American Shipping Company

Second Quarter 2010 - American Shipping Company Takes Delivery of its Eighth Product Tanker

OSLO (August 6, 2010) – American Shipping Company ASA ("AMSC" or the "Company") took delivery of its eighth product tanker on May 14, 2010. This vessel was immediately bareboat chartered to Overseas Shipholding Group, Inc. ("OSG"), who in turn has time chartered the vessel to Tesoro. As of June 30, 2010, the Company had eight vessels on bareboat charter to OSG or one of their subsidiaries. The Company expects to take delivery of one more product tanker in 2010 on its ten vessel order with Aker Philadelphia Shipyard ("AKPS"). The final vessel in this order is scheduled for delivery in the second quarter of 2011.

AMSC's operating revenues for Q2 2010 and the six months ended June 30, 2010 were USD 16.0 million and USD 30.7 million, respectively, compared to USD 13.1 million in Q2 2009 and USD 24.3 million for the six months ended June 30, 2009. This increase in revenue reflects the bareboat charter hire revenue from the service of the first eight vessels of a ten vessel series in 2010 versus seven vessels in the first half of 2009. EBITDA was USD 15.2 million in the second quarter 2010 compared to USD 11.8 million in the second quarter 2009. EBITDA for the six months ended June 30, 2010 and 2009 was USD 29.1 million and USD 21.4 million, respectively.

Operating expenses were USD 0.8 million in Q2 2010 and USD 1.6 million for the six months ended June 30, 2010, compared to USD 1.3 million Q2 2009 and USD 2.9 million for the six months ended June 30, 2009. This decrease from 2009 primarily relates to lower outside legal and consulting costs in connection with the arbitration and settlement negotiations with OSG that occurred in 2009. EBIT was negative USD 8.7 million in Q2 2010 compared to USD 15.1 million in Q2 2009. EBIT for the six months ended June 30, 2010 was negative USD 14.2 million and for the six months ended June 30, 2009 was USD 15.8 million.

Net financial items (excluding unrealized gains or losses on interest swaps) were USD 0.2 million in Q2 2010 and negative USD 4.6 million for the six months ended June 30, 2010, consisting of net interest expense (interest expense less interest income and capitalized interest) of negative USD 11.7 million for Q2 2010 (negative USD 22.5 million for the six months ended June 30, 2010), and a net foreign exchange gain of USD 11.9 million in Q2 2010 (gain of USD 17.9 million for the six months ended June 30, 2010). Net financial items (excluding unrealized gains or losses on interest swaps) in Q2 2009 and for the six months ended June 30, 2009 were negative USD 12.4 million and negative USD 20.4 million, respectively. The net interest expense for Q2 2009 and the six months ended June 30, 2009 were negative USD 9.6 million and negative USD 17.8 million, respectively. The net foreign exchange impact was negative USD 2.8 million for Q2 2009 and USD 2.6 million for the six months ended June 30, 2009. Capitalization of interest is related to the financing of progress payments on ships in construction.

In addition, in Q2 2010, AMSC incurred an unrealized, non-cash loss of USD 16.1 million related to its interest swap contracts on its vessel financing.. The year-to-date unrealized loss of USD 23.3 million on interest swaps had no cash impact on AMSC. The corresponding Q2 and year-to-date amounts for 2009 were an unrealized gain of USD 22.5 million and USD 27.4 million, respectively, and also had no cash impact on AMSC.

Net loss for the second quarter of 2010 was USD 8.7 million versus a net profit of USD 15.1 million in the second quarter of 2009. For the six months ended June 30, 2010, net loss was USD 14.2 million and for the six months ended June 30, 2009, net profit was USD 15.7 million.

INCOME STATEMENT

Amounts in USD million (except share and per share information)	Q2 2010	Q2 2009	Year to date 2010	Year to date 2009
	unaudited			
Operating revenues	16.0	13.1	30.7	24.3
EBITDA	**15.2**	**11.8**	**29.1**	**21.4**
Operating profit - EBIT	7.2	5.0	13.7	8.8
Net Financial items	0.2	(12.4)	(4.6)	(20.4)
Unrealized gain/(loss) on interest swaps	(16.1)	22.5	(23.3)	27.4
Profit before tax	(8.7)	15.1	(14.2)	15.8
Profit/(loss) for the period *	**(8.7)**	**15.1**	**(14.2)**	**15.7**
Dividends paid on preferred shares in subsidiary	-	-	-	(0.9)
Profit/(loss) attributable to equity holders of the parent for the period	**(8.7)**	**15.1**	**(14.2)**	**14.8**
Average number of common shares	27,600,000	27,600,000	27,600,000	27,600,000
Basic and diluted earnings per share (USD)	**(0.32)**	**0.55**	**(0.51)**	**0.54**

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

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	30-Jun 2010	31-Dec 2009
	unaudited	
Property, plant & equipment	796.6	703.9
Interest-bearing long term receivables	9.4	7.3
Other non current assets	49.7	74.7
Non-current cash held for specified uses	13.1	25.2
Assets held for sale	21.9	21.3
Trade and other receivables	0.6	1.3
Cash held for specified uses	23.5	12.1
Cash and cash equivalents	20.5	20.5
Total assets	**935.3**	**866.3**
Total equity	64.6	78.8
Interest-bearing long term debt	719.1	673.9
Interest-bearing short term debt	41.5	31.8
Tax payable and trade and other payables	110.1	81.8
Total equity and liabilities	**935.3**	**866.3**

Other non-current assets include prepayments to AKPS for vessel construction. Assets held for sale reflects the value of the second shipbuilding contract assigned to OSG, with delivery expected in Q4 2010.

Interest bearing debt as of June 30, 2010 was USD 760.6 million, net of USD 17.6 million in capitalized fees versus USD 705.7 million as of December 31, 2009. This debt relates to the financing on the first eight vessels as well as the NOK 700 million bonds issued in February 2007. Tax payable, trade and other payables include the negative mark-to-market valuation of the interest rate swaps of USD 102.3 million as of June 30, 2010, and USD 79.0 million as of December 31, 2009, as well as other accrued costs and liabilities.

Outlook

The supply of Jones Act product tankers continues to exceed demand from Charterers and several ships remain idle. However, our long-term charters provide AMSC with stable cash flows that are protected from short-term market movements. The extent of receiving profit sharing contributions (which is a component of our bareboat charters) will depend on the time charter rates obtained by OSG as well as OSG's ability to operate the vessels in a cost efficient manner. Over the long term, we expect the market to improve as demand increases coupled with the expectation of the phase-out of vessels due to the Oil Pollution Act of 1990. Our strategy is to continue to maintain tight controls on our costs and to be prepared to capitalize on value creation opportunities. In addition, we will continue to focus on achieving the conditions required for extending our bareboat charters to December 2019 (from charters that currently expire between 2014 and 2016) per the settlement agreement with OSG (see the 2009 Annual Report for more information on the settlement agreement with OSG.)

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.

Risks

The principle risks facing AMSC relate to the construction and on-time delivery of the vessels, the operating performance of OSG, credit risk, counterparty risk with AKPS, and overall market risk.

AMSC's activities also expose it to a variety of other financial risks, including currency risk, interest rate risk and liquidity risk.

AMSC has limited counterparty risk with its bareboat charters to OSG, who in turn time charters the vessels to major oil companies.

AMSC does have counterparty risk with AKPS associated with various guarantees AMSC has given on AKPS obligations, pursuant to the terms under which the companies became separate publicly listed entities in 2007.

For further details of AMSC's risks, refer to the 2009 Annual Report.

Responsibility statement

The unaudited condensed interim consolidated financial statements of American Shipping Company ASA and its subsidiaries ("Group") and interim financial report as of June 30, 2010 and for the first half of 2010 were approved by the Board of Directors and Managing Director on August 5, 2010.

The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU and the additional requirements in the Norwegian Securities Trading Act.

To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principle opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Oslo, August 5, 2010
The Board of Directors and Managing Director
American Shipping Company ASA

Annette Malm Justad Chairperson	John Rose Director
Dag Fasmer Wittusen Director	Gregory J. Matecki President/CEO and CFO

American Shipping Company ASA Group

INCOME STATEMENT

Amounts in USD million (except share and per share information)	Q2 2010 (unaudited)	Q2 2009 (unaudited)	Year to date 2010 (unaudited)	Year to date 2009 (unaudited)
Operating revenues	16.0	13.1	30.7	24.3
Operating expenses	(0.8)	(1.3)	(1.6)	(2.9)
Operating profit before depreciation	**15.2**	**11.8**	**29.1**	**21.4**
Depreciation	(8.0)	(6.8)	(15.4)	(12.6)
Operating profit	**7.2**	**5.0**	**13.7**	**8.8**
Net financial items	0.2	(12.4)	(4.6)	(20.4)
Unrealized gain/(loss) on interest swaps	(16.1)	22.5	(23.3)	27.4
Profit/(loss) before tax	**(8.7)**	**15.1**	**(14.2)**	**15.8**
Tax expense	-	-	-	(0.1)
Profit/(loss) for the period *	**(8.7)**	**15.1**	**(14.2)**	**15.7**
Dividends paid on preferred shares in subsidiary	-	-	-	(0.9)
Profit/(loss) attributable to equity holders of the parent for the period	**(8.7)**	**15.1**	**(14.2)**	**14.8**
Average number of common shares	27,600,000	27,600,000	27,600,000	27,600,000
Basic and diluted earnings per share (USD)	**(0.32)**	**0.55**	**(0.51)**	**0.54**

* Applicable to common stockholders of the parent company.

STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

Amounts in USD million	Q2 2010 (unaudited)	Q2 2009 (unaudited)	Year to date 2010 (unaudited)	Year to date 2009 (unaudited)
Net income/(loss) for the period	(8.7)	15.1	(14.2)	14.8
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	**(8.7)**	**15.1**	**(14.2)**	**14.8**

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	unaudited 30-Jun 2010	31-Dec 2009
Assets		
Non-current assets		
Property, plant & equipment	796.6	703.9
Interest-bearing long term receivables	9.4	7.3
Prepayments	49.7	74.7
Non-current cash held for specified uses	13.1	25.2
Total non-current assets	**868.8**	**811.1**
Current assets		
Assets held for sale	21.9	21.3
Trade and other receivables	0.6	1.3
Cash held for specified uses	23.5	12.1
Cash and cash equivalents	20.5	20.5
Total current assets	**66.5**	**55.2**
Total assets	**935.3**	**866.3**
Equity and liabilities		
Total equity	**64.6**	**78.8**
Non-current liabilities		
Bond payable	145.8	158.3
Other interest-bearing loans	590.9	534.8
Capitalized fees	(17.6)	(19.2)
Total non-current liabilities	**719.1**	**673.9**
Current liabilities		
Interest-bearing short-term debt	41.5	31.8
Tax payable and trade and other payables	110.1	81.8
Total current liabilities	**151.6**	**113.6**
Total liabilities	**870.7**	**787.5**
Total equity and liabilities	**935.3**	**866.3**

STATEMENT OF CHANGES IN TOTAL EQUITY

Amounts in USD million	Year to date 2010 (unaudited)	Year to date 2009 (unaudited)
Equity related to the equity holders of the parent company as of beginning of period	78.8	81.0
Total comprehensive income/(loss) for the period	(14.2)	15.7
Dividends paid from a subsidiary	-	(0.9)
Equity related to the equity holders of the parent company as of end of period	**64.6**	**95.8**
Preferred shares in subsidiary as of beginning of period	-	20.0
Preferred stock issued / (redeemed)	-	(20.0)
Total equity as of end of period	**64.6**	**95.8**

CASH FLOW STATEMENT

Amounts in USD million	Year to date 2010 (unaudited)	Year to date 2009 (unaudited)
Net cash flow from operating activities	15.2	19.2
Net cash flow from investing activities	(80.4)	(171.5)
Net cash flow from financing activities	76.6	131.7
Net change in cash and cash equivalents	**11.4**	**(20.6)**
Effects of changes in exchange rates on cash	-	0.2
Cash and cash equivalents, including cash held for specified uses at the beginning of period	32.6	71.8
Cash and cash equivalents, including cash held for specified uses at end of period	**44.0**	**51.4**

Notes to the unaudited condensed consolidated interim financial statements for the first half and the three months ended June 30, 2010.

1. Introduction - American Shipping Company
American Shipping Company ASA ("AMSC") is a company domiciled in Norway. The condensed interim financial statements for the first half of 2010 and the three months ended June 30, 2010 comprise AMSC and its wholly owned subsidiaries. American Shipping Company has one operating segment.

The consolidated quarterly 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 six month periods are not necessarily indicative of the results that may be expected for any subsequent interim period or year. Certain prior period reclassifications were made to conform to current year presentation.

3. Statement of compliance
These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 December 31, 2009.

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 December 31, 2009. There have not been any new IFRS standards or interpretations issued after the completion of the annual consolidated financial statements for the year 2009 that have a significant impact on AMSC's financial reporting.

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 December 31, 2009.

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 June 30, 2010, AMSC had 27,600,000 ordinary shares at a par value of NOK 10 per share. There were no dividends paid on ordinary shares in 2010 or 2009.

8. Interest-bearing debt
The following shows material changes in interest-bearing debt:

Amounts in USD million	**6 months to 6/30/2010**	**6 months to 6/30/2009**
Balance at beginning of period	705.7	504.4
Repayment of debt	(15.2)	(7.3)
Issuance of debt	80.0	160.0
Interest added to oustanding debt	6.3	5.8
Foreign currency impact	(17.9)	11.8
Amortization of loan fees	1.7	1.8
Balance at end of period	760.6	676.5

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 6/30/2010**	**3 months to 6/30/2009**	**6 months to 6/30/2010**	**6 months to 6/30/2009**
Interest expense	(13.5)	(11.4)	(26.3)	(22.3)
Interest income	0.2	0.1	0.4	0.5
Interest capitalized	1.6	1.7	3.4	4.0
Net interest expense	**(11.7)**	**(9.6)**	**(22.5)**	**(17.8)**

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