First Quarter 2012 Results

OSLO (May 9, 2012) – AMSC's operating revenues for Q1 2012 were USD 21.7 million, compared to USD 19.1 million for Q1 2011. This increase in revenues reflects the operation of the full fleet of ten vessels in 2012 compared to nine vessels in operation in the first quarter of 2011. EBITDA was USD 20.8 million in Q1 2012 compared to USD 18.5 million in Q1 2011.

EBIT was USD 12.4 million in Q1 2012 compared to USD 9.0 million in Q1 2011.

Net interest expense (interest expense less interest income and capitalized interest) for Q1 2012 was negative USD 16.5 million, compared to negative USD 14.7 million for Q1 2011. Net foreign exchange loss was USD 9.3 million in Q1 2012, compared to a net foreign exchange loss of USD 8.7 million in Q1 2011. The foreign exchange gains/losses, resulting from the translation of Norwegian kroner denominated debt and accrued interest into USD, are unrealized and had no cash impact on AMSC.

In addition, in Q1 2012, AMSC had an unrealized gain of USD 5.2 million related to the mark-to-market valuation of its interest rate swap contracts on its vessel financing. The corresponding Q1 2011 unrealized gain was USD 8.9 million. These unrealized gains had no cash impact on AMSC.

AMSC had a net loss for the first quarter of 2012 of USD 8.2 million versus a net loss of USD 5.5 million in the first quarter of 2011.

INCOME STATEMENT

	unaudited	
Amounts in USD million (except share and per share information)	**Q1 2012**	**Q1 2011**
Operating revenues	21.7	19.1
Operating profit before depreciation - EBITDA	**20.8**	**18.5**
Operating profit - EBIT	12.4	9.0
Net interest expense	(16.5)	(14.7)
Unrealized gain/(loss) on interest swaps	5.2	8.9
Net foreign exchange gain/(loss)	(9.3)	(8.7)
Profit/(loss) before income tax	(8.2)	(5.5)
Net profit/(loss) for the period *	**(8.2)**	**(5.5)**
Average number of common shares	27,600,000	27,600,000
Basic and diluted earnings/(loss) per share (USD)	**(0.30)**	**(0.20)**

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

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	unaudited 31-Mar 2012	unaudited 31-Mar 2011	31-Dec 2011
Vessels	940.6	875.1	949.0
Interest-bearing long term receivables	18.4	12.9	17.0
Other non current assets	-	24.7	-
Non-current cash held for specified uses	25.6	38.9	28.9
Trade and other receivables	0.3	0.7	0.5
Cash held for specified uses	14.3	22.2	21.5
Cash and cash equivalents	20.3	21.6	20.8
Total assets	**1,019.5**	**996.1**	**1,037.7**
Total equity	42.6	52.7	50.8
Interest-bearing long term debt	842.3	802.2	841.6
Derivative financial liabilities - long term portion	73.9	80.9	78.9
Interest-bearing short term debt	52.5	45.6	51.7
Derivative financial liabilities - short term portion	5.2	6.0	5.5
Trade and other payables	3.0	8.7	9.2
Total equity and liabilities	**1,019.5**	**996.1**	**1,037.7**

The decrease in Vessels from December 31, 2011 reflects the Q1 2012 depreciation of the Company's ten product tankers. Effective as of January 1, 2012, AMSC increased its estimate for the useful lives of its vessels to 30 years. In previous years, the estimated useful life of vessels was 25 years. The Company's conclusion to increase the useful life was based on several factors including its experience with vessels operating in the U.S. Jones Act market, reference to comparable companies and its maintenance program and lease contracts with OSG. The total impact on depreciation of the change in estimate was USD 1.9 million for Q1 2012 and is estimated to be USD 7.7 million for 2012.

Interest bearing debt as of March 31, 2012 was USD 894.8 million, net of USD 10.8 million in capitalized fees versus USD 893.3 million as of December 31, 2011. This debt relates to the bank financing of the ten vessels, the NOK denominated bond (consisting of principal amount of NOK 700 million plus payment-in-kind interest through March 2012 of NOK 376 million) issued in February 2007 and a subordinated loan from Converto Capital Fund AS.

AMSC was in compliance with all of its debt covenants as of March 31, 2012.

Outlook

All of AMSC's ten vessels are on medium-term bareboat charters with Overseas Shipholding Group (OSG), providing AMSC with stable cash flows protected from short-term market movements. OSG, in its recent Q1 2012 report, is indicating firming of trading conditions. The Jones Act products fleet (54 product tankers and ATBs) is fully employed with no vessels in layup. OSG presently has all of AMSC's vessels on time charter, reporting that fixtures year to date have been renewed at consecutively higher rates.

Our bareboat charter agreements with OSG provide for a profit sharing component. The extent of profit generation is dependent on time charter rates obtained by OSG as well as OSG's ability to operate the vessels in a cost efficient manner. To date, no profits have been generated under our profit sharing agreement, nor do we expect to receive any profit sharing in the medium term. We continue to believe, however, as does the industry, that markets going forward will improve further over the longer term.

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 refinancing, currency, interest rate and liquidity risk.

For further details of AMSC's risks, including our guarantees, refer to the 2011 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, May 9, 2012
The Board of Directors and President / CEO
American Shipping Company ASA

Annette Malm Justad Chairperson	Peter D. Knudsen Director
Lars Solbakken Director	Dag Fasmer Wittusen President / CEO

American Shipping Company ASA Consolidated Group

INCOME STATEMENT

Amounts in USD million (except share and per share information)	Q1 2012 (unaudited)	Q1 2011 (unaudited)
Operating revenues	21.7	19.1
Operating expenses	(0.9)	(0.6)
Operating profit before depreciation - EBITDA	**20.8**	**18.5**
Depreciation	(8.4)	(9.5)
Operating profit - EBIT	**12.4**	**9.0**
Net interest expense	(16.5)	(14.7)
Unrealized gain/(loss) on interest swaps	5.2	8.9
Net foreign exchange gain/(loss)	(9.3)	(8.7)
Profit/(loss) before income tax	**(8.2)**	**(5.5)**
Income tax expense	-	-
Net profit/(loss) for the period *	**(8.2)**	**(5.5)**
Average number of common shares	27,600,000	27,600,000
Basic and diluted earnings/(loss) per share (USD)	**(0.30)**	**(0.20)**

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

STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

Amounts in USD million	Q1 2012 (unaudited)	Q1 2011 (unaudited)
Net income/(loss) for the period	(8.2)	(5.5)
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income/(loss) for the period *	**(8.2)**	**(5.5)**

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

STATEMENT OF FINANCIAL POSITION

Amounts in USD million	31-Mar 2012 (unaudited)	31-Dec 2011 (unaudited)
Assets		
Non-current assets		
Vessels	940.6	949.0
Interest-bearing long term receivables	18.4	17.0
Non-current cash held for specified uses	25.6	28.9
Total non-current assets	**984.6**	**994.9**
Current assets		
Trade and other receivables	0.3	0.5
Cash held for specified uses	14.3	21.5
Cash and cash equivalents	20.3	20.8
Total current assets	**34.9**	**42.8**
Total assets	**1,019.5**	**1,037.7**
Equity and liabilities		
Total equity	**42.6**	**50.8**
Non-current liabilities		
Bond payable	188.9	175.8
Other interest-bearing loans	664.2	677.6
Derivative financial liabilities - long term portion	73.9	78.9
Capitalized fees	(10.8)	(11.8)
Total non-current liabilities	**916.2**	**920.5**
Current liabilities		
Interest-bearing short-term debt	52.5	51.7
Derivative financial liabilities - short term portion	5.2	5.5
Trade and other payables	3.0	9.2
Total current liabilities	**60.7**	**66.4**
Total liabilities	**976.9**	**986.9**
Total equity and liabilities	**1,019.5**	**1,037.7**

STATEMENT OF CHANGES IN TOTAL EQUITY

Amounts in USD million	Year to date 2012 (unaudited)	Year to date 2011 (unaudited)
Equity related to the equity holders of the parent company as of beginning of period	50.8	58.2
Total comprehensive income/(loss) for the period	(8.2)	(5.5)
Total equity as of end of period	**42.6**	**52.7**

CASH FLOW STATEMENT

Amounts in USD million	Year to date 2012 (unaudited)	Year to date 2011 (unaudited)
Net cash flow from operating activities	1.7	6.8
Net cash flow from investing activities	-	-
Net cash flow from financing activities	(9.4)	(3.9)
Net change in cash and cash equivalents	**(7.7)**	**2.9**
Cash and cash equivalents, including cash held for specified uses at the beginning of period	42.3	40.8
Cash and cash equivalents, including cash held for specified uses at end of period	**34.6**	**43.8**

Notes to the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2012

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 March 31, 2012 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 2011 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 (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, 2011.

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, 2011, with the exception of the increase in the vessels' expected useful lives. During the first quarter of 2012, the Company reviewed its previous estimate of 25 years and determined that an expected useful life of 30 years more fairly represents the assets' useful lives. The change in the estimated useful life has been accounted for prospectively beginning January 1, 2012. The Company's conclusion to increase the useful life was based on several factors including its experience with vessels operating in the U.S. Jones Act market, reference to comparable companies and its maintenance program and lease contracts with OSG. The total impact on depreciation of the change in estimate was USD 1.9 million for Q1 2012 and is estimated to be USD 7.7 million for 2012.

There have not been any new IFRS standards or interpretations issued after the completion of the annual consolidated financial statements for the year 2011 that have a significant impact on AMSC's financial reporting. Certain prior period reclassifications were made to conform to current year presentation.

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, 2011.

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 March 31, 2012, 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 2012 or 2011.

8. Interest-bearing debt

The Company's equity as defined under the loan covenant as of March 31, 2012, which requires adjusted equity of USD 50 million, was USD 121.7 million.

The following shows material changes in interest-bearing debt:

Amounts in USD million	3 months to 3/31/2012	3 months to 3/31/2011
Balance at beginning of period	893.3	845.8
Repayment of debt	(12.7)	(11.0)
Interest added to oustanding debt	3.8	3.1
Foreign currency impact	9.3	8.7
Amortization of loan fees	1.1	1.2
Balance at end of period	894.8	847.8

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 3/31/2012	3 months to 3/31/2011
Interest expense	(16.9)	(15.5)
Interest income	0.4	0.3
Interest capitalized	-	0.5
Net interest expense	**(16.5)**	**(14.7)**

11. Settlement Agreement with OSG

In December 2009, the Company announced that it had entered into a settlement agreement ("Settlement Agreement") with OSG that settled all of the outstanding commercial disputes between AMSC and OSG. The Settlement Agreement enabled the Company to complete the vessel build series with AKPS.

As part of the Settlement Agreement, the fixed terms of the bareboat charters of the ten product tankers will be extended to a common expiration date that is ten years from the settlement date upon satisfaction of certain conditions including timely delivery of the remaining vessels in the twelve ship order and the satisfactory refinancing or extension of AMSC's vessel debt and bond obligations. Two of the three conditions have been met with the delivery of the final vessel in Q2 2011 and the extension of the bond debt term during Q4 2011 to 2018. To meet the third and final condition for the charter extensions, the Company has started the process of evaluating different alternatives for the refinancing or extension of its vessel debt which matures in 2014.

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Disclaimer

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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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