



American Shipping Company ASA



Presentation of Q1 2019

21 May 2019

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 2019 Highlights

- Adjusted net profit of USD 2.2 million*
- Normalized EBITDA** of USD 21.7 million
 - No profit share
 - DPO of USD 0.9 million
- Declared Q1 dividend of USD 0.08 per share, consistent with prior guidance
 - Ex-dividend date of 27 May 2019 with payment on or about 5th June 2019
 - Classified as a return of paid in capital
- Optimimization of existing capital structure
 - Removed bond ammortization
 - Extended secured bank loan tenors
- Stable market conditions for Jones Act tankers

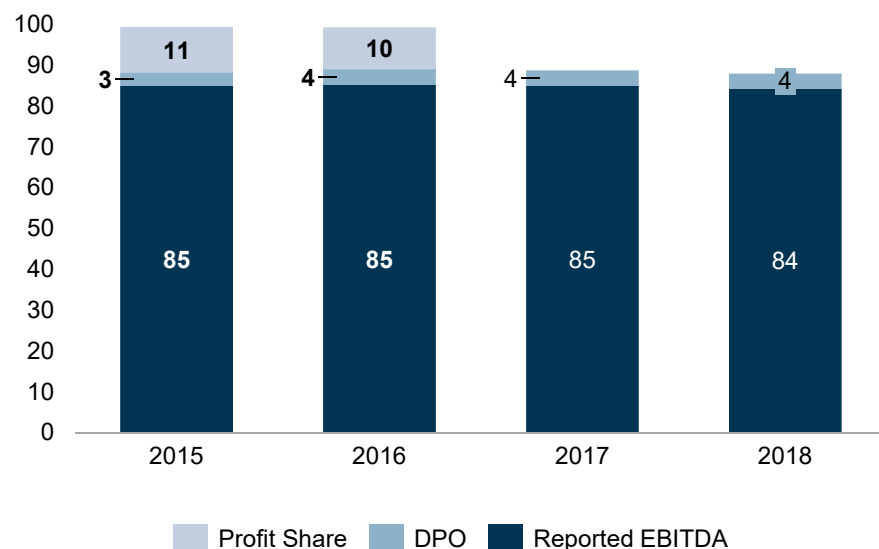


* Net profit after tax, adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax

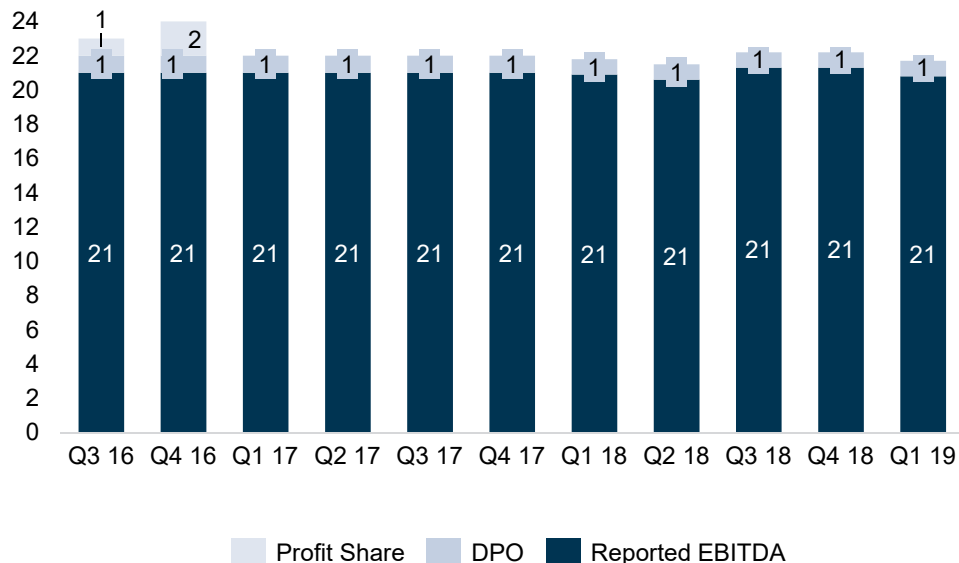
** Includes DPO, reported EBITDA for Q1 19 is USD 20.8 million

Stable, Predictable EBITDA

Normalized EBITDA* (USD millions)



Normalized EBITDA* per quarter (USD millions)

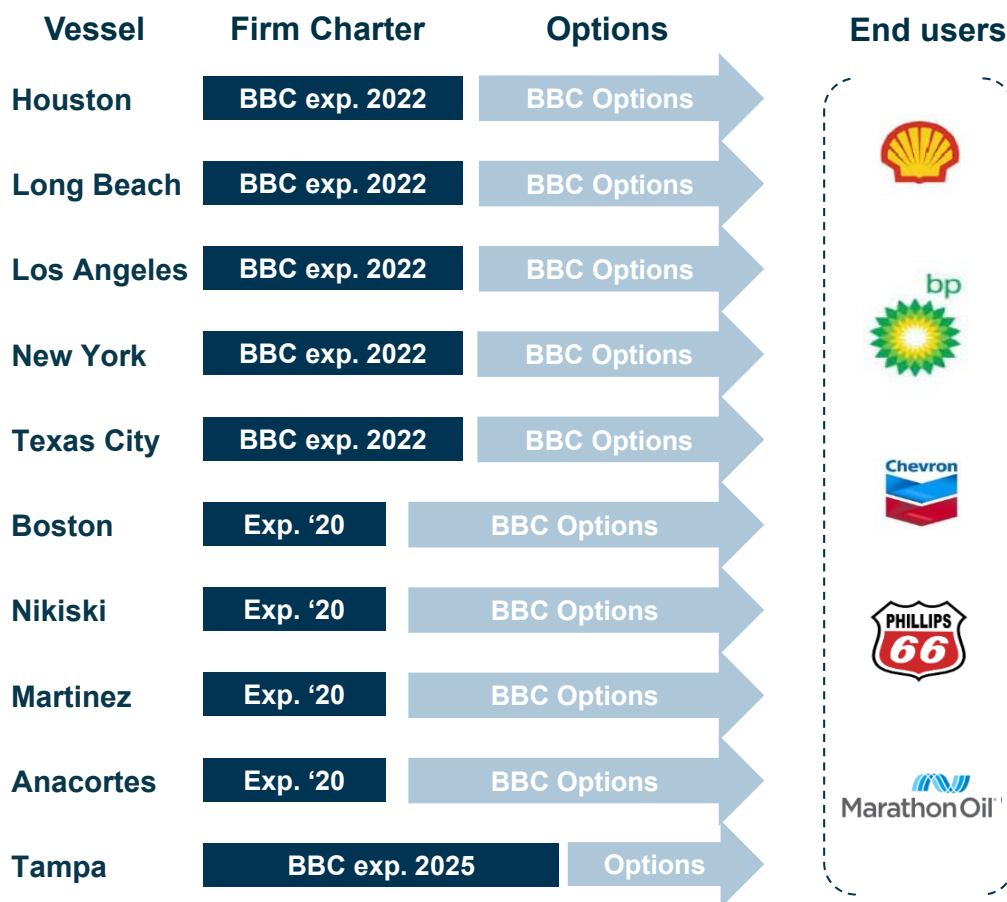


- Normalized EBITDA* of USD 21.7 million in Q1 19 (USD 21.8 million in Q1 18)
- No profit share in Q1 19 or Q1 18
- DPO of USD 0.9 in Q1 19 (USD 0.9 million in Q1 18)

* Including Profit Share (except 2018 and 2017 where profit share was 0 for the full year) and DPO. Reported EBITDA for Q1 19 is USD 20.8 million

Fleet Deployment Overview

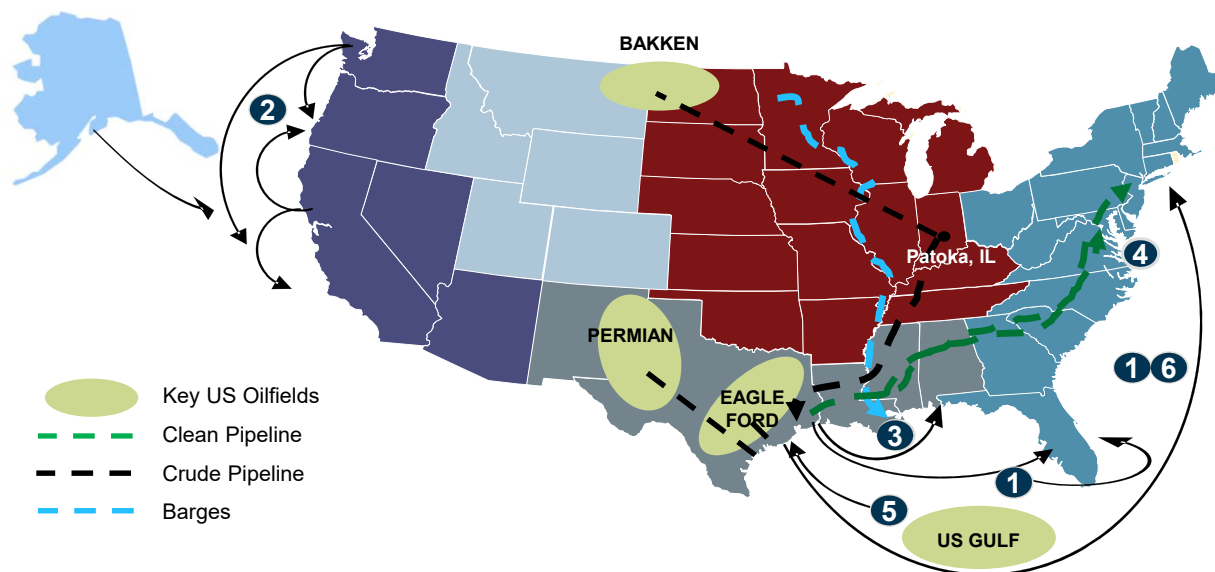
Long-term fixed rate bareboat charters to OSG secures cash flow



- AMSC's fleet is on firm BB Charters to OSG with evergreen extension 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

A Critical Part of Oil Majors' Transportation Logistics

Primary trade routes for Jones Act crude oil and products



Jones Act Tanker Routes:

- 1** Gulf Coast refineries to Florida and East Coast (Clean)
- 2** Alaska and Intra-west coast movements (Clean/Dirty)
- 3** Cross-Gulf movements (Dirty)
- 4** Delaware Bay Lightening (Dirty)
- 5** Shuttle tankers from deep water U.S. Gulf to Gulf Coast Refineries (Dirty)
- 6** Gulf Coast crude to Northeast refineries (Dirty)

Source: Navigistics' Wilson Gillette Report May 2019

The Permian Pipeline Crunch

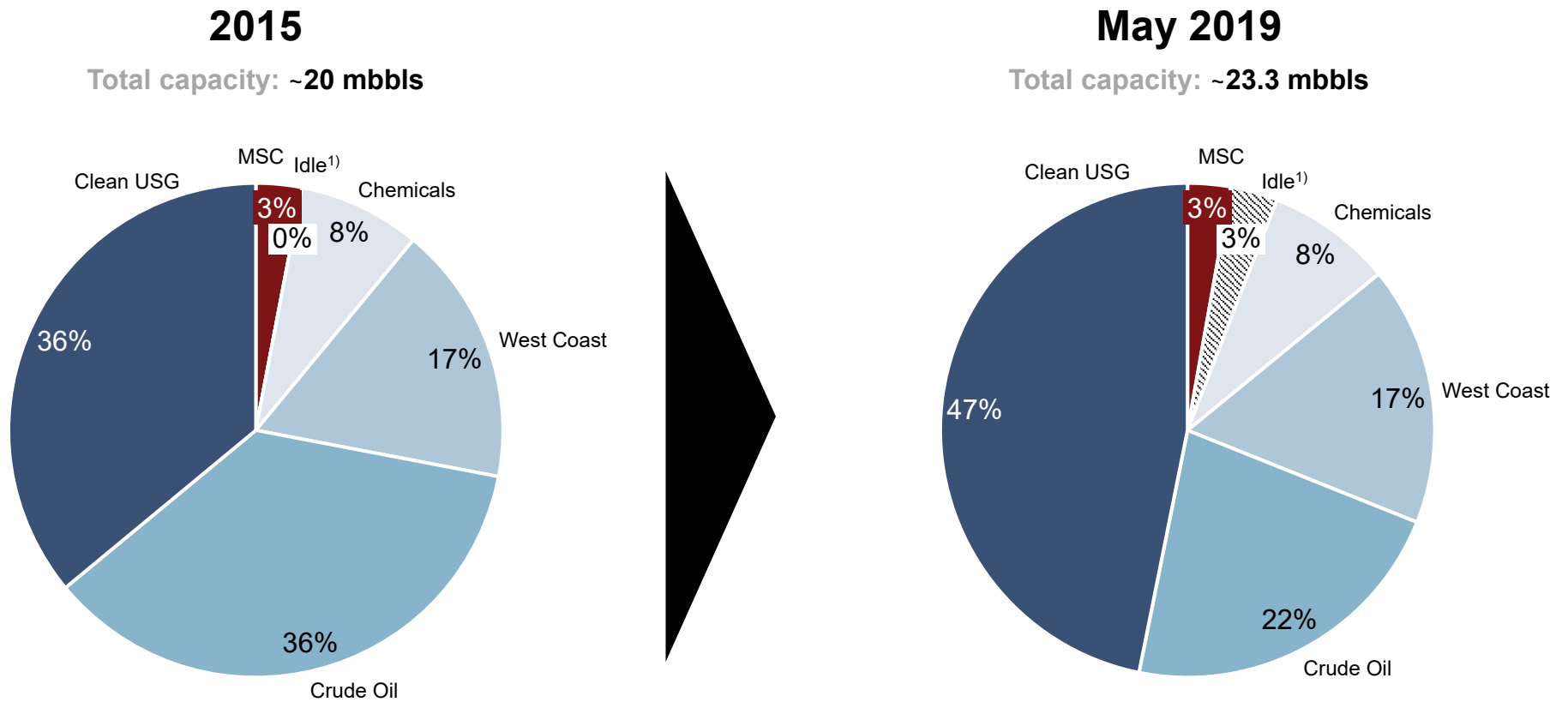
Permian Pipeline Capacity – New Projects and Production Growth, MBDs

Pipeline project	Start	Incremental capacity	Total capacity
Current capacity			2.80
Local refining		0.50	3.30
Sunrise	Q2 '19	0.12	3.51
Cactus 2	Q4 '19	0.67	4.18
Gray Oak	Q1 '20	0.70	4.88
EPIC	Q2 '20	0.40	5.28
Enterprise NGL	Q2 '20	0.10	5.38
Permian to Gulfcoast	Q3 '20	0.60	5.98
ExxonMobil	Q4 '20	1.00	6.98

Permian production growth has surpassed pipeline takeaway capacity – additional volumes to drive tanker demand

Majority of Fleet Carry Clean Products

Jones Act tanker fleet deployment by main trades (Tankers and ATBs)



Significant upside potential for Jones Act deployment in Crude Oil

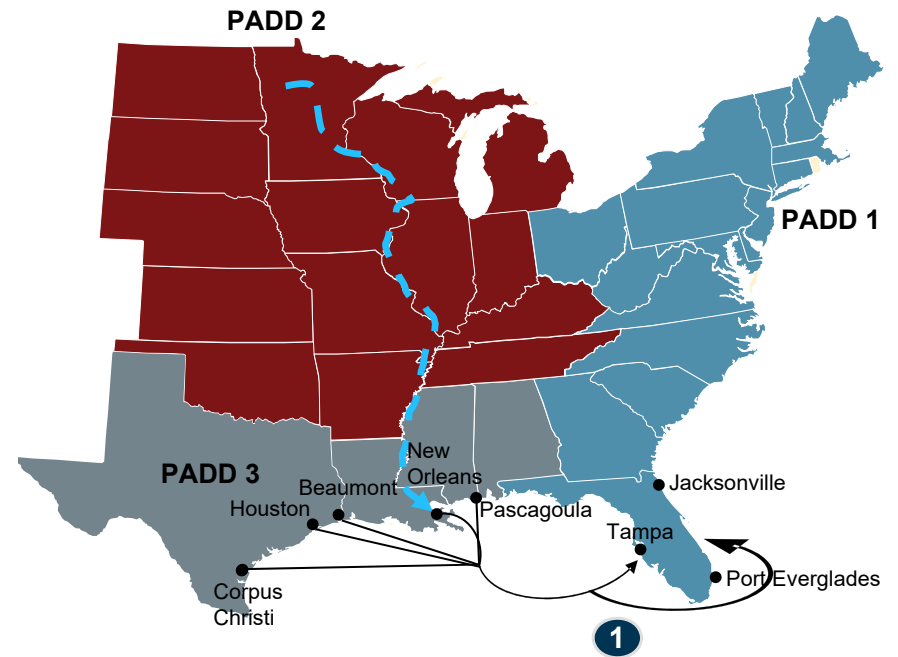
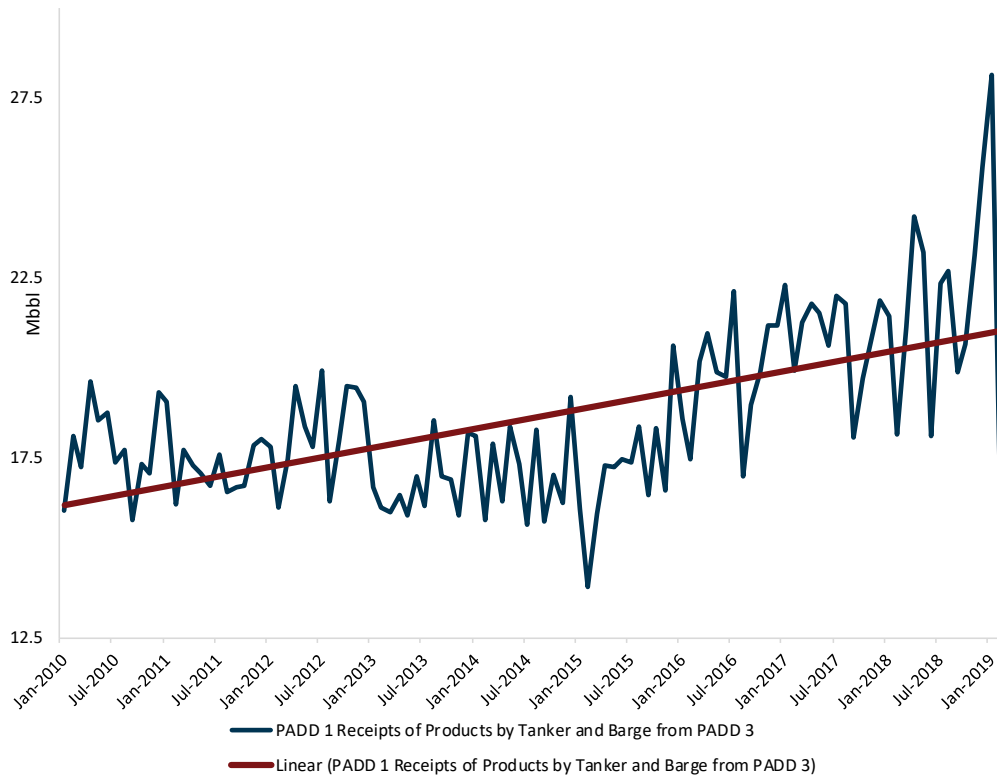
Source: Navigistics' Wilson Gillette Report May 2019 and AMSC analysis
 Note: 1) Idle capacity refers only to old ATBs

Increasing Volumes Into Florida

Rising seaborn transport from Gulf to East Coast

Gulf Coast to Florida Trade Lane

Mbbbls per month



Sources: EIA

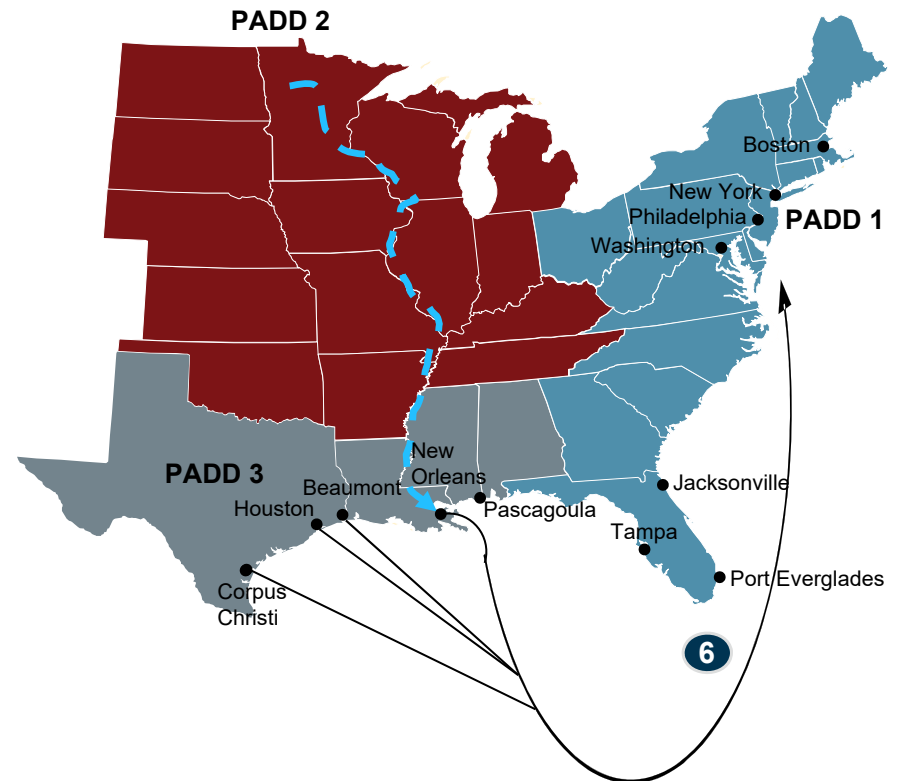
Crude Returning to Peak Levels on East Coast

PADD 3 to PADD 1 Crude Oil Moves by Tanker and Barge



- East Coast volumes back to ~6 tankers, up from ~1 tanker during 2017
- Volumes driven by spread in pricing of U.S. oil vs international alternatives

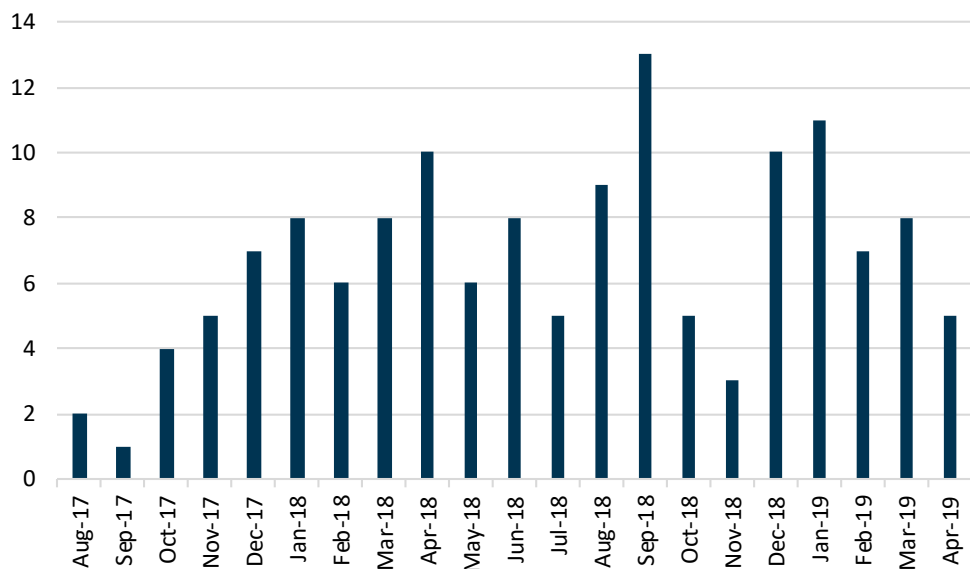
Trade lane carrying Crude from Gulf Coast to U.S. Northeast



Source: EIA, Marine Traffic and AMSC analysis

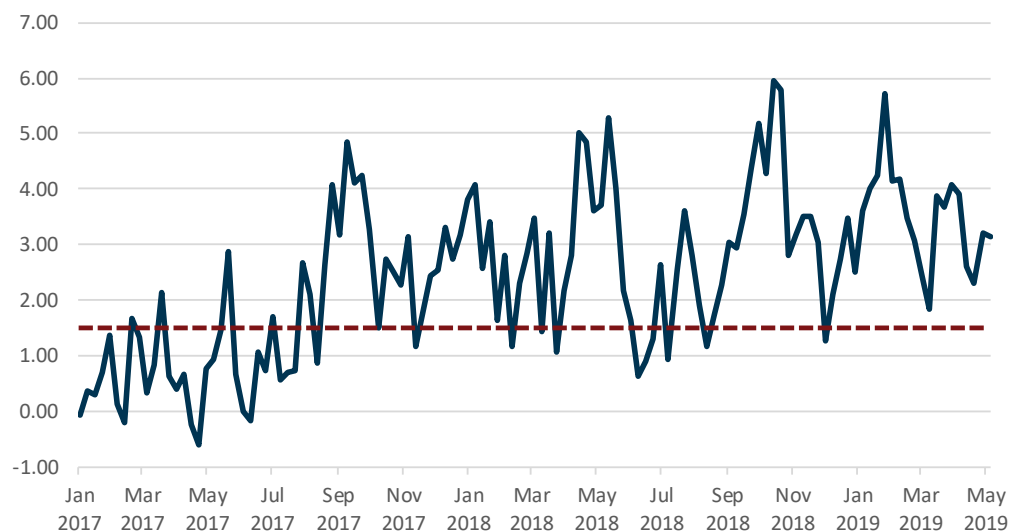
Oil Price Spread - Key Driver for Increased Crude Shipping Volumes

PADD 3 to PADD 1 Crude Oil Moves by Number of Tanker Liftings



- From Jan 2018 there has been on average 7-8 MR voyages per month of crude to U.S. Northeast refineries
- 11 voyages in Jan 2019, Delta refinery completed maintenance in Oct/Nov and P66 Bayway has had some downtime during Q1 2019

Crude Oil Price Spread - WTI Houston vs. Bonny Light



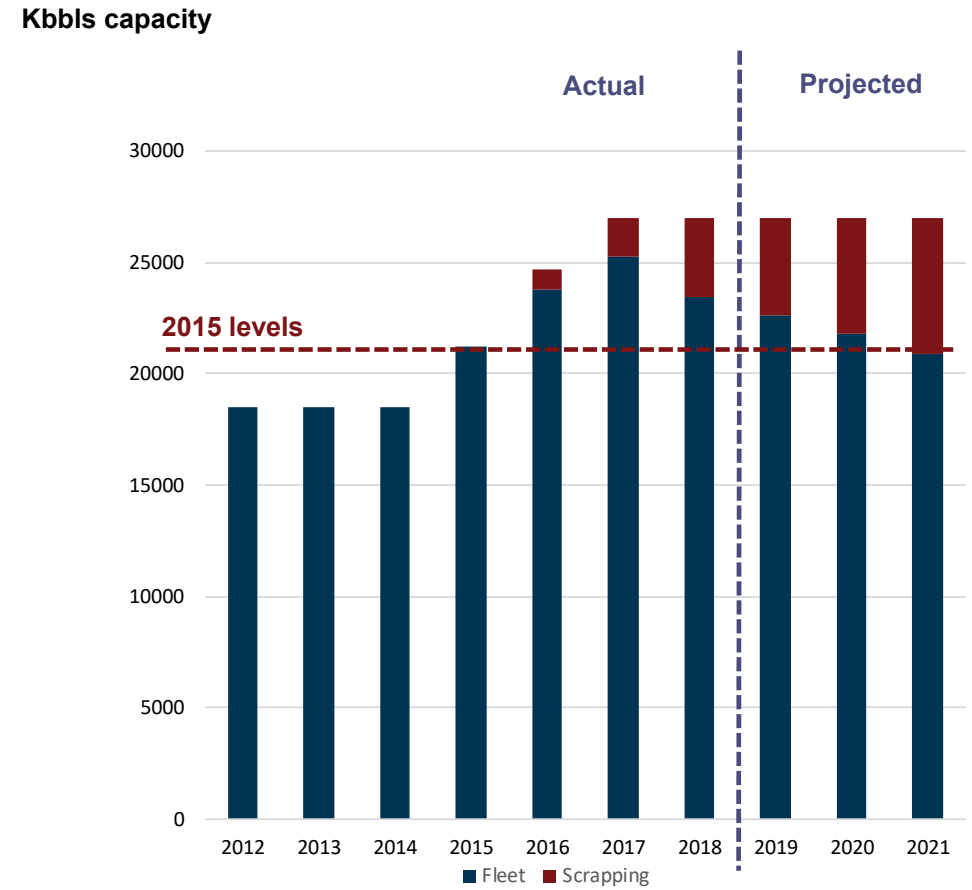
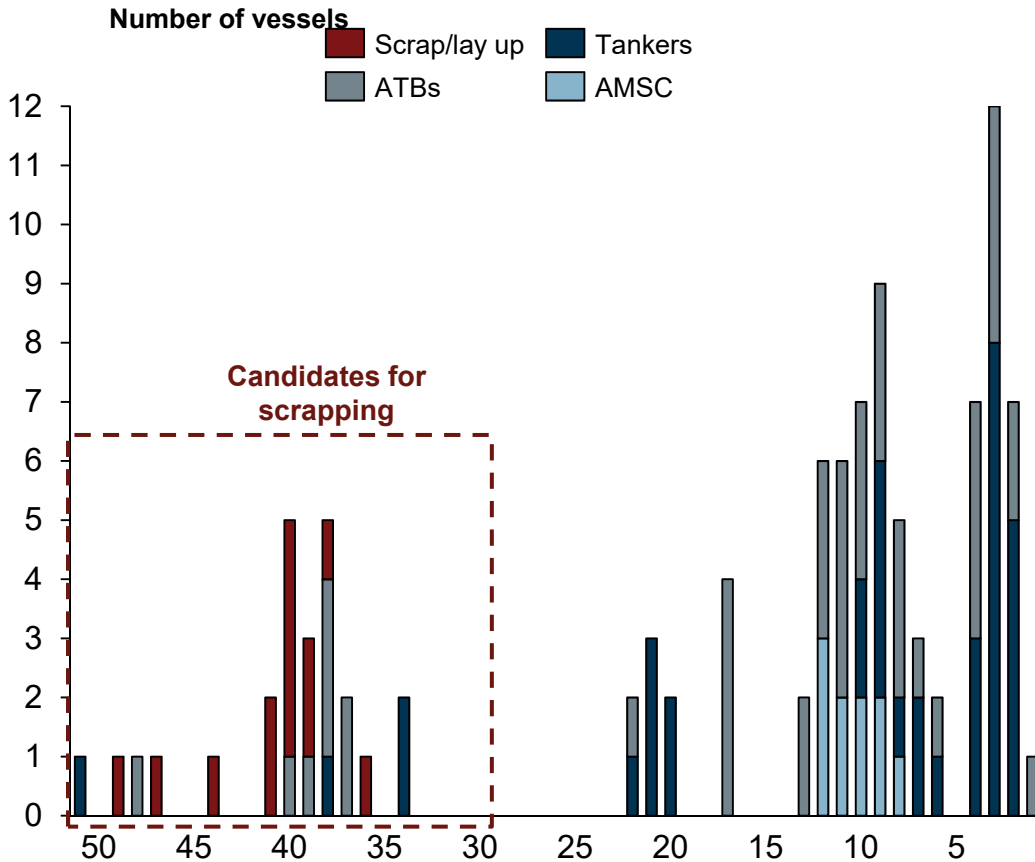
- Crude loaded in Houston vs. West Africa needs to be minimum \$1.50 cheaper to be competitive for purchase by U.S. Northeast Refiners
- Spread has been sufficiently wide since Aug/Sept 2017

Source: Argus and Marine Traffic

Fleet Reduction as Scrapping Continues

Fleet profile by vessel age

Considerable fleet growth over the last 3 years, but scrapping likely to bring fleet back to 2015 levels



Source: Navigistics' Wilson Gillette Report Dec 2018, broker reports and AMSC analysis

Income Statement (unaudited)



Figures in USD million (except share and per share information)	Q1 2019	Q1 2018
Operating revenues	21.6	21.6
Operating expenses	(0.8)	(0.7)
Operating profit before depreciation - EBITDA	20.8	20.9
Depreciation	(8.3)	(8.3)
Operating profit - EBIT	12.5	12.6
Gain on investments	(0.2)	-
Net interest expense	(10.3)	(10.2)
Unrealized gain/(loss) on interest swaps	(1.2)	1.9
Net foreign exchange gain/(loss)	-	-
Profit/(loss) before income tax	0.8	4.3
Income tax expense	-	-
Non-cash income tax benefit/(expense)	0.1	(0.5)
Net profit / (loss) for the period *	0.9	3.8
Average number of common shares	60,616,505	60,616,505
Earnings/(loss) per share (USD)	0.01	0.06

*Applicable to common stockholders of the parent company

Balance Sheet (unaudited)

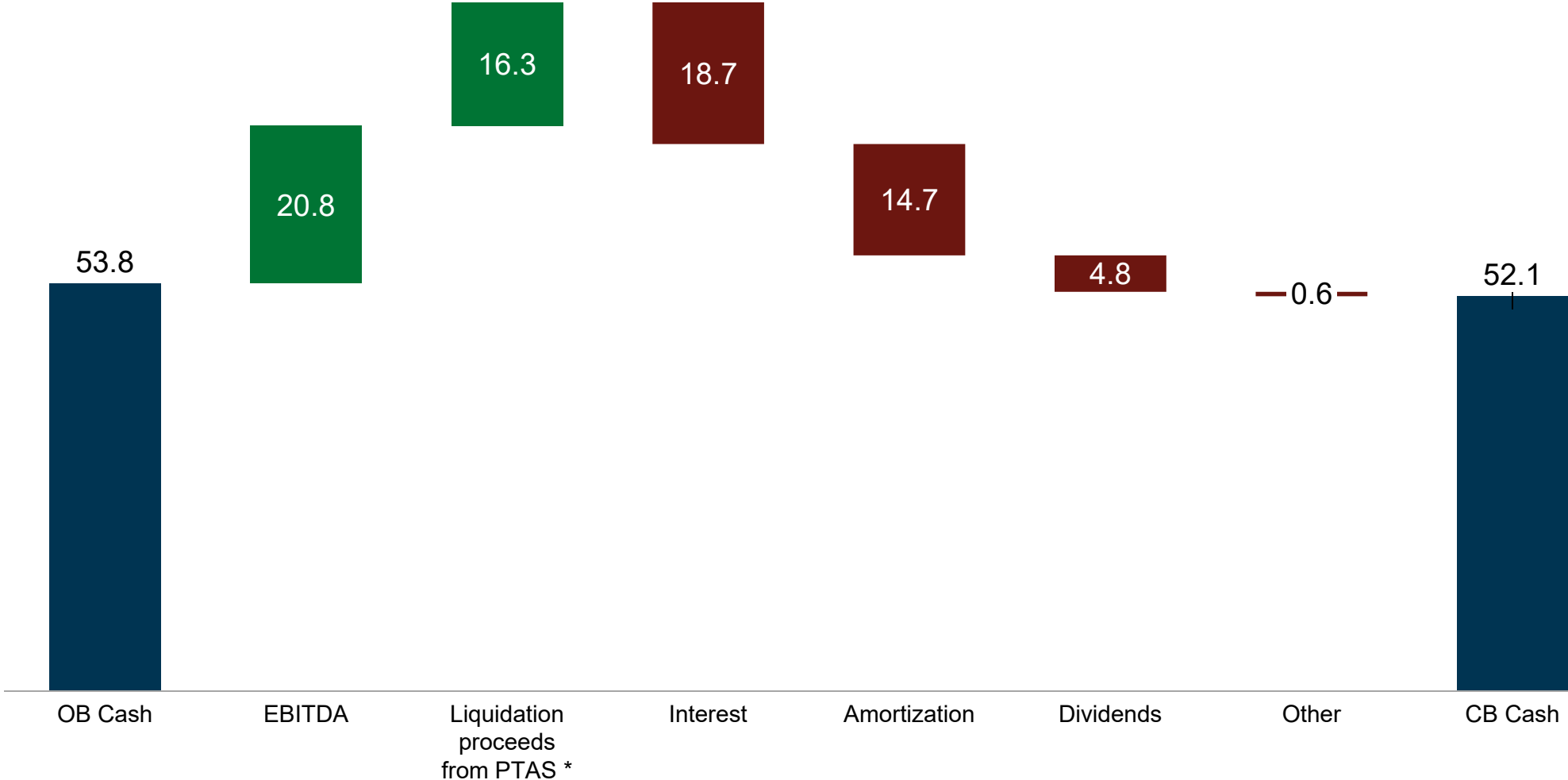


Figures in USD millions	31.03.2019	31.03.2018
Vessels	703.4	737.3
Interest-bearing long term receivables (DPO)	26.3	28.2
Other non current assets	-	16.4
Derivative financial assets	1.2	3.5
Trade and other receivables	0.2	0.2
Cash held for specified uses	3.2	2.2
Cash and cash equivalents	48.9	46.3
TOTAL ASSETS	783.2	834.1
Total equity	172.1	185.8
Deferred tax liabilities	12.9	12.1
Interest-bearing long term debt	554.3	593.7
Derivative financial liabilities	-	-
Interest-bearing short term debt	33.7	28.3
Deferred revenues and other payables	10.2	14.2
TOTAL EQUITY AND LIABILITIES	783.2	834.1

Cash position decreased during the quarter



CASH DEVELOPMENT IN 1Q 19 (USD millions)



* Proceeds from Philly Tankers AS were used to repay the Aker loan, included in amortization, and accrued interest

Investment Highlights

Highlights

INCREASING DEMAND IN KEY TRADES

REDUCING FLEET CAPACITY

FLEET WELL POSITIONED TO BENEFIT FROM MARKET UPSIDE

LEADING MARKET POSITION WITH STABLE CASH FLOWS

Comments

- Soaring crude shipments from U.S. Gulf to the U.S. Northeast, highest since 2015
- Growing clean trade into Florida
- Jones Act rates continue to increase
- Scrapping of older tonnage continues with 2 MRs and 5 ATBs retired in 2018 and one additional ATB in 2019
- 11 tankers and ATBs approaching 35 years or older in 2020; with Special Surveys coming up
- Slim orderbook with only two barges for delivery in 2020
- OSG is to redeploy nine AMSC owned vessels on new time charters during 2019 and early 2020
- The fleet is well positioned to capitalise on increased time charter rates through the profit split
- Bareboat contracts provide stable cash flows with profit share upside potential
- Existing modern fleet that is integral to OSG's business
- Well positioned to take advantage of growth opportunities in a strengthening market

