

First Quarter 2015 Report

Q1 Highlights

- On 12 February 2015, the Board authorized a quarterly dividend payment of USD 0.103 per share, to the shareholders of AMSC on record as of 18 February 2015, which was paid on 27 February 2015
- Long-term time charters secured for Philly Tankers' two newbuildings
- Q1 2015 profit share of USD 3.8 million

Main events after the end of the Quarter

- On 12 May 2015, the Board authorized a quarterly dividend payment of USD 0.103 per share, to the shareholders of AMSC on record as of 19 May 2015; dividend will be paid on or about 29 May 2015

OSLO (12 May 2015) – The Board declared the second dividend payment for 2015 of USD 0.103 per share (USD 6.25 million in aggregate), up from the 2014 quarterly dividends of USD 0.10 per share. The shares in AMSC will be traded ex.dividend from and including 20 May 2015 and will be paid on or about 29 May 2015. The dividend is classified as a return of paid in capital.

First quarter results

AMSC's operating revenues for Q1 2015 and 2014 were USD 21.7 million and USD 21.6 million, respectively. EBITDA was USD 20.9 million in Q1 2015 (USD 20.7 million in Q1 2014). EBIT was USD 12.6 million in Q1 2015 (USD 12.3 million in Q1 2014).

Net interest expense (interest expense less interest income) for Q1 2015 was USD 12.5 million, compared to USD 13.0 million for Q1

2014. Net foreign exchange loss was USD 0.2 million in Q1 2015 (USD 0.9 million in Q1 2014), resulting from the translation of Norwegian kroner (NOK) cash balances into USD.

In Q1 2015, AMSC had an unrealized gain of USD 4.1 million on the mark-to-market valuation of its interest rate swap contracts related to its vessel financing (gain of USD 5.2 million in Q1 2014). During Q1 2014, AMSC had an unrealized gain of USD 9.5 million on the de-recognition of the bond in 2014.

AMSC had a net profit before tax for Q1 2015 of USD 4.0 million versus USD 13.1 million in Q1 2014. The decrease in profit is mainly attributable to the timing of the bond de-recognition during Q1 2014, which was non-cash and related to the modifications to the terms of the bond and related fair value adjustment.

CONDENSED INCOME STATEMENT

Amounts in USD million (except share and per share information)	unaudited	
	Q1 2015	Q1 2014
Operating revenues	21.7	21.6
Operating profit before depreciation - EBITDA	20.9	20.7
Operating profit - EBIT	12.6	12.3
Gain on de-recognition of bond	-	9.5
Net interest expense	(12.5)	(13.0)
Unrealized gain on interest swaps	4.1	5.2
Net foreign exchange gain/(loss)	(0.2)	(0.9)
Profit/(loss) before income tax	4.0	13.1
Net profit/(loss) for the period *	4.0	13.1
Average number of common shares **	60,616,505	58,951,285
Earnings/(loss) per share (USD)	0.07	0.22

* Applicable to common stockholders of the parent company.

** During Q1 2014, 33 million shares were issued and the number of shares shown above reflects the average number of shares for the full quarter. Refer to note 7 to the condensed consolidated financial statements for further details.

CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in USD million	<i>unaudited</i>		
	31-Mar 2015	31-Mar 2014	31-Dec 2014
Vessels	839.8	873.5	848.0
Interest-bearing long term receivables (DPO)	33.4	30.9	33.2
Other non current assets	24.9	-	24.9
Trade and other receivables	0.3	0.4	0.3
Cash held for specified uses	8.2	7.3	8.1
Cash and cash equivalents	76.8	138.6	85.2
Total assets	983.4	1,050.7	999.7
Total equity	232.3	242.9	234.6
Deferred tax liabilities	0.3	-	0.3
Interest-bearing long term debt	665.5	706.5	676.2
Derivative financial liabilities - long term portion	6.4	22.4	7.5
Interest-bearing short term debt	53.1	49.7	52.2
Derivative financial liabilities - short term portion	16.9	20.0	19.9
Trade and other payables	8.9	9.2	9.0
Total equity and liabilities	983.4	1,050.7	999.7

The decrease in Vessels from 31 December 2014 reflects depreciation of the Company's ten product tankers for the first three months of 2015.

During Q1 2015, OSG made repayments on the deferred principal obligation (DPO) of USD 0.6 million, of which USD 0.3 million is principal repayment.

Other non-current assets include AMSC's 20% investment in Philly Tankers AS.

Interest bearing debt as of 31 March 2015 was USD 718.6 million, net of USD 3.7 million in capitalized fees versus USD 728.4 million as of 31 December 2014. This debt relates to the bank financing of the ten vessels of USD 518.8 million and the bond of USD 203.5 million. AMSC was in compliance with all of its debt covenants as of 31 March 2015.

Outlook

The U.S. Jones Act product tanker market remained strong during Q1 2015. During the quarter, long-term time charters were secured by Philly Tankers for its two newbuildings, scheduled for delivery in Q4 2016 and Q1 2017. With limited availability for new delivery slots at the two shipyards currently able to build product tankers, it is expected that the Jones Act tanker market rates will remain firm in the medium term.

To date, profits generated under our profit sharing agreement with OSG have been applied to offset the Company's deficit balances with OSG ("OSG credit"). See note 11 to the

condensed consolidated financial statements for additional information on profit sharing.

AMSC expects to continue paying regular quarterly dividends, with intentions of increasing the amount over time as the Company's cash flow improves from receiving cash profit share.

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 the Company to a variety of other financial risks, including currency, interest rate and liquidity risk. Refinancing is not required before 30th of June, 2016 and is therefore not considered a significant risk in the near term. Management is currently evaluating different refinancing alternatives and believes that financing can be found on acceptable terms.

For further details of AMSC's risks, including our guarantees, refer to the 2014 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, 12 May 2015
The Board of Directors and President / CEO
American Shipping Company ASA

Annette Malm Justad
Chairperson

Peter D. Knudsen
Director

Kristian Røkke
Director

Pål Magnussen
President / CEO

American Shipping Company ASA Consolidated Group
CONDENSED INCOME STATEMENT

	<i>unaudited</i>	
	Q1 2015	Q1 2014
Amounts in USD million (except share and per share information)		
Operating revenues	21.7	21.6
Operating expenses	(0.8)	(0.9)
Operating profit before depreciation - EBITDA	20.9	20.7
Depreciation	(8.3)	(8.4)
Operating profit - EBIT	12.6	12.3
Gain on de-recognition of bond	-	9.5
Net interest expense	(12.5)	(13.0)
Unrealized gain on interest swaps	4.1	5.2
Net foreign exchange gain/(loss)	(0.2)	(0.9)
Profit/(loss) before income tax	4.0	13.1
Income tax expense	-	-
Net profit/(loss) for the period *	4.0	13.1
Average number of common shares	60,616,505	58,951,285
Earnings/(loss) per share (USD)	0.07	0.22

CONDENSED STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

	<i>unaudited</i>	
	Q1 2015	Q1 2014
Amounts in USD million		
Net income/(loss) for the period	4.0	13.1
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income/(loss) for the period *	4.0	13.1

* Applicable to common stockholders of the parent company.

CONDENSED STATEMENT OF FINANCIAL POSITION

	<i>unaudited</i>		
	31-Mar 2015	31-Mar 2014	31-Dec 2014
Amounts in USD million			
Assets			
Non-current assets			
Vessels	839.8	873.5	848.0
Interest-bearing long term receivables (DPO)	33.4	30.9	33.2
Other long term assets	24.9	-	24.9
Total non-current assets	898.1	904.4	906.1
Current assets			
Trade and other receivables	0.3	0.4	0.3
Cash held for specified uses	8.2	7.3	8.1
Cash and cash equivalents	76.8	138.6	85.2
Total current assets	85.3	146.3	93.6
Total assets	983.4	1,050.7	999.7
Equity and liabilities			
Total equity	232.3	242.9	234.6
Non-current liabilities			
Bond payable	203.5	194.6	201.3
Other interest-bearing loans	465.7	518.9	479.4
Derivative financial liabilities - long term portion	6.4	22.4	7.5
Capitalized fees	(3.7)	(7.0)	(4.5)
Deferred tax liability	0.3	-	0.3
Total non-current liabilities	672.2	728.9	684.0
Current liabilities			
Interest-bearing short-term debt	53.1	49.7	52.2
Derivative financial liabilities - short term portion	16.9	20.0	19.9
Trade and other payables	8.9	9.2	9.0
Total current liabilities	78.9	78.9	81.1
Total liabilities	751.1	807.8	765.1
Total equity and liabilities	983.4	1,050.7	999.7

CONDENSED STATEMENT OF CHANGES IN TOTAL EQUITY

Amounts in USD million	unaudited	
	Year to date	
	2015	2014
Equity related to the equity holders of the parent company as of beginning of period	234.6	72.8
Total comprehensive income/(loss) for the period	4.0	13.1
Equity issued	-	157.0
Dividends/return of capital accrued	(6.3)	-
Total equity as of end of period	232.3	242.9

CONDENSED CASH FLOW STATEMENT

Amounts in USD million	unaudited	
	Year to date	
	2015	2014
Net cash flow from operating activities	10.8	10.5
Net cash flow from investing activities	-	-
Net cash flow from financing activities	(19.1)	115.8
Net change in cash and cash equivalents	(8.3)	126.3
Cash and cash equivalents, including cash held for specified uses at the beginning of period	93.3	19.6
Cash and cash equivalents, including cash held for specified uses at end of period	85.0	145.9

Notes to the unaudited condensed consolidated interim financial statements for the three months ended 31 March 2015
1. Introduction - American Shipping Company

American Shipping Company ASA ("AMSC") is a company domiciled in Norway. The condensed interim financial statements for the three months ended 31 March 2015 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 2014 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 month period 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 2014.

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 2014.

There have not been any new IFRS standards or interpretations issued or effective after the completion of the annual consolidated financial statements for the year 2014 that have a significant impact on AMSC's financial reporting for the three months ended 31 March 2014.

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 2014.

Certain prior period reclassifications were made to conform to current year presentation.

6. Tax estimates

Income tax expense is recognized in each interim period based on the best estimate of the expected annual income tax rates. No income tax expense was recognized during Q1 2015 or Q1 2014.

As described in note 5 of the 2014 consolidated financial statements, the Company has USD 431.8 million of net operating losses in carryforward in the U.S. as of 31 December 2014, of which approximately USD 381 million are subject to certain limitations under Internal Revenue Service Code Section 382. The Company also has USD 86 million of net operating losses in carryforward in Norway.

7. Share capital and equity

As of 31 March 2015, AMSC had 60,616,505 ordinary shares at a par value of NOK 10 per share.

On 3 January 2014, 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 116.1 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 11.8 million

Dividends paid (classified as repayment of previously paid in share premium)	27-Feb-15	1-Jul-14	30-Jul-14	30-Oct-14
NOK per share	0.77503	0.59326	0.61290	0.64912
USD per share	0.10	0.10	0.10	0.10
Aggregate NOK (millions)	47.0	36.0	37.0	39.0
Aggregate USD (millions)	6.3	6.0	6.0	6.0

8. Interest-bearing debt

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

Amounts in USD million	3 months to 31-Mar-15	3 months to 31-Mar-14
Balance at beginning of period	728.4	801.5
Repayment of debt	(12.9)	(12.1)
Interest added to outstanding debt	1.6	2.2
Foreign currency impact	-	2.0
Amortization of loan fees and discount	1.4	1.2
De-recognition of bond	-	(9.5)
Conversion to equity	-	(29.1)
Balance at end of period	718.6	756.2

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 March 2015 was USD 255.6 million.

9. Related party transactions

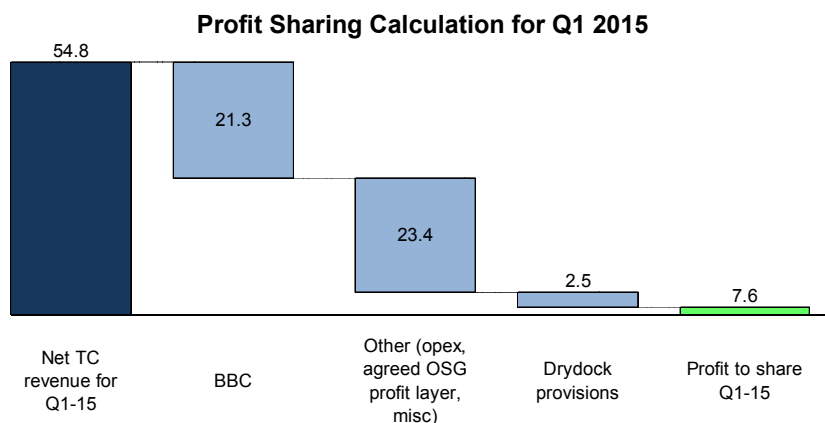
AMSC believes that related party transactions are made on terms equivalent to those that prevail in arm's length transactions.

10. Interest

Amounts in USD million	3 months to 31-Mar-15	3 months to 31-Mar-14
Interest expense	(13.0)	(13.7)
Interest income	0.5	0.7
Net interest expense	(12.5)	(13.0)

11. Profit sharing agreement with OSG

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.

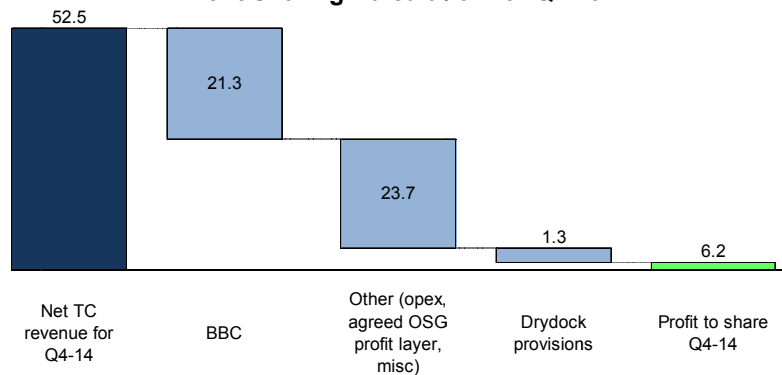


AMSC's 50% share of the Q1 profit (USD 3.8 million) is used to reduce the OSG credit. When the OSG credit has been fully repaid, AMSC will receive its 50% share of the profit in cash. The cumulative balance as of 31 March 2015 for the OSG credit is shown in the table below. The calculations are shown 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 Q1-15:

	Beginning balance as of Q4 2014	Accrued interest	Repayment	Ending balance as of Q1 2015
OSG credit	22.6	0.5	-3.8	19.3

Profit Sharing Calculation for Q4 2014



AMSC's 50% share of the Q4 profit (USD 3.1 million) is used to reduce the OSG credit. The cumulative balance as of 31 December 2014 for the OSG credit is 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 Q4-14:

	Beginning balance as of Q3 2014	Accrued interest	Repayment	Ending balance as of Q4 2014
OSG credit	25.2	0.5	-3.1	22.6

13. Financial Instruments

The only financial instruments that the Company accounts for at fair value on an ongoing basis are the interest rate swaps, which are classified in the Level 2 category as is described in the 2014 consolidated financial statements. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the quarter ended 31 March 2015, there were no transfers between categories.

The fair values of financial instruments, the related fair value hierarchy, together with the carrying amounts shown in the balance sheet are as follows:

<i>Amounts in USD millions</i>	Carrying amount 31-Mar-15	Fair value 31-Mar-15	Fair value hierarchy *
Interest-bearing receivables (DPO)	33.4	29.3	2
Interest swap used for economic hedging	(23.3)	(23.3)	2
Unsecured bond issue (gross)	(203.5)	(200.1)	2
Secured loans (gross)	(518.8)	(532.3)	2

The fair value of cash, accounts receivable and accounts payable approximate the carrying values due to their short-term nature.

* Described in the 2014 consolidated financial statements

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