fleet employment as well as increasing time charter rates and lengths compared to a year ago. As reported by trade specialists, factors responsible for trade growth include refinery shutdowns on the East Coast, increased products output from refineries on the Gulf Coast, reduced imports, resurgent chemical-specialties shipments and the emergence of oceangoing shale oil (a/k/a frac oil) shipments. Industry expectations are that the positive trends will continue. While spot rates have recently increased significantly especially as a result of frac oil shipments, it should be noted that OSG has none of AMSC's vessels employed in the spot market.

To date, no profits have been generated under our profit share agreement with OSG. With increasing time charter rates, however, prospects for profit share are improving, but as part of AMSC's settlement agreement with OSG in 2009, OSG is entitled to retain the first USD 18.2 million (plus accrued interest) of profit sharing otherwise payable to AMSC.

Risks

The risks facing AMSC principally relate to the operational and financial performance of OSG as well as overall market risk.

Under U.S. bankruptcy laws, OSG may take one of the following actions: (i) assume one or more of the charters, meaning it would agree to continue to perform under the terms of the charters, (ii) reject one or more of the charters and return the vessel(s) to the Company, or (iii) assume and assign one or more of the charters to a third party, in which case the third party would replace OSG and assume all of the rights and obligations under the assigned charter(s). AMSC believes that the least likely outcome is the rejection of the charters by OSG since the terms of the charters are favorable to OSG in the current market.

In the event that OSG chooses to reject the bareboat charters, AMSC anticipates that, considering that all vessels are working under time charters and markets are improving, it would be able to re-charter the vessels to another Jones Act operator on equal or better terms on relatively short notice. For that reason, we do not currently anticipate that the OSG bankruptcy filing will have a material adverse effect on AMSC or its ability to continue its operations and pay the vessel debt as and when due. See also Note 12.

AMSC's activities also expose the Company to a variety of other financial risks, including currency, interest rate and liquidity risk. With the completion of the Company's vessel debt extension on 30 July 2012, however, refinancing no longer represents a significant risk in the medium term.

For further details of AMSC's risks, including our guarantees, refer to the 2011 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, 18 February 2013
The Board of Directors and President / CEO
American Shipping Company ASA

Annette Malm Justad Chairperson	Peter D. Knudsen Director
Lars Solbakken Director	Dag Fasmer Wittusen President / CEO

American Shipping Company ASA Consolidated Group

CONDENSED INCOME STATEMENT

	unaudited			
	Q4	**Q4**	**Full Year**	
Amounts in USD million (except share and per share information)	**2012**	**2011**	**2012**	**2011**
Operating revenues	22.2	21.9	87.8	83.9
Operating expenses	(0.9)	(0.9)	(3.2)	(2.7)
Operating profit before depreciation - EBITDA	**21.3**	**21.0**	**84.6**	**81.2**
Depreciation	(8.4)	(10.4)	(33.6)	(41.1)
Operating profit - EBIT	**12.9**	**10.6**	**51.0**	**40.1**
Net interest expense	(14.7)	(16.5)	(62.9)	(64.3)
Unrealized gain/(loss) on interest swaps	6.6	8.6	16.7	11.4
Net foreign exchange gain/(loss)	(4.2)	4.9	(13.7)	5.4
Net profit/(loss) for the period *	**0.6**	**7.6**	**(8.9)**	**(7.4)**
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)	**0.02**	**0.28**	**(0.32)**	**(0.27)**

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

STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

	unaudited			
	Q4	**Q4**	**Full Year**	
Amounts in USD million	**2012**	**2011**	**2012**	**2011**
Net income/(loss) for the period	0.6	7.6	(8.9)	(7.4)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period *	**0.6**	**7.6**	**(8.9)**	**(7.4)**

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

STATEMENT OF FINANCIAL POSITION

	unaudited	
	31-Dec	**31-Dec**
Amounts in USD million	**2012**	**2011**
Assets		
Non-current assets		
Vessels	915.4	949.0
Interest-bearing long term receivables	23.0	17.0
Non-current cash held for specified uses	-	28.9
Total non-current assets	**938.4**	**994.9**
Current assets		
Trade and other receivables	0.4	0.5
Cash held for specified uses	7.0	21.5
Cash and cash equivalents	15.4	20.8
Total current assets	**22.8**	**42.8**
Total assets	**961.2**	**1,037.7**
Equity and liabilities		
Total equity	**41.9**	**50.8**
Non-current liabilities		
Bond payable	203.4	175.8
Other interest-bearing loans	606.0	677.6
Derivative financial liabilities - long term portion	62.9	78.2
Capitalized fees	(10.9)	(11.8)
Total non-current liabilities	**861.4**	**919.8**
Current liabilities		
Interest-bearing short-term debt	43.8	51.7
Derivative financial liabilities - short term portion	4.8	6.2
Trade and other payables	9.3	9.2
Total current liabilities	**57.9**	**67.1**
Total liabilities	**919.3**	**986.9**
Total equity and liabilities	**961.2**	**1,037.7**

STATEMENT OF CHANGES IN TOTAL EQUITY

	unaudited	
	Full Year	
Amounts in USD million	**2012**	**2011**
Equity related to the equity holders of the parent company as of beginning of period	50.8	58.2
Total comprehensive income/(loss) for the period	(8.9)	(7.4)
Total equity as of end of period	**41.9**	**50.8**

CONDENSED CASH FLOW STATEMENT

	unaudited	
	Full Year	
Amounts in USD million	**2012**	**2011**
Net cash flow from operating activities	36.2	32.6
Net cash flow from investing activities	-	(80.6)
Net cash flow from financing activities	(56.1)	49.5
Net change in cash and cash equivalents	**(19.9)**	**1.5**
Cash and cash equivalents, including cash held for specified uses at the beginning of period	42.3	40.8
Cash and cash equivalents, including cash held for specified uses at end of period	**22.4**	**42.3**

Notes to the unaudited condensed consolidated interim financial statements for the three and twelve months ended 31 December 2012

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 31 December 2012 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 2011 annual 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 as adopted by the EU (IFRS) applicable for interim reporting, *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 31 December 2011.

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 31 December 2011, with the exception of the increase in the vessels' expected useful lives. During the first quarter of 2012, the Company reviewed its previous estimate of 25 years and determined that an expected useful life of 30 years more fairly represents the assets' useful lives. The change in the estimated useful life has been accounted for prospectively beginning 1 January 2012. The Company's conclusion to increase the useful life was based on several factors including its experience with vessels operating in the U.S. Jones Act market, reference to comparable companies and its maintenance program. The total impact on depreciation of the change in estimate was USD 1.9 million for Q4 2012 and USD 7.7 million for 2012.

There have not been any new IFRS standards or interpretations issued after the completion of the annual consolidated financial statements for the year 2011 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 31 December 2011.

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 31 December 2012, 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 2012 or 2011.

8. Interest-bearing debt

The Company's equity as defined under the loan covenant (consolidated equity excluding cumulative unrealized gains and losses on the interest rate swaps) as of 31 December 2012, which requires adjusted equity of USD 50 million, was USD 109.6 million.

The following table shows material changes in interest-bearing debt:

Amounts in USD million	12 months to 12/31/2012	12 months to 12/31/2011
Balance at beginning of period	893.3	845.8
Repayment of debt	(85.0)	(47.6)
Issuance of debt	-	80.0
Interest added to oustanding debt	16.3	16.0
Foreign currency impact	13.6	(5.4)
Amortization of loan fees	4.1	4.5
Balance at end of period	842.3	893.3

On 30 July 2012, AMSC consummated its agreement with the bank syndicate to extend its ten vessel loans to a common maturity date of 30 June 2016 (previously ten individual maturities in the period 2014-16). As a result of the closing of the bank agreement, OSG confirmed at the same time the extension of the fixed term of AMSC's bareboat charters to a common maturity date in December 2019 (previously nine individual expiration dates in the period 2014-16 and one expiration date in 2021). The total outstanding vessel debt at the closing of the loan extension was USD 680 million, while the outstanding balance on maturity in June 2016 is projected to be USD 451 million. A prepayment of approximately USD 33 million was made at the end of Q3 2012 from current and non-current cash held for specified uses. This prepayment is reflected in the below table in 2H 2012. The bareboat charter extensions increase the Company's fixed revenue backlog by USD 382.1 million to USD 646.5 million. The Company's interest rate swap agreements were also extended and blended into new fixed rates. The new fixed interest rates vary between 5.1% and 7.9% per annum. Under the agreement, there is a step up in the margin in 2015 of 0.5% per annum.

The following table shows the new vessel debt maturity upon closing of the extension on 30 July 2012:

Amounts in USD million	Repayment
2H 2012	(56.5)
2013	(43.9)
2014	(48.3)
2015	(52.2)
1H 2016	(478.8)
Total repayment	**(679.8)**

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 12/31/2012	3 months to 12/31/2011	12 months to 12/31/2012	12 months to 12/31/2011
Interest expense	(15.2)	(16.9)	(64.6)	(66.5)
Interest income	0.5	0.4	1.7	1.4
Interest capitalized	-	-	-	0.6
Net interest expense	**(14.7)**	**(16.5)**	**(62.9)**	**(64.3)**

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 were 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. As of 30 July 2012, all of the conditions required for the bareboat charter extensions were met. As a result of the charter extensions, the Company's fixed charter backlog increased by USD 382.1 million and was USD 605.1 million as of 31 December 2012.

12. Contingencies

On 14 November 2012, Overseas Shipholding Group, Inc. and certain of its subsidiaries (collectively "OSG"), which has all of AMSC's vessels on bareboat charter, filed a petition with the U.S. Bankruptcy Court for the District of Delaware for relief under Chapter 11 of the U.S. Bankruptcy Code. As debtor under Chapter 11 of the Bankruptcy Code, OSG continues to operate its business while it pursues its options for reorganization. So far OSG has continued to make all of its charter payments to AMSC on time. Subsequent to the close of the fourth quarter, on 9 January 2013, the U.S. Bankruptcy Court approved OSG's motion to continue to perform all of its obligations under the bareboat charters and attendant agreements with AMSC.

Under U.S. bankruptcy laws, OSG may take one of the following actions: (i) assume one or more of the charters, meaning it would agree to continue to perform under the terms of the charters, (ii) reject one or more of the charters and return the vessel(s) to the Company, or (iii) assume and assign one or more of the charters to a third party, in which case the third party would replace OSG and assume all of the rights and obligations under the assigned charter(s). AMSC believes that the least likely outcome is the rejection of the charters by OSG since the terms of the charters are favorable to OSG in the current market. In the event that OSG chooses to reject the bareboat charters, AMSC anticipates that, considering that all vessels are working under time charters and markets are improving, it would be able to re-charter the vessels to another Jones Act operator on equal or better terms on relatively short notice. For that reason, we do not currently anticipate that the OSG bankruptcy filing will have a material adverse effect on AMSC or its ability to continue its operations and pay the vessel debt as and when due.

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