# Fourth Quarter 2013 Report

**Q4 Highlights**

- Successful recapitalization, giving AMSC a significantly stronger balance sheet and cash position (USD 147.5 million post-closing)
- Financial results stable, in line with previous quarters
- The Jones Act product tanker markets remaining strong
- OSG still in Chapter 11, continuing to service its charter payments to AMSC on time

**Subsequent events**

- Recapitalization (with accounting effect in January) strengthening AMSC's equity ratio and providing flexibility to facilitate refinancing its debt structure, pay quarterly dividends, and consider accretive growth opportunities
  - USD 120 million of new equity raised in private placement and USD 12 million in subsequent offering
  - Conversion of Converto loan (USD 29 million) to equity
  - Conversion of NOK bond loan into USD, eliminating foreign currency fluctuations, payment of 50% cash interest, call option, and option to extend maturity by three years to February 2021
- On 14 February, OSG filed a Plan Support Agreement, a first step in seeking approval of a plan of reorganization to exit Chapter 11 in Q3

OSLO (18 February 2014) – The recapitalization of American Shipping Company (AMSC) was approved by the shareholders at an Extraordinary General Meeting on 27 December 2013 and the shares were issued on 3 January 2014. The transactions will be treated as 2014 events in the Company's financial statements which are prepared under International Financial Reporting Standards as adopted by the European Union. ("IFRS"). For details of the recapitalization, please refer to note 13 in the condensed consolidated financial statements.

**Fourth quarter results**

Overseas Shipholding Group ("OSG") remains in Chapter 11 bankruptcy and continues servicing its bareboat charter payments to AMSC on time.

AMSC's operating revenues for Q4 2013 were USD 22.1 million, compared to USD 22.2 million for Q4 2012. EBITDA was USD 21.3 million in Q4 2013 (unchanged from Q4 2012). EBIT was USD 12.9 million in Q4 2013 (also unchanged from Q4 2012).

Net interest expense (interest expense less interest income) for Q4 2013 was negative USD 13.8 million, compared to negative USD 14.7 million for Q4 2012. Net foreign exchange gain was USD 2.6 million in Q4 2013 (loss of USD 4.2 million in Q4 2012). 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. Foreign exchange fluctuations from the bond will no longer have an impact on AMSC's earnings going forward with the conversion of the NOK denominated bond to USD as part of the recapitalization.

In Q4 2013, AMSC had an unrealized gain of USD 2.8 million related to the mark-to-market valuation of its interest rate swap contracts on its vessel financing (gain of USD 6.6 million in Q4 2012). These unrealized gains had no cash impact on AMSC.

AMSC had a net profit for Q4 of 2013 of USD 4.5 million versus USD 0.6 million in Q4 of 2012.

**Full year results**

AMSC's operating revenues for the full year 2013 and 2012 were USD 87.3 million and USD 87.8 million, respectively. EBITDA for 2013 and 2012 was USD 84.2 million and USD 84.6 million, respectively. EBIT for 2013 and 2012 was USD 50.7 million and USD 51.0 million, respectively. Full year net interest expense of USD 56.8 million, net unrealized foreign exchange gain of USD 16.9 million and unrealized gain on interest swaps of USD 20.1 million are included in net financial items for 2013. The same figures for 2012 include 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. Net profit for 2013 was USD 30.9 million and net loss for 2012 was USD 8.9 million.

**CONDENSED INCOME STATEMENT**

| | *unaudited* | | | |
|---|---|---|---|---|
| | **Q4** | **Q4** | **Full Year** | |
| **Amounts in USD million (except share and per share information)** | **2013** | **2012** | **2013** | **2012** |
| Operating revenues | 22.1 | 22.2 | 87.3 | 87.8 |
| **Operating profit before depreciation - EBITDA** | **21.3** | **21.3** | **84.2** | **84.6** |
| **Operating profit - EBIT** | **12.9** | **12.9** | **50.7** | **51.0** |
| Net interest expense | (13.8) | (14.7) | (56.8) | (62.9) |
| Unrealized gain/(loss) on interest swaps | 2.8 | 6.6 | 20.1 | 16.7 |
| Net foreign exchange gain/(loss) | 2.6 | (4.2) | 16.9 | (13.7) |
| **Net profit/(loss) for the period** | **4.5** | **0.6** | **30.9** | **(8.9)** |
| Average number of common shares | 27,600,000 | 27,600,000 | 27,600,000 | 27,600,000 |
| **Earnings/(loss) per share (USD)** | **0.16** | **0.02** | **1.12** | **(0.32)** |

**CONDENSED STATEMENT OF FINANCIAL POSITION – before recapitalization**

| | *unaudited* | |
|---|---|---|
| | **31-Dec** | **31-Dec** |
| **Amounts in USD million** | **2013** | **2012** |
| Vessels | 881.9 | 915.4 |
| Interest-bearing long term receivables | 29.6 | 23.0 |
| Trade and other receivables | 1.8 | 0.4 |
| Cash held for specified uses | 7.3 | 7.0 |
| Cash and cash equivalents | 12.3 | 15.4 |
| **Total assets** | **932.9** | **961.2** |
| | | |
| Total equity | 72.8 | 41.9 |
| Interest-bearing long term debt | 753.2 | 798.5 |
| Derivative financial liabilities - long term portion | 25.2 | 44.1 |
| Interest-bearing short term debt | 48.3 | 43.8 |
| Derivative financial liabilities - short term portion | 22.4 | 23.6 |
| Trade and other payables | 11.0 | 9.3 |
| **Total equity and liabilities** | **932.9** | **961.2** |

The decrease in Vessels from 31 December 2012 reflects depreciation of the Company's ten product tankers for 2013.

Interest bearing debt as of 31 December 2013 was USD 801.5 million, net of USD 7.5 million in capitalized fees versus USD 842.3 million as of 31 December 2012. This debt relates to the bank financing of the ten vessels of USD 580 million, the NOK denominated bond of USD 199.9 million and a loan from Converto Capital Fund AS of USD 29.1 million.

AMSC was in compliance with all of its debt covenants as of 31 December 2013.

## Outlook

The U.S. Jones Act product tanker market remained strong during Q4 2013. Capacity at the two U.S. shipyards currently able to build product tankers is nearly fully utilized through 2017, with 11 tankers on order, and a limited number of options. The output from refineries on the Gulf Coast continues to increase, as does the shale oil production. These positive trends are expected to continue.

A strong cash position and improved balance sheet give the Company latitude to consider accretive growth and refinancing opportunities.

To date, profits generated under our profit sharing agreement with OSG have been applied to offset the Company's deficit balances with OSG ("profit share overhang"). See note 12 to the condensed consolidated financial statements for additional information on profit sharing. With increasing time charter rates, prospects for cash profit share are improving.

## Risks

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

In November 2012, OSG filed a petition with the U.S. Bankruptcy Court for the District of Delaware for relief under Chapter 11 of the

Bankruptcy Code. As a 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. Further details can be found in note 11 in the condensed consolidated financial statements.

On 14 February 2014, OSG filed a motion to approve a Plan Support Agreement in cooperation with senior lenders, the first step in seeking confirmation of a plan of reorganization to exit Chapter 11. A hearing is set for 20 March, and if successful, OSG is aiming to exit Chapter 11 in Q3 of this year. There is no specific mention in the Plan of OSG's relationship to AMSC. Considering the markets for the vessels, however, it is not expected that OSG would choose to reject the bareboat charters with AMSC. Further information of the filing may be found on OSG's website www.osg.com.

AMSC's activities also expose the Company to a variety of other financial risks, including currency, interest rate and liquidity risk. With the completion in 2012 of the Company's vessel debt extension to June 2016, refinancing no longer represents a significant risk in the medium term.

For further details of AMSC's risks, including our guarantees, refer to the 2012 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 2014
The Board of Directors and President / CEO
American Shipping Company ASA

| | |
|---|---|
| Annette Malm Justad<br>Chairperson | Peter D. Knudsen<br>Director |
| Lars Solbakken<br>Director | Dag Fasmer Wittusen<br>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)** | **2013** | **2012** | **2013** | **2012** |
| Operating revenues | 22.1 | 22.2 | 87.3 | 87.8 |
| Operating expenses | (0.8) | (0.9) | (3.1) | (3.2) |
| **Operating profit before depreciation - EBITDA** | **21.3** | **21.3** | **84.2** | **84.6** |
| Depreciation | (8.4) | (8.4) | (33.5) | (33.6) |
| **Operating profit - EBIT** | **12.9** | **12.9** | **50.7** | **51.0** |
| Net interest expense | (13.8) | (14.7) | (56.8) | (62.9) |
| Unrealized gain/(loss) on interest swaps | 2.8 | 6.6 | 20.1 | 16.7 |
| Net foreign exchange gain/(loss) | 2.6 | (4.2) | 16.9 | (13.7) |
| **Net profit/(loss) for the period *** | **4.5** | **0.6** | **30.9** | **(8.9)** |
| Average number of common shares | 27,600,000 | 27,600,000 | 27,600,000 | 27,600,000 |
| **Earnings/(loss) per share (USD)** | **0.16** | **0.02** | **1.12** | **(0.32)** |

**CONDENSED STATEMENT OF CHANGES IN COMPREHENSIVE INCOME**

| | *unaudited* | | | |
|---|---|---|---|---|
| | **Q4** | **Q4** | **Full Year** | |
| **Amounts in USD million** | **2013** | **2012** | **2013** | **2012** |
| Net income/(loss) for the period | 4.5 | 0.6 | 30.9 | (8.9) |
| Other comprehensive income for the period, net of tax | - | - | - | - |
| **Total comprehensive income/(loss) for the period *** | **4.5** | **0.6** | **30.9** | **(8.9)** |

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

**CONDENSED STATEMENT OF FINANCIAL POSITION**

| | *unaudited* | |
|---|---|---|
| | **31-Dec** | **31-Dec** |
| **Amounts in USD million** | **2013** | **2012** |
| **Assets** | | |
| **Non-current assets** | | |
| Vessels | 881.9 | 915.4 |
| Interest-bearing long term receivables | 29.6 | 23.0 |
| **Total non-current assets** | **911.5** | **938.4** |
| **Current assets** | | |
| Trade and other receivables | 1.8 | 0.4 |
| Cash held for specified uses | 7.3 | 7.0 |
| Cash and cash equivalents | 12.3 | 15.4 |
| **Total current assets** | **21.4** | **22.8** |
| **Total assets** | **932.9** | **961.2** |
| **Equity and liabilities** | | |
| **Total equity** | **72.8** | **41.9** |
| **Non-current liabilities** | | |
| Bond payable | 199.9 | 203.4 |
| Other interest-bearing loans | 560.8 | 606.0 |
| Derivative financial liabilities - long term portion | 25.2 | 44.1 |
| Capitalized fees | (7.5) | (10.9) |
| **Total non-current liabilities** | **778.4** | **842.6** |
| **Current liabilities** | | |
| Interest-bearing short-term debt | 48.3 | 43.8 |
| Derivative financial liabilities - short term portion | 22.4 | 23.6 |
| Trade and other payables | 11.0 | 9.3 |
| **Total current liabilities** | **81.7** | **76.7** |
| **Total liabilities** | **860.1** | **919.3** |
| **Total equity and liabilities** | **932.9** | **961.2** |

**CONDENSED STATEMENT OF CHANGES IN TOTAL EQUITY**

| Amounts in USD million | unaudited Full Year 2013 | 2012 |
|---|---|---|
| Equity related to the equity holders of the parent company as of beginning of period | 41.9 | 50.8 |
| Total comprehensive income/(loss) for the period | 30.9 | (8.9) |
| **Total equity as of end of period** | **72.8** | **41.9** |

**CONDENSED CASH FLOW STATEMENT**

| Amounts in USD million | unaudited Full Year 2013 | 2012 |
|---|---|---|
| Net cash flow from operating activities | 41.3 | 36.2 |
| Net cash flow from financing activities | (44.1) | (56.1) |
| **Net change in cash and cash equivalents** | **(2.8)** | **(19.9)** |
| Cash and cash equivalents, including cash held for specified uses at the beginning of period | 22.4 | 42.3 |
| **Cash and cash equivalents, including cash held for specified uses at end of period** | **19.6** | **22.4** |

## Notes to the unaudited condensed consolidated interim financial statements for the three and twelve months ended 31 December 2013

### 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 2013 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 2012 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 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 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 2012.

### 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 2012.

There have not been any new IFRS standards or interpretations issued after the completion of the annual consolidated financial statements for the year 2012 that have a significant impact on AMSC's financial reporting. *IFRS 13 Fair Value Measurements* was effective from 1 January 2013. Because AMSC's only financial instrument carried at fair value is its interest rate swaps, which are disclosed separately and classified as level 2 based on market inputs as disclosed in the 2012 Annual Report, the adoption of IFRS 13 did not have a significant impact.

### 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 2012.

Certain prior period reclassifications were made to conform to current year presentation, which includes reclassifying USD 18.8 million of long-term liabilities to short-term as of 31 December 2013 and 2012, respectively.

**6. Tax estimates**

Income tax expense is recognized in each interim period based on the best estimate of the expected annual income tax rates.

The Group has net operating losses in carryforward as of 31 December 2013 of USD 387.3 million in the U.S. and approximately USD 50 million in Norway. Deferred tax assets in excess of deferred tax liabilities have not been recognized in respect of these items because it is not probable that future taxable profit in the short term will be available against which the Group can utilize the benefits therefrom. In addition, no deferred tax assets have been established for unrealized net losses on derivative financial instruments of USD 47.6 million as of 31 December 2013.

On 3 January 2014, American Tanker Holding Company, Inc. (ATHC) and subsidiaries experienced a change of ownership in the U.S. as defined by Internal Revenue Code Section 382, due to a greater than 50% shift in owners of AMSC stock. The utilization of the net operating losses carryforward as of that date are subject to annual limitations. Based upon the Company's preliminary calculations, it expects to be able to use a significant amount of these net operating losses to offset future taxable income. The Company is in the process of making its evaluation, the effect of which, if any, would be a Q1 2014 event.

**7. Share capital and equity**

As of 31 December 2013, 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 2013 or 2012.

On 3 January 2014, an additional 30,475,492 ordinary shares were issued in connection with the private placement and debt conversion, each with a par value of NOK 10 per share. Total outstanding shares as of that date were 58,075,492. Proceeds from the private placement net of transaction costs were USD 116 million

On 23 January 2014, through a subsequent offering, a total of 2,541,013 ordinary shares were issued at a par value of NOK 10 per share. The total outstanding shares of AMSC are 60,616,505. Proceeds from the subsequent offering net of transaction costs were USD 11.4 million

**8. Interest-bearing debt**

The Company is subject to a loan covenant under its bond obligation that requires the Company to maintain a minimum level of USD 50.0 million of consolidated equity adjusted for cumulative unrealized gains and losses on interest rate swap agreements. The Company's equity as defined under the loan covenant as of 31 December 2013 was USD 120.4 million.

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

| Amounts in USD million | 12 months to 12/31/2013 | 12 months to 12/31/2012 |
|---|---|---|
| **Balance at beginning of period** | 842.3 | 893.3 |
| Repayment of debt | (44.0) | (85.0) |
| Interest added to oustanding debt | 16.7 | 16.3 |
| Foreign currency impact | (16.9) | 13.6 |
| Amortization of loan fees | 3.4 | 4.1 |
| **Balance at end of period** | 801.5 | 842.3 |

## 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 12/31/2013 | 3 months to 12/31/2012 | 12 months to 12/31/2013 | 12 months to 12/31/2012 |
|---|---|---|---|---|
| Interest expense | (14.2) | (15.2) | (58.4) | (64.6) |
| Interest income | 0.4 | 0.5 | 1.6 | 1.7 |
| **Net interest expense** | **(13.8)** | **(14.7)** | **(56.8)** | **(62.9)** |

## 11. Contingencies

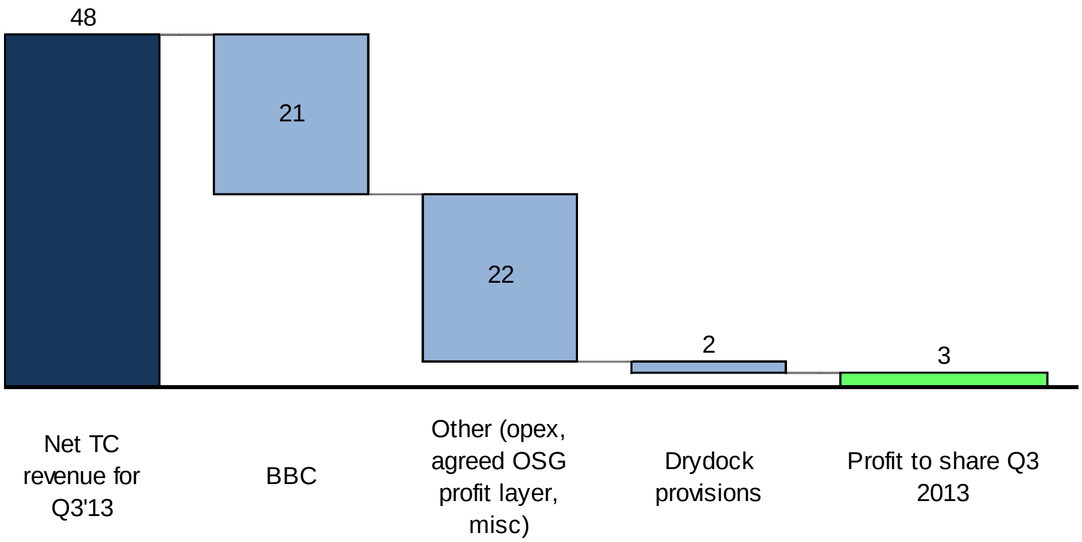
On 14 November 2012, Overseas Shipholding Group, Inc. and certain of its subsidiaries (collectively "OSG"), which has all of AMSC's vessels on bareboat charter, filed a petition with the U.S. Bankruptcy Court for the District of Delaware for relief under Chapter 11 of the U.S. Bankruptcy Code. In addition to holding leases that represent AMSC's entire backlog of USD 523 million as of the end of Q4 2013, OSG also owes AMSC USD 29.6 million of long-term receivables related to the Deferred Principal Obligation (DPO). 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. 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. The deadline for OSG to file a reorganization plan has been extended to 28 February 2014 (which can potentially be extended a final time to May 2014, 18 months after their Chapter 11 filing).

Under U.S. bankruptcy laws, OSG may take one of the following actions: (i) assume the vessel charters, meaning it would agree to continue to perform under the terms of the charters, (ii) reject the vessel charters and return the vessel to the Company, or (iii) assume and assign the vessel 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 charters and related transaction documents. 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, it is anticipated that, considering that all vessels are working under time charters and markets are strong, AMSC 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.

During Q2 2013, OSG obtained a long term time charter from Shell for a shuttle tanker for operation in the U.S. Gulf of Mexico. In connection with this time charter, OSG and AMSC have agreed on the conversion of one of AMSC's vessels to a shuttle tanker. As part of this agreement, OSG will assume (perform) the associated contracts with AMSC for the vessel that is ultimately selected for conversion.

On 14 February 2014, OSG filed a motion to approve a Plan Support Agreement in cooperation with senior lenders, the first step in seeking confirmation of a plan of reorganization to exit Chapter 11. A hearing is set for 20 March, and if successful, OSG is aiming to exit Chapter 11 in Q3 of this year. There is no specific mention in the Plan of OSG's relationship to AMSC. Considering the markets for the vessels, however, it is not expected that OSG would choose to reject the bareboat charters with AMSC.

**12. Profit sharing update as of Q3 2013 (OSG provides this information with a quarter lag)**
As disclosed, AMSC and OSG have an agreement sharing profits from OSG's operations of AMSC's 10 vessels. The calculation of profit to share is made on an aggregated fleet level. The calculation thus starts with total vessel revenue, subtracted by defined cost elements. Q4 2013 figures were not available as of the date of this press release.




100% of the Profit to share from Q3 2013 (USD 3m) is first used to reduce the outstanding deficit amounts. The deficits include the early month shortfall (USD 6 million as of Q2 2013).

When these amounts have been covered, AMSC's 50% share of the profit will be used to reduce the OSG credit. When the OSG credit has been fully repaid, AMSC will receive its 50% share of the profit in cash. The cumulative balances as of the end of Q3 2013 for the deficit amounts and the OSG credit are shown in the table below. The calculations are shown with aggregated, rounded figures in USD millions. Please note that these figures are unaudited numbers and have not been subject to affirmative review.

**Balance per Q3 2013:**

| | Beginning balance as of Q2 2013 | Accrued interest | Repayment | Ending balance as of Q3 2013 |
|---|---|---|---|---|
| **Deficit** | 6 | 0 | -3 | 3 |
| **OSG credit** | 26 | 1 | 0 | 27 |
| **Total** | 32 | 1 | -3 | 30 |

**13. AMSC Recapitalization**
On 2 December 2013, AMSC announced the launch of a recapitalization of the Company ("Recapitalization"). During January 2014, the Recapitalization was successfully completed. The Recapitalization included, among other things:

- The raising of NOK 735 million or approximately USD 120 million, in gross proceeds from an equity private placement (the "Private Placement"). The book-building was completed on 2 December 2013, and resulted in conditional allocations of a total of 24,500,000 new shares, at a subscription price of NOK 30 per share.
- A conversion of USD 29,267,718 owed to Converto Capital Fund AS ("Converto") under a subordinated loan (the "Converto Loan") into 5,975,492 new shares in the Company (the "Debt Conversion") at the same subscription price as the Private Placement.

- A subsequent offering to those shareholders of the Company that did not participate in the Private Placement (the "Subsequent Offering"), resulting in a subscription of 2,541,013 new shares at the same issue price as the Private Placement, approximately USD 12.4 million.
- Agreement with the lenders under the Company's existing bank facility agreement with BNP Paribas SA as lender and agent (the "Bank Facility") to relax the dividend restrictions under the Bank Facility, to allow payment of cash dividends and cash interest payment on the Company's senior unsecured bond loan ("FRN American Shipping ASA Senior Unsecured Callable PIK Bond Issue 2007/2012") (the "Bond Loan"), and to permit the inclusion of a prepayment option in the Bond Loan.
- Agreement with the bondholders in the Bond Loan to amend the terms of the Bond Loan so as to include a prepayment option under that loan, to amend the all-PIK-interest structure of the loan to 50/50 PIK/cash interest (and subsequent increase in cash interest portion following a refinancing of the Bank Facility), to convert the denomination from NOK to USD (with a concurrent change in margin from NIBOR + 475 bp to LIBOR + 600 bp), to relax the dividend restrictions, and to give the Company an option to extend the maturity from 28 February 2018 to 28 February 2021. Due to the significance of the modifications of the bond terms, the Bond Loan is treated as a new loan, with the old loan being de-recognized and the modified loan being recognized at fair value with a resulting initial gain to the fair market discount, which will be recognized as additional interest expense over the remaining term.

The new shares from the Private Placement and the Debt Conversion were registered with the Norwegian Registry of Business Enterprises (Nw. Foretaksregisteret) on 3 January 2014. After the registration, the registered share capital of AMSC was NOK 580,754,920 comprising of 58,075,492 shares each with a par value of NOK 10.00.

The share capital increase pertaining to the new shares issued through the Subsequent Offering was registered with the Norwegian Registry of Business Enterprises (Nw. Foretaksregisteret) on 23 January 2014. After the registration, the registered share capital of AMSC is NOK 606,165,050 comprising of 60,616,505 shares each with a par value of NOK 10.00.

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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.

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