



# American Shipping Company ASA



Presentation of Q1 2017

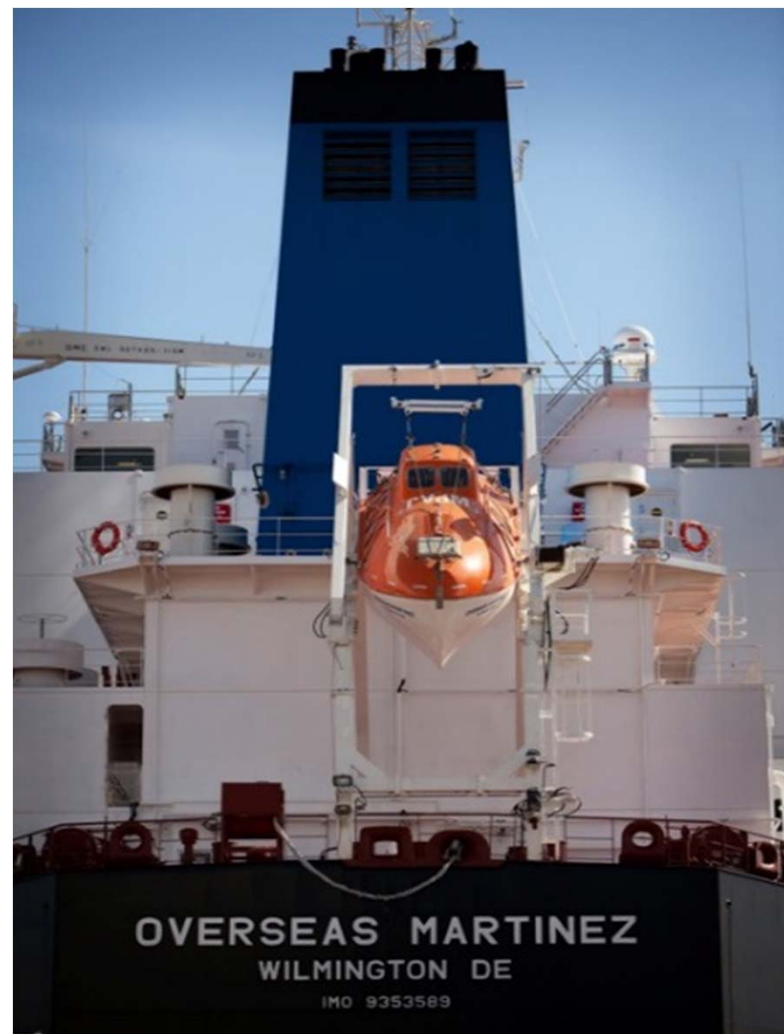
24 May 2017

# Important information

- Nothing herein shall create any implication that there has been no change in the affairs of American Shipping Company ASA ("AMSC" or the "Company") as of the date of this Company Presentation. This Company Presentation contains forward-looking statements relating to the Company's business, the Company's prospects, potential future performance and demand for the Company's assets, the Jones Act tanker market and other forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Company Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development.

# First Quarter 2017 Highlights

- Successful refinancing of unsecured bond through placement of new USD 220 bond
- Adjusted net profit of USD 4.5 million\*
- Normalized EBITDA\*\* of USD 21.9 million
  - Profit share of USD 1.7 million; not included in figure
  - DPO of USD 1.0 million
- Recognized gain of USD 2.3 million related to AMSC's investment in Philly Tankers AS
- Shift in focus from refinancing to evaluate and potentially capitalize on growth opportunities
- Declared Q1 dividend of USD 0.08 per share, consistent with prior guidance
  - Ex-dividend date of 30 May 2017 with payment on or about 8 June 2017; Classified as a return of paid in capital

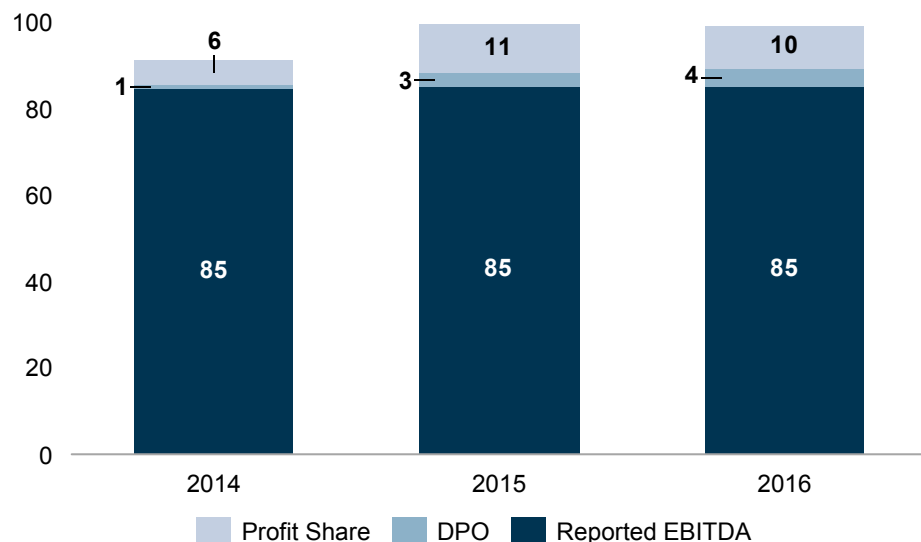


\* Net profit after tax, adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax

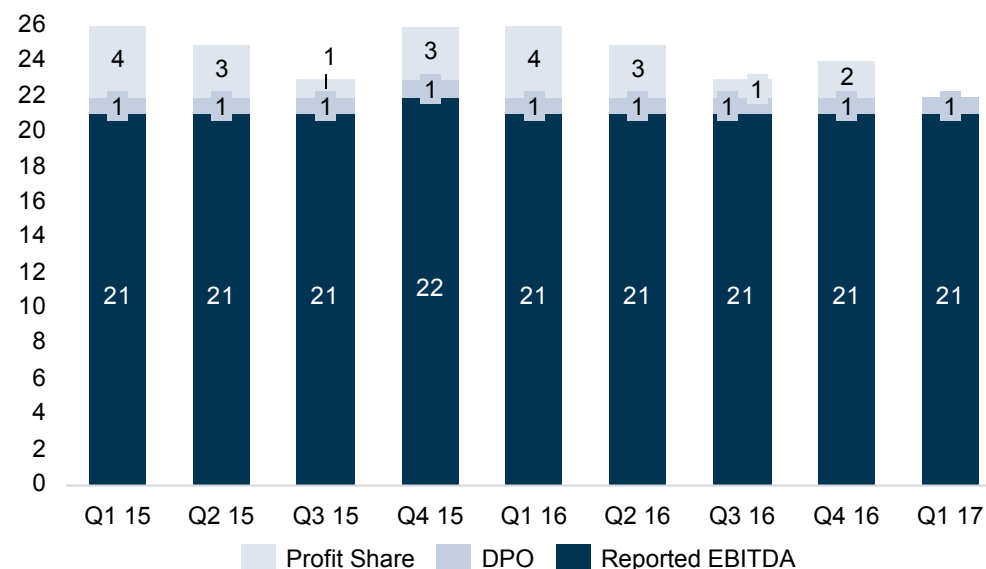
\*\* Includes DPO, reported EBITDA for Q117 is USD 20.9 million

# Stable, Predictable EBITDA

## Normalized EBITDA\* (USD millions)



## Normalized EBITDA\* per quarter (USD millions)








- Normalized EBITDA\* of USD 21.9 million in Q1 17 (USD 26.2 million in Q1 16)
- Profit sharing of USD 1.7 million in Q1 17 (USD 4.0 million in Q1 16)
  - Profit share not included in Normalized EBITDA in Q1 17 since there is a risk there will be zero profit share for the full 2017 financial year
- DPO of USD 1.0 in Q1 17 (USD 1.0 million in Q1 16)

\* Including Profit Share (except 2017) and DPO. Reported EBITDA for Q1 17 is USD 20.9 million

# Fleet Deployment Overview

## Long-term fixed rate bareboat charters to OSG secures cash flow

Vessel	2017-19	2019 - beyond	End users
Anacortes	BBC	BBC Options	    
Boston	BBC	BBC Options	
Houston	BBC	BBC Options	
Long Beach	BBC	BBC Options	
Los Angeles	BBC	BBC Options	
Martinez	BBC	BBC Options	
New York	BBC	BBC Options	
Nikiski	BBC	BBC Options	
Texas City	BBC	BBC Options	
Tampa	BBC*	BBC Opt.	

- AMSC's fleet is on firm BB Charters to OSG until December 2019\* plus evergreen ext. options
- AMSC receives fixed annual bareboat revenue of USD 88 million + ~50% of the profits generated by OSG under the time charter contracts
- OSG time charters the vessels to oil majors for U.S domestic trade

\* All vessels excluding Overseas Tampa which is contracted to June 2025

# Income Statement *(unaudited)*

Figures in USD million (except share and per share information)	Q1 2017	Q1 2016
Operating revenues	21.6	21.9
Operating expenses	(0.7)	(0.7)
<b>Operating profit before depreciation - EBITDA</b>	<b>20.9</b>	<b>21.2</b>
Depreciation	(8.4)	(8.5)
<b>Operating profit - EBIT</b>	<b>12.5</b>	<b>12.7</b>
Gain on investments	2.3	0.0
Net interest expense	(14.5)	(9.1)
Unrealized gain/(loss) on interest swaps	0.7	(4.3)
Net foreign exchange gain/(loss)	0.0	0.1
<b>Profit/(loss) before income tax</b>	<b>1.0</b>	<b>(0.2)</b>
Income tax expense	(0.6)	0.0
Non-cash income tax expense	(1.9)	(1.8)
<b>Net profit/(loss) for the period *</b>	<b>(1.5)</b>	<b>(2.0)</b>
Average number of common shares	60,616,505	60,616,505
<b>Earnings/(loss) per share (USD)</b>	<b>(0.03)</b>	<b>(0.03)</b>

\*Applicable to common stockholders of the parent company

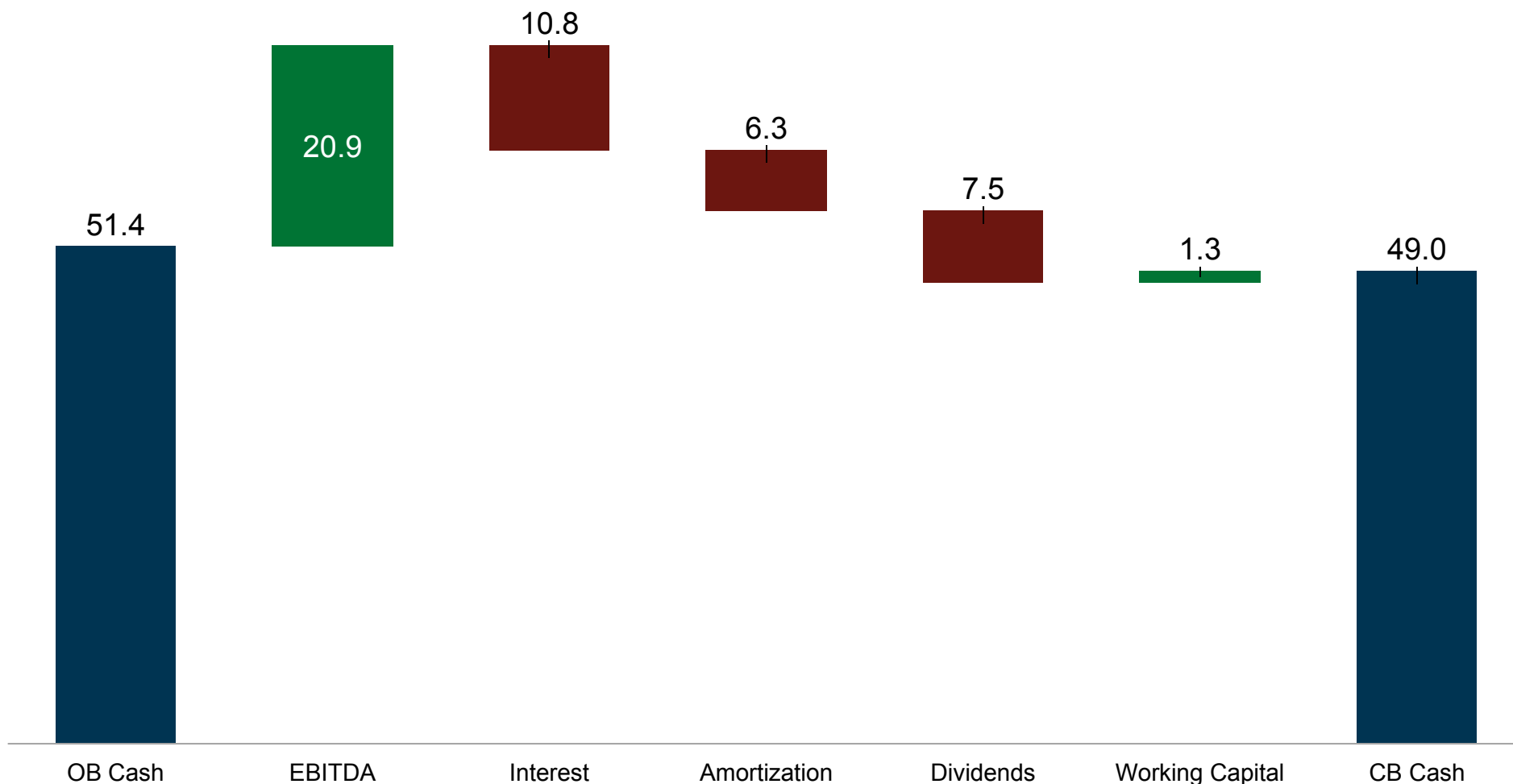
# Balance Sheet *(unaudited)*

Figures in USD millions	31.03.2017	31.03.2016 *
Vessels	771.0	805.3
Interest-bearing long term receivables (DPO)	30.1	32.1
Other non current assets	22.6	25.2
Trade and other receivables	0.2	0.3
Cash held for specified uses	2.2	2.2
Cash and cash equivalents	46.8	36.4
<b>TOTAL ASSETS</b>	<b>872.9</b>	<b>901.5</b>
Total equity	186.5	207.9
Deferred tax liabilities	19.3	9.3
Interest-bearing long term debt	626.0	654.5
Derivative financial liabilities - long term portion	(0.6)	1.0
Interest-bearing short term debt	28.3	15.0
Derivative financial liabilities - short term portion	0.0	4.0
Deferred revenues and other payables	13.4	9.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>872.9</b>	<b>901.5</b>

\* 2016 numbers are restated. Refer to full press release for more information

# Cash position reduced due to bond refinancing

## CASH DEVELOPMENT IN 1Q 17 (USD millions)





# Investment Highlights

## Highlights

### GOOD VISIBILITY INTO JONES ACT MARKET

## Comments

- Clean products and chemical trades remain steady, and crude tanker trade may be bottoming following increased U.S. production
- Vessel supply growth is constrained by limited shipyard capacity and high newbuilding costs

### LEADING MARKET POSITION

- AMSC is the largest listed pure play Jones Act tanker owner
- Lowest break-even cost of all modern tankers, decreasing re-chartering risk
- Attractive evergreen charter extensions

### STABLE & PREDICATBLE BUSINESS MODEL

- Stable cash flow from bareboat contracts at fixed rates and DPO
- Upside potential from profit share arrangement
- Committed to returning value to shareholders while also prudently managing balance sheet and maintaining financial flexibility



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WILMINGTON DE  
IMO 9352591