(December 2011)

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

Depa	artment of the Treasury			► See separate instructions	i.				
		ng Issuer	***************************************	·					
1	issuer's name				2 Issuer's employer ident	ification number (EIN)			
_									
		Group, Inc. & Subs. r additional information		13-2637623 5 Email address of contact					
Ū	rvaine or contact to	additional intormation	4 Telephon	e No. of contact	5 Email address of Contact				
Тах	Manager			(212) 953-4100	Form8937@osg.com				
		(or P.O. box if mail is not	7 City, town, or post office, sta	te, and Zip code of contact					
		nericas, 42nd Floor	New York, NY 10019						
8	8 Date of action 9 Classification and description								
lan	uary 22, 2016		Rond to	ndar and concept naumon	t for 7.5% Senior Notes due 2024				
	CUSIP number	11 Serial number(S)	12 Ticker symbol	13 Account number(s)				
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	690368AG0								
	Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.								
14			pplicable, the	e date of the action or the da	ate against which shareholders' owne	rship is measured for			
	the action ► <u>Sec</u>	e attached.							
					1.5014.500				
Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an						s an adjustment per			
	share or as a per	centage of old basis ► Se	e attached.						
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	# S10.13			· · · · · · · · · · · · · · · · · · ·					
16	Describe the calc valuation dates ▶	ulation of the change in b	asis and the	data that supports the calcu	ulation, such as the market values of s	ecurities and the			
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Par	و الله	Organizational Action (continued)	
		applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based Sec	e attached
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		17 MANATATI TITOL	
		, 1981	n with
18	Can any	resulting loss be recognized? ► See attached	
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19	Provide	any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A	
		· Programme Applications of the Control of the Cont	
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	Unde	er penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to t	he best of my knowledge and
	belief	f, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has	any knowledge.
Sign		7/1/11	
Here	Signa	ature > 157000 Date > 21/1/6	
		^	The state of the s
	Print	your name ► Rick Oricchio Title ► SVP & CFO	
Paic		Print/Type preparer's name Preparer's signature Date Check	☐ if PTIN
	oarer	P. O'Grady //25/((self-err	
	Only	Firm's name ▶ Deloitte Tax LLP	
		Firm's address ▶ 695 East Main Street, Stamford, CT, 06902 Phone	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

7.5% Notes Bond Tender and Consent Payment

14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On December 2, 2015, Overseas Shipholding Group, Inc. (the "Company") offered (the "Tender Offer") to purchase for cash any and all of its outstanding 7.5% Senior Notes due 2024 (the "Notes") from the holders of such Notes (the "Holders"). The Company also solicited (the "Consent Solicitation") consents ("Consents") from the Holders of the Notes to a proposed amendment with respect to the Notes. Holders were given the option to participate in both the Tender Offer and Consent Solicitation or solely the Consent Solicitation. Holders who validly tendered his or her Notes received the total compensation amount, which was the sum of (i) the Tender Offer consideration, and (ii) a consent payment of \$30.00 per \$1,000 principal amount of Notes with respect to which Consents are accepted for payment (the "Consent Payment").

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The Company intends to treat the receipt of the Consent Payment as resulting in a deemed exchange of the original debt instrument for a new debt instrument. The deemed exchange qualified as a tax-free recapitalization for U.S. federal income tax purposes. The deemed exchange did not result in the recognition of gain or loss, except that gain may be recognized up to the amount of the Consent Payment. A U.S. Holder's tax basis in the new debt instrument will be the same as the U.S. Holder's tax basis in the old debt instruments, decreased by the amount of the Consent Payment received and increased by the amount of gain recognized by the U.S. Holder in respect of the deemed exchange.

16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

A U.S. Holder's tax basis in the new debt instruments will be the same as the U.S. Holder's tax basis in the old debt instruments, decreased by the amount of the Consent Payment received and increased by the amount of gain recognized by the U.S. Holder in respect of the deemed exchange.

Each Holder should consult with his or her tax advisor with respect to the basis in this transaction based on his or her specific facts.

17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Section 1001.1(g) Section 368 Section 356

18. Can any resulting loss be recognized?

The deemed exchange will not result in the recognition of gain or loss, except that gain may be recognized up to the amount of the Consent Payment.

19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

See "OVERSEAS SHIPHOLDING GROUP, INC. Offer to Purchase Any and All of its Outstanding 7.50% Senior Notes due 2024 (the "Notes") (CUSIP: 690368AG0; ISIN: US690368AG06) and Solicitation of Consents to Proposed Amendments to the Indenture Governing the Notes" provided to Holders of the Notes for additional information.