OSG

Moving Energy with Integrity




Investor Presentation

May 2019

Disclaimer

Forward-Looking Statements

During the course of this presentation, the Company (Overseas Shipholding Group, Inc.) may make forward-looking statements or provide forward-looking information, as defined under the federal securities laws. All statements other than statements of historical facts should be considered forward-looking statements, including but not limited to statements regarding the effect of the Company's spin-off of International Seaways, Inc. and any related matters such as expected operating efficiencies and cost reductions. Some of these statements include words such as ''outlook," ''believe'', ''expect'', ''potential'', ''continue'', ''may'', ''will'', ''should'', ''could'', ''seek'', ''predict'', ''intend'', ''plan'', ''estimate'', ''anticipate'', ''target'', ''project", ''forecast'', ''shall'', ''contemplate'' or the negative version of those words or other comparable words. Although they reflect OSG's current expectations, these statements are not guarantees of future performance, but involve a number of risks, uncertainties, and assumptions which are difficult to predict. Some of the factors that may cause actual outcomes and results to differ materially from those expressed in, or implied by, the forward-looking statements include, but are not necessarily limited to, the reduced diversification and heightened exposure to the Jones Act market of OSG's business following the spin-off from OSG on November 30, 2016 of International Seaways, Inc. (INSW), which owned or leased OSG's fleet of International Flag vessels, which may make OSG more susceptible to market fluctuations than before such spin-off; the highly cyclical nature of OSG's industry; fluctuations in the market value of vessels; declines in charter rates, including spot charter rates or other market deterioration; an increase in the supply of vessels without a commensurate increase in demand; the impact of adverse weather and natural disasters; the adequacy of OSG's insurance to cover its losses, including in connection with maritime accidents or spill events; constraints on capital availability; the Company's ability to generate sufficient cash to service its indebtedness, to comply with debt covenants, and to refinance debt as it matures; the Company's ability to renew its time charters when they expire or to enter into new time charters; competition within the Company's industry and OSG's ability to compete effectively for charters; the loss of a large customer; and changes in demand in specialized markets in which the Company currently trades. The Company does not undertake to update any forward-looking statements as a result of future developments, new information or otherwise. More information about potential factors that could affect our business and financial results is available in our filings with the SEC, such as the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and Current Reports on 8-K, including, where applicable, under the headings "Risk Factors" and "Forward-Looking Statements" in such reports. You may obtain these documents for free by visiting EDGAR on the SEC website at www.sec.gov.

Disclaimer

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures, including Time Charter Equivalent ("TCE") revenue, EBITDA, Adjusted EBITDA, and Vessel Operating Contribution, designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. TCE revenues, which represents shipping revenues less voyage expenses, is a measure to compare revenue generated from a voyage charter to revenue generated from a time charter. EBITDA represents net (loss)/income before interest expense, income taxes and depreciation and amortization expense. Adjusted EBITDA consists of EBITDA adjusted for the impact of certain items that we do not consider indicative of our ongoing operating performance. Vessel operating contribution consists of TCE revenues minus vessel expenses and charter hire expenses. We present non-GAAP measures when we believe that the additional information is useful and meaningful to investors. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. See Appendix for a reconciliation of certain non-GAAP measures to the comparable GAAP measures.

This presentation also contains estimates and other information concerning our industry that are based on industry publications, surveys and forecasts. This information involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of the information.

Restrictions on Foreign Ownership

The Jones Act places a limit of 25% on foreign ownership or control of persons engaged in transporting merchandise by water either directly or via a foreign port between points in the United States and certain of its island territories and possessions. OSG's organizational documents, among other things, limit ownership by non-U.S. Citizens (as defined under the Jones Act) of any class or series of its capital stock to 23%, and in certain circumstances permit OSG to withhold dividends and suspend voting rights with respect to shares held by non-U.S. Citizens and to redeem shares held by non-U.S. Citizens so that OSG's foreign ownership remains less than 23%. If a prospective purchaser or transferee is unable to certify it is a U.S. Citizen before purchasing our Class A common stock, or a sale of stock or transfer of stock would result in non-U.S. Citizens owning 23% or more of our Class A common stock, such person may not be allowed to complete such purchase or transfer, or such purchase or transfer may be reversed, or the shares so purchased or transferred may be redeemed by OSG pursuant to its organizational documents.

Why OSG?
Leading Jones Act Tanker Operator at an Earnings Inflection Point

- Dominant market positions in high barrier-to-entry industrial businesses
  - Established presence across all major US coastal regions and market niches
  - Longstanding reputation as a top-quality operator in the U.S. Flag and Jones Act sectors
  - Federal Jones Act regulation provides heavy insulation from international competition
- Stability and forward visibility from a strong foundation of contracted revenue
  - 75% fleet-wide contract coverage in 2019
  - Time charters, take-or-pay contracts, and CoA's guarantee utilization and limit spot market exposure
- Significant earnings upside from high operating leverage in a rising market
  - Rechartering of entire conventional tanker fleet over the next 24 months represents an inflection point for earnings
- Uniquely well positioned to further expand earnings power
  - Balance sheet strengthened through extensive refinancing and amortization during 2018
  - Liquidity & access to capital
  - Renewing and opportunistically expanding fleet

Progress on Strategic Priorities and The Way Forward

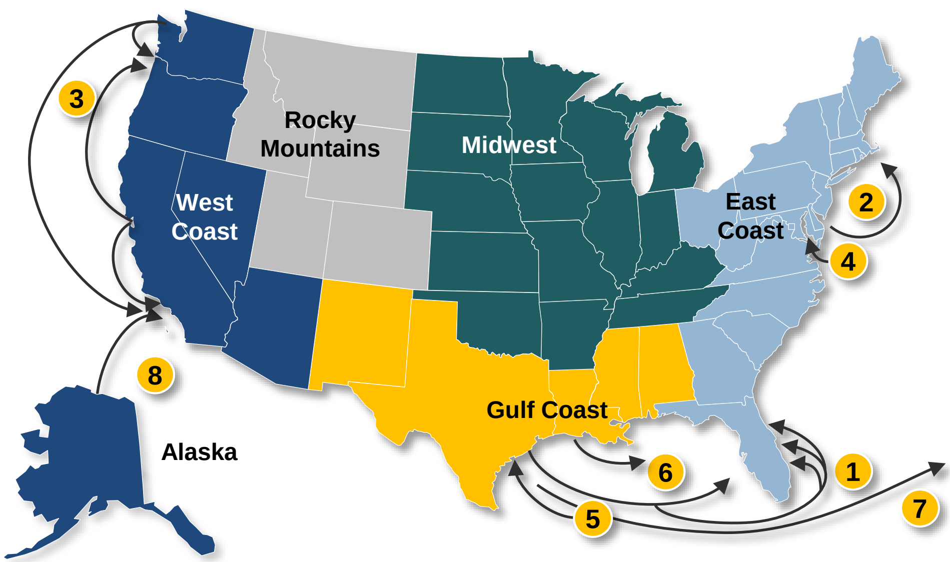
- Increased forward visibility, coverage, and earnings power
  - Refinanced debt and extended maturities - ✔ **Goal Achieved**
  - Control and right size overheads - < $25mm annual run rate - ✔ **On Target**
  - Ensured continuity of fleet via bareboat charters and newbuildings - ✔ **Goal Achieved**
  - Reduced spot market exposure across the fleet - ✔ **Goal Achieved**
  - Keep charter durations short to benefit from improving fundamentals - ✔ **Goal Achieved**

- Framework for looking forward
  - Niche businesses provide strong and stable earnings base
  - Operating leverage of conventional tanker fleet is the principal driver of earnings recovery in a rising rate environment → $1,000 change in average TCE translates into a revenue gain of nearly $3.5 million per annum, substantially all of which drops to the bottom line
  - Changing nature of contribution of ATB fleet to revenue mix. Down substantially due to vessel retirements over the past few years, anticipated to stabilize at a more constant run rate with new barge deliveries in 2020
  - Profit share under lease agreements – still not a material feature of our 2019 or 2020 earnings performance
  - Opportunities for growth

The Jones Act:
A Strategically Important, High Barrier-to-Entry Industrial Business

The Jones Act promotes the American merchant marine industry by regulating maritime commerce in U.S. waters and between U.S. ports

- Any vessel transporting goods by water between U.S. ports:
  - Must be owned by U.S. citizens (minimum 75% ownership);
  - Must have been built at a U.S. shipyard;
  - Must be operated by U.S. citizens;
  - Must be registered under the U.S. Flag
- Relates to all trade between ports in the U.S. mainland, Hawaii, Alaska, Puerto Rico and outlying territories such as Guam
- Limited, high-cost U.S. shipyard capacity limits new vessel ordering and incentivizes high asset utilization over a maximized asset life
  - No mandatory regulatory retirement age
- Foreign competition is greatly limited by restrictions on non-Jones Act vessels transporting goods between U.S. ports
- Mature, highly contractual and project-based market further disincentivizes speculative investments and new entrants



	Modern Jones Act Petrochemical Routes	OSG Presence
1	Gulf Coast refineries to Florida and East Coast	✓
2	Mid-Atlantic to New England	–
3	Intra-West Coast movements	✓
4	Delaware Bay Lightering	✓
5	Crude by Shuttle Tankers from deep water U.S. Gulf to Gulf Coast refineries	✓
6	Crude from Corpus Christi, TX to Louisiana Offshore Oil Port	✓
7	MSP's trade internationally	✓
8	Alaska to U.S. Ports[1]	✓

[1] OSG participates in the Alaska to continental U.S. route through a joint venture.

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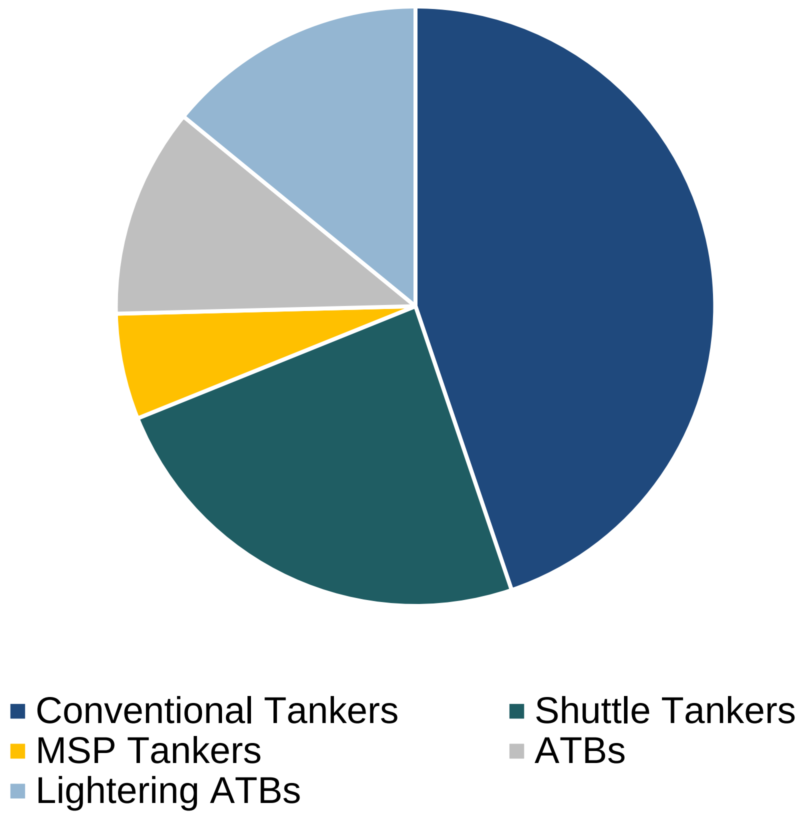
OSG Fleet Overview

Vessel Type	Vessel Class	Capacity (in Barrels)	Approximate U.S. Fleet	OSG Active Fleet	Number Owned	Fleet %
Tanker 	Tanker	330,000	42	10	–	**24 %**
	Shuttle Tanker	330,000	3	3	2	**100 %**
Large ATB 	ATB	237,000	43	4	4	**9%**
	Lightering ATB	320,000	2	2	2	**100 %**
Total Jones Act			**90**	**19**	**8**	**21 %**
	MSP Tanker	400,000	2	2	2	**100 %**
Total U.S. Flag				**21**	**10**	

Source: Company filings, Navigistics
Note: Market share calculated as OSG Active Fleet / Approximate U.S. Fleet.

Stability and Diversification, with Upside from Conventional Tankers

2018 TCE Contribution



Primary Considerations for 2019

- 75% fleetwide contract coverage for 2019, with niche businesses providing consistent cashflow generation
- Conventional tanker charter market exposure represents pronounced upside potential, particularly in 2H19/2020 rechartering period, following pronounced market trough in 2017/2018
- Newbuild tankers and barges, as well as recently bareboated U.S. Flag tanker, represent both fleet renewal and earnings power expansion as they join the fleet in 2019/2020
- Newbuild ATBs to largely replace earnings contributions of older tonnage retired during 2018/2019

Solid Foundation Based on Dominant Roles in Niche Markets

Stable, predictable cashflow from contracted employment

	Delaware Bay Lightering (Jones Act)	Shuttle Tankers (Jones Act)	Maritime Security Program Tankers (US Flag)
Market Overview	■ Transfer of cargo between vessels of different sizes, linking larger oceangoing vessels to otherwise inaccessible ports ■ Primarily contracts of affreightment ("CoA's")	■ Cost-effective alternative to pipelines for the transportation of oil from offshore oil fields to onshore storage and refineries ■ Increased Gulf of Mexico oil production expected to drive demand	■ U.S. government program to maintain an active private commercial fleet that can be utilized in the event of war or national emergency ■ Not eligible for Jones Act trades, but eligible for U.S. government impelled cargos ■ Receives operating cost stipend
Notable Developments	■ Minimum take-or-pay contracts signed for 2019 equivalent to 95% of total volumes lifted in 2018 ■ Delaware lightering customer strengthened following emergence from bankruptcy	■ 80% of 2019 operating days contracted at >$70,000 per day ■ Scheduled drydocking and intermediate surveys for two vessels will impact 2019 earnings contribution	■ Contract with Government of Israel extended through 2020 ■ CoA providing a minimum of 7 annual liftings in 2019 and 2020, in line with totals in recent years

Source: Company filings, presentations and websites

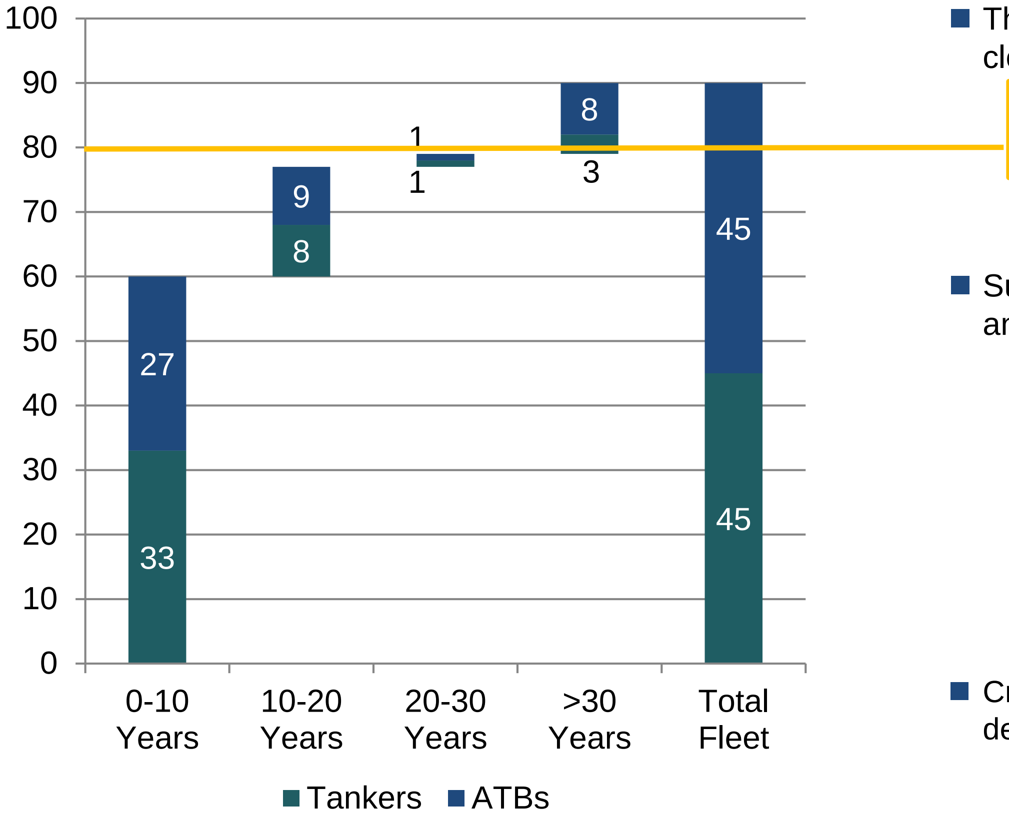
Conventional Tanker Market Dynamics Driving Towards an Inflection

- Jones Act tankers play a critical role in the U.S. energy industry
  - Core business involves transporting clean petroleum products (e.g. gasoline, diesel, jet fuel, etc.) from U.S. refineries to points of consumption across the coastal U.S.
    - Consistent Clean Petroleum Product ("CPP") demand along U.S. Gulf Coast and West Coast is met with Jones Act Tankers
  - Incremental demand from providing domestically produced crude oil to U.S. refineries under certain oil market conditions

- Long-term demand growth is firm and growing
  - Low-cost U.S. domestic oil production growth continues to outpace the market
  - A sustained arbitrage to international oil prices is driving crude transport demand growth

- Net vessel market supply contraction due to aging fleet, high newbuild costs, and capital constrained owners
  - Net fleet contraction has persisted since 2017 and is expected to be sustained until older vessels are fully retired

Growing Energy Transport Demand and Shrinking Vessel Supply

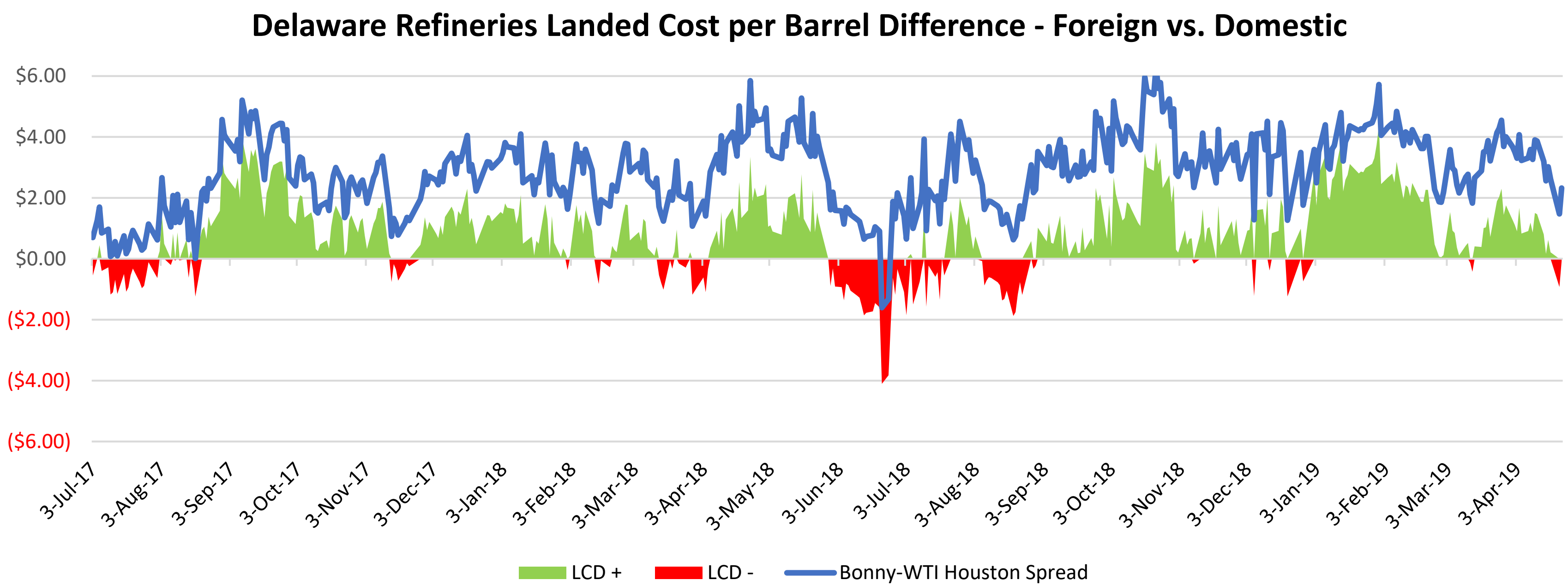


- The current market is largely in balance between core clean product trades and opportunistic crude trades
  - Core clean product movements estimated to require approximately 80 vessels
  - Growing crude movements absorb the majority of the remaining vessel supply
- Supply is contracting due to high replacement costs and anticipated scrapping of superannuated vessels
  - Very limited risk of new vessel ordering due to limited shipyard availability, high monetary cost of building a new vessel (~$140mm), time required for vessel construction (~2 years), and lack of access to capital for many market participants
  - Majority of the older Jones Act vessels are anticipated to be retired over the course of the next 1-2 years
- Crude price dynamics support an increased level of demand that is putting increasing tension into the market

Source: Navigistics, company websites
Note: Supply / demand imbalance is per management guidance. Industry data as of December 31, 2018

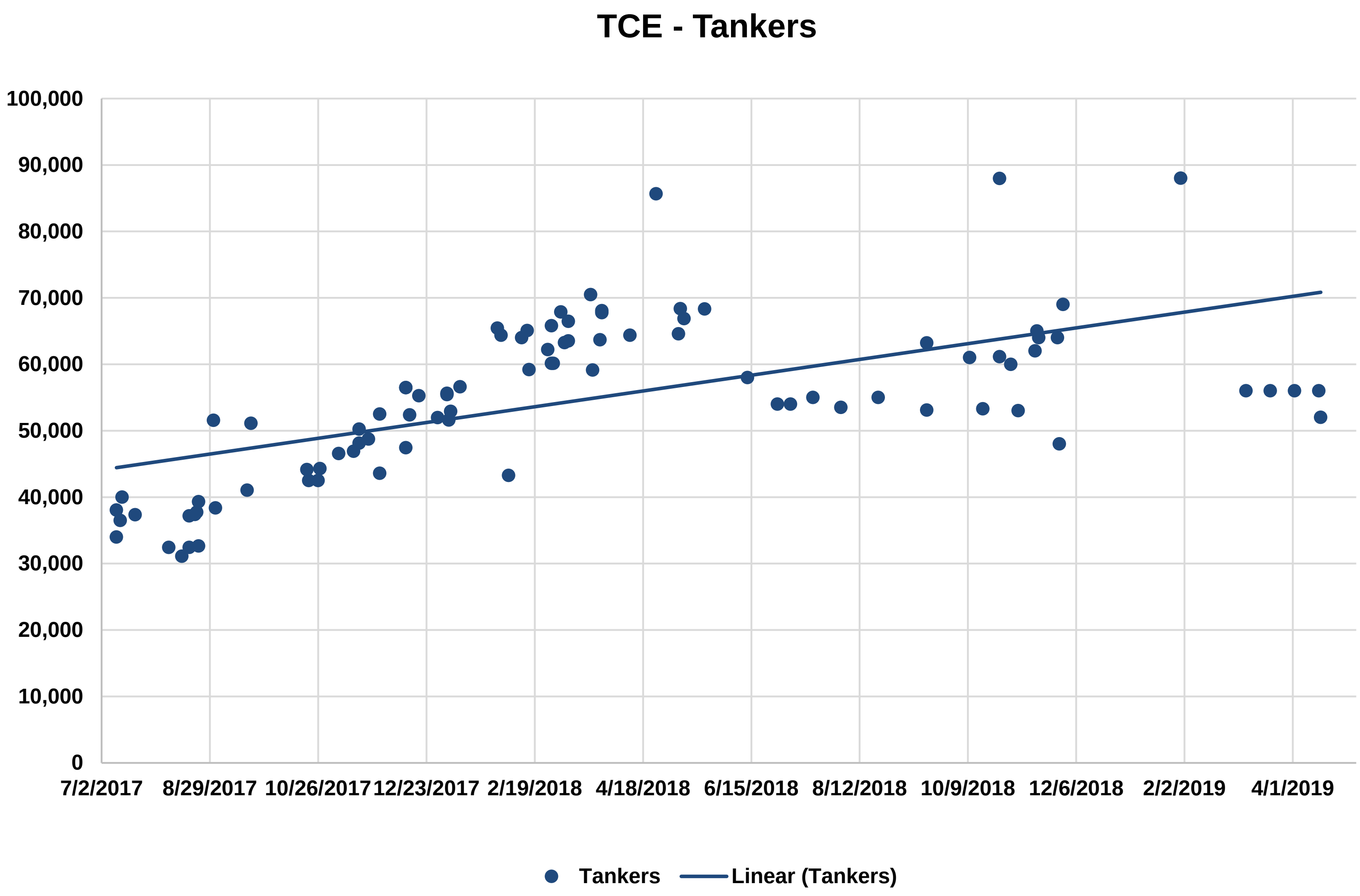
Crude Price Differentials Support Heightened Jones Act Demand

July 2017 to April 2019 Crude Price Differentials

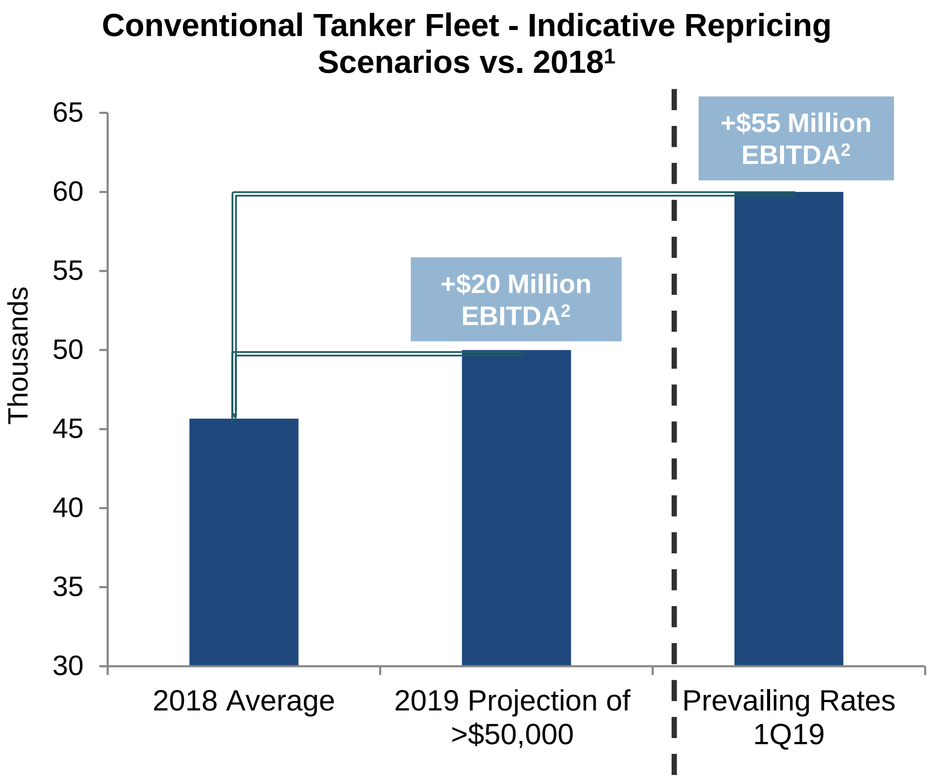


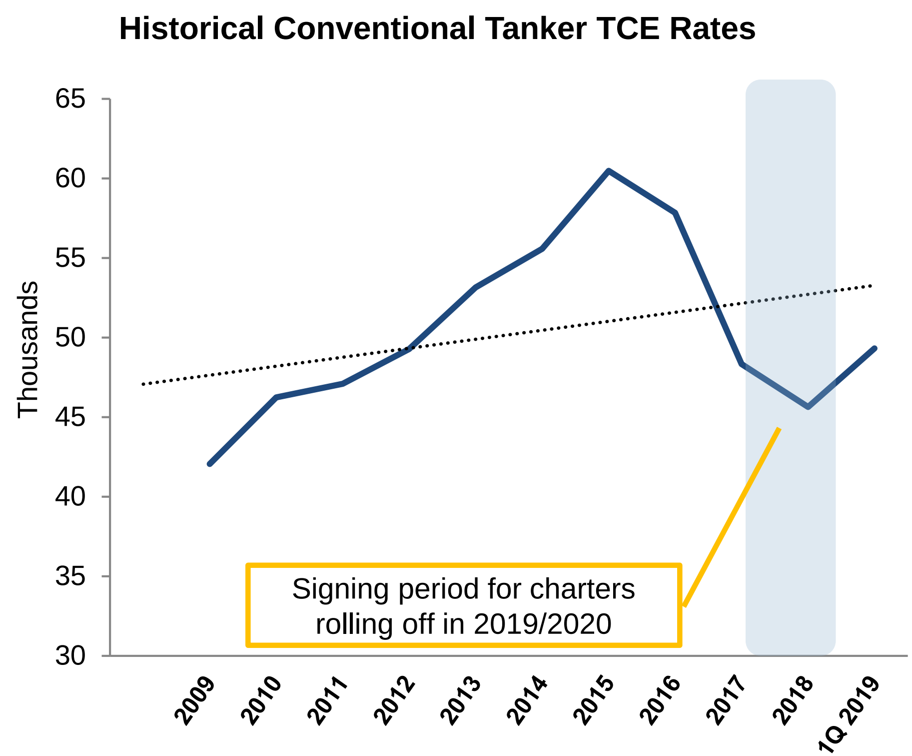
- Bonny – WTI Houston Spread has averaged $3.53 per bbl over past 6 months
- Premium above $2.00 per bbl incentivizes purchases by domestic refiners, and thus increased demand for Jones Act tankers
- Medium term projections from analysts remain favorable

Tanker Spot Rates July 2017 to April 2019



High Operating Leverage In a Strengthening Market





- Recovery from cyclical lows towards long-term norms offers substantial upside
- $1,000 increase in average TCE translates to additional $3.5 million of revenue per annum
- Minimal variable cost means that increased rates accrete heavily to cashflow

[1]*EBITDA impact and projections are for illustrative purposes as an annualized run-rate vs 2018 results*
[2]*EBITDA impact includes addition of Overseas Key West from April 2019*

Tanker Re-chartering Opportunities Concentrated in 2H19/2020

Vessel	TC Maturity Date	End Date Option
Texas City	9/7/2019	(+/-) 14 days
Chinook	10/8/2019	(+/-) 15 days
Anacortes	10/31/2019	(+/-) 15 days
Long Beach	12/11/2019	(-) 15 days
Los Angeles	12/11/2019	
New York	12/11/2019	(-) 15 days
Boston	12/11/2019	
Nikiski	12/8/2019	
Cascade	3/18/2020	
Houston	3/26/2020	(+/-) 45 days
Tampa	6/25/2025	(+/-) 30 days

Financial Review

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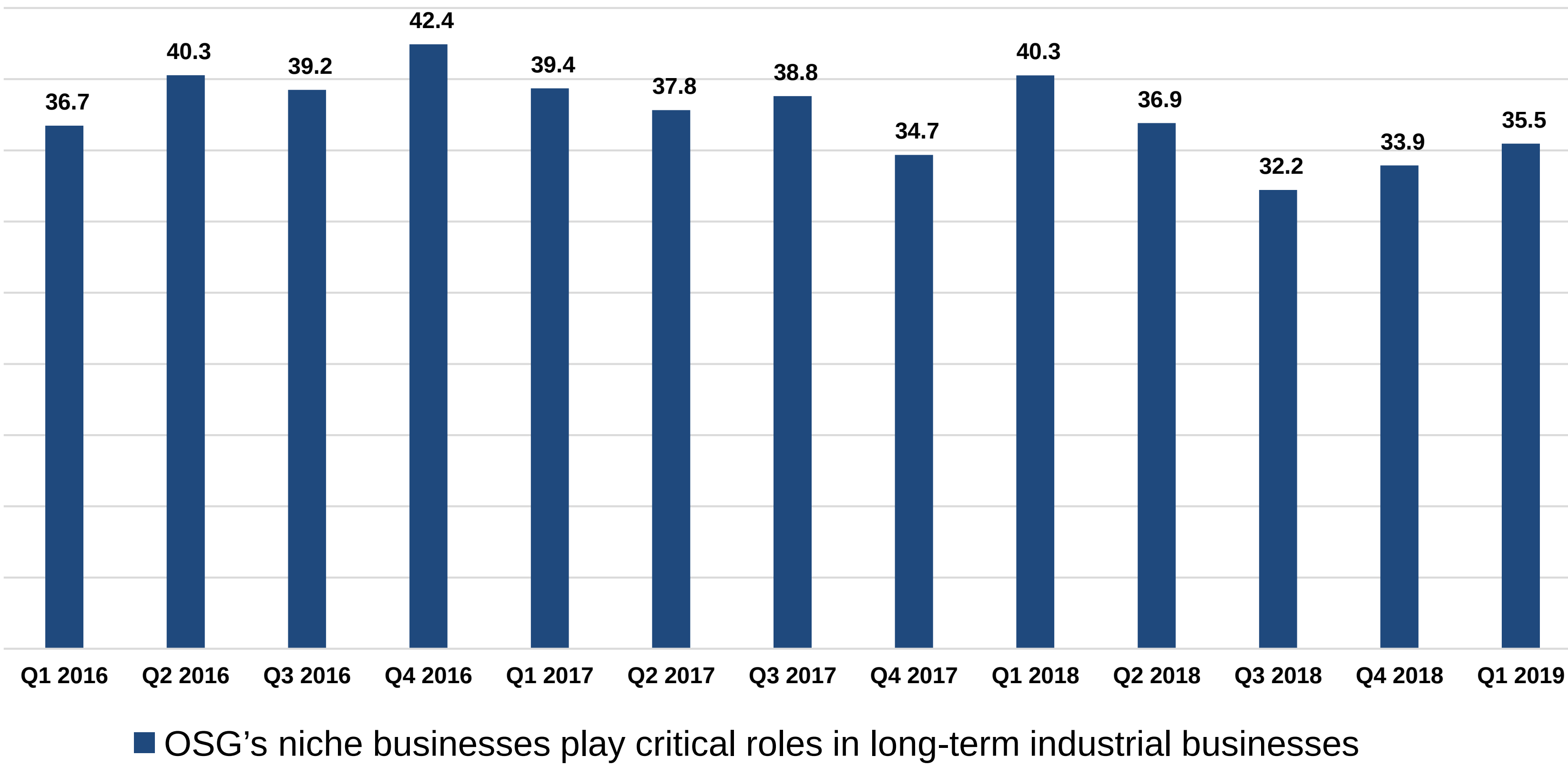
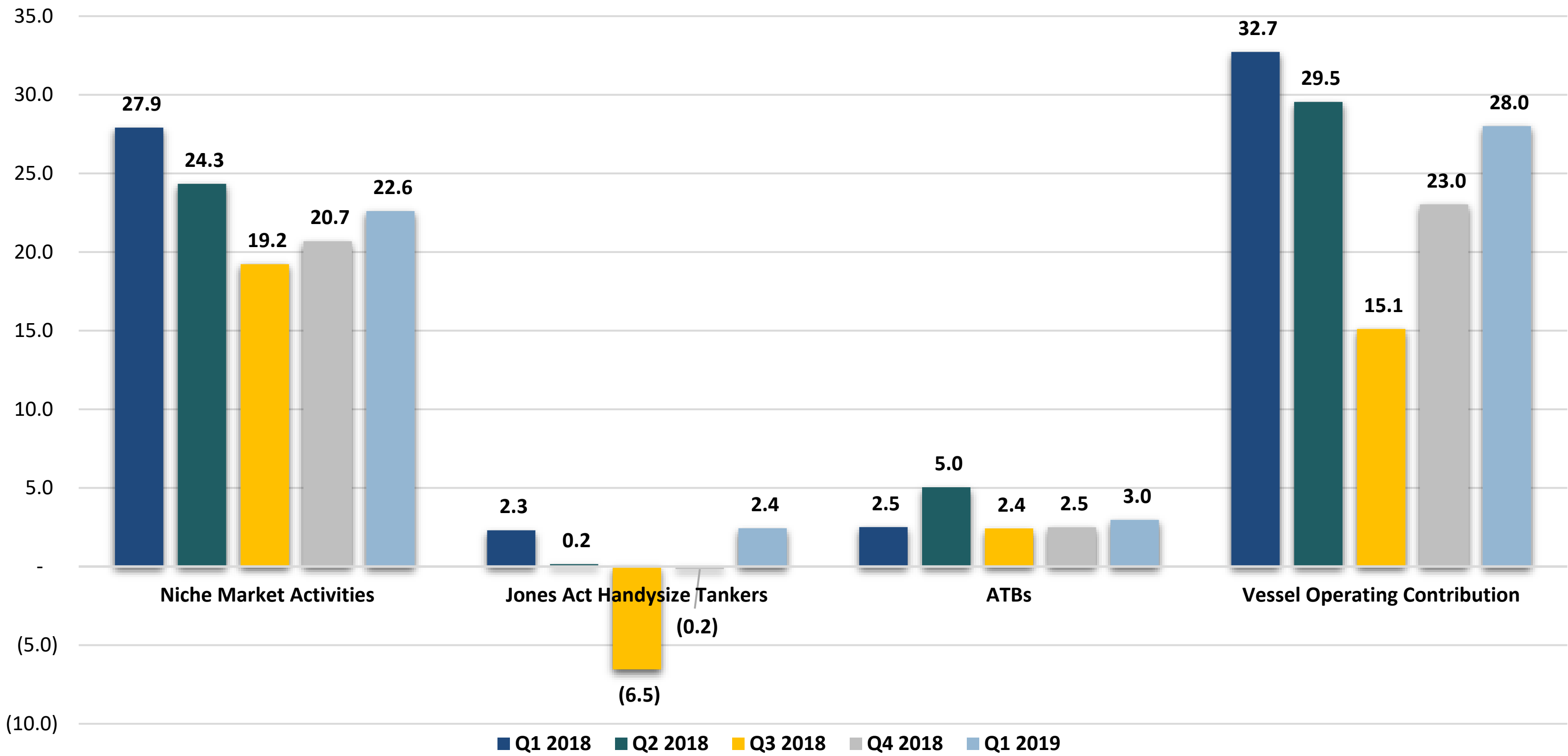
Niche Businesses Provide Stable, Predictable Revenues

($ Millions)



Quarterly Vessel Operating Contribution (1)

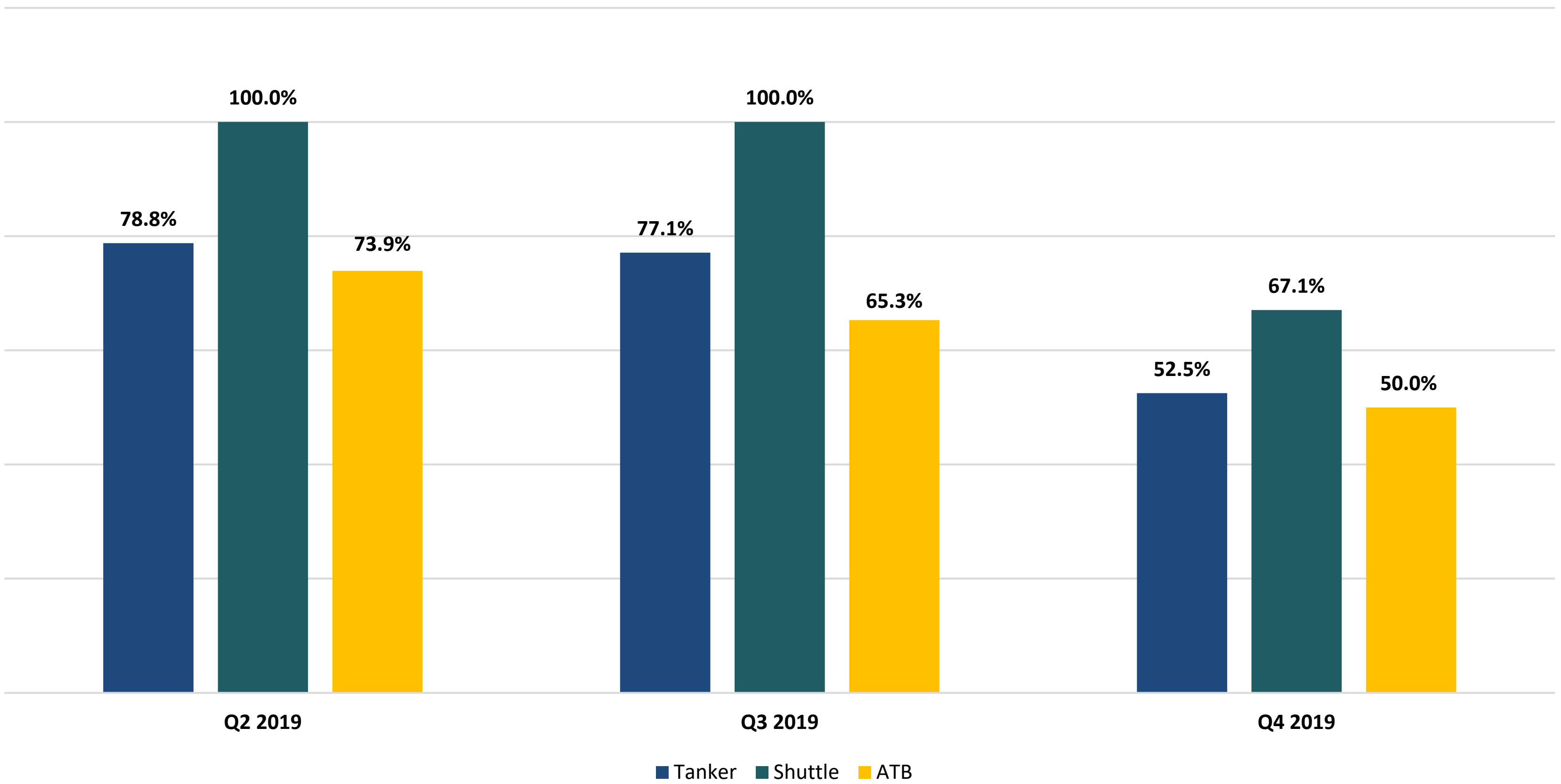
($ Millions)



- Nascent recovery of conventional tanker market and replacement of ATB tonnage principally retired during 2018/19 represent the primary sources of earnings variability

(1) TCE Revenues minus vessel expenses and charter hire expenses

Forward Charter Cover Through Nascent Stage of Market Recovery



Financial Summary – Balance Sheet & Liquidity

($ Millions)

($ Millions)	3/31/2019
Cash(1)	$76
Debt(2)	$349
Net Debt	$273
Equity	$334
Total Liquidity(3)	$106
Net Debt to Equity Ratio	0.8x

Capital Structure

- Net Debt to Equity of 0.8x
- Total Liquidity of $106 million
- $27.5 million Term Loan with maturity in 2026
- $321 million Term Loan with maturity in 2023
- ABL Revolver Amended to $30 million and extended to August 2019

Balance Sheet Provides Ability to Take Advantage of the Opportunities Within OSG's Portfolio

Debt has decreased $183.6 million since 12/31/16

Net Debt to Equity remained stable from 3/31/18 at 0.8x

(1) Q1 2019 Cash includes $0.2 million of restricted cash
(2) Debt balance is not reduced for unamortized discounts and deferred costs totaling $7.5 million at March 31, 2019.
(3) Total liquidity defined as Cash plus available amount under Revolver.

Summary

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Primary 2019 Considerations

- Niche market activities expected to generate earnings contribution consistent with 2018
- Conventional tankers expected to achieve average TCEs in excess of $50,000 per day, representing an EBITDA contribution of more than $20 million above 2018 levels
  - Prevailing market rates during 1Q19, if sustained and captured across the fleet, would represent a further $35 million EBITDA increase
- Korean newbuild tankers and additional bareboat U.S. Flag tanker to contribute to earnings primarily in 2H19, with newbuild ATBs entering the fleet in 2020 and recapturing TCE contribution of older ATBs principally retired in 2018/19
- Remaining maintenance capex during 2019 of approximately $9.55 million, as well as single Ballast Water Treatment installation of approximately $2 million
  - 89 estimated remaining 2019 off-hire days for maintenance capex
- Rechartering activity and incorporation of new vessels into the fleet expected to reach full earnings contribution during 2021

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Q&A

Appendix – Supplemental Information

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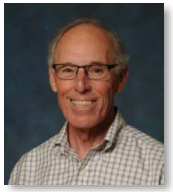
Experienced Management Team

Samuel H. Norton
President and CEO

- Joined OSG Board of Directors in August 2014 and was appointed SVP and President & CEO of U.S. Flag business in July 2016
- Co-Founder & CEO of SeaChange Maritime and spent 17 year period ending July 2005 as a senior executive officer at Tanker Pacific Management (Singapore) Pte. Ltd
- Extensive background in shipping restructuring with the Bank of Boston



Richard Trueblood
CPA
CFO

- Joined OSG in July 2017 after 45 years of professional accounting experience
- Joins Company from Florida CFO group where he provided consulting services related to strategic and business plan development

Susan Allan
Vice President and General Counsel & Secretary

- Joined OSG in 2016 with 28 years legal experience, focusing on financial and corporate governance for the last 18 years
- Ms. Allan served as lead counsel and managed company transactions for public companies in the technology sector

Damon Mote
Vice President and Chief Administrative Officer

- Appointed Vice President and Chief Administrative Officer in December 2016
- Joined OSG in 2004 as a manager, Major Projects Manager and Director and now is responsible for overall management of the Collective Bargaining Agreements

Patrick J. O’Halloran
Vice President and Chief Operations Officer

- Joined OSG in November 2006 as a part of the acquisition of Maritrans
- Previously served as Vice President Marine Operations for the Company since 2014

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AMSC Contract Structure Provides Significant Optionality

Current American Shipping Company ("AMSC") Lease Contracts

10 Long-term Bareboat Charters (on a vessel-by-vessel basis)

- **4** Contracts expire in December 2020, with optional renewal on the same date
- **5** Contracts expire in December 2022 with optional renewal on the same date
- **1** Converted Shuttle Tanker, the Overseas Tampa, is on a long-term charter through June 2025 with coterminous lease

- Option to extend the Bareboat Charters for the remaining life of the vessels at pre-determined charter rates
- Usage protected by covenants from AMSC and its lenders
- AMSC is not a Jones Act-compliant operator and therefore relies upon OSG to operate its Jones Act vessels

Current Payment Schedule

- AMSC is entitled to a 50% share of "profits" generated on an aggregate fleet basis, once a Credit Amount due to OSG has been fully offset
- No profit share is payable to AMSC until after provisions for drydocks are met and an OSG profit layer is achieved
- No distribution of cash profits is expected during 2019
- Approximately $26.3 mm (as of March 31, 2019) of an outstanding Deferred Payment Obligation due to AMSC for 5 vessels. This liability is being amortized on a straight-line basis and will be fully repaid in approximately 14 years

Source: Company filings and presentations

Drydock

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Drydock Expenses	$818,314	$3,300,000	$2,950,000	$3,300,000	$10,368,314
Days Off Hire	8	52	15	22	97
Off Hire Revenue Lost	$609,840	$2,935,000	$881,250	$1,936,000	$6,362,090

Note: Excludes Overseas Key West

TCE Revenue Reconciliation

($ Millions)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	2018 TTM	2019 TTM
Time Charter Equivalent Revenue	$ 89	$ 86	$ 72	$ 80	$ 83	$ 347	$ 321
Voyage Expenses	12	9	8	9	5	36	32
Shipping Revenue	**$ 101**	**$ 95**	**$ 81**	**$ 89**	**$ 88**	**$ 383**	**$ 353**

Source: Company filings

Adjusted EBITDA Reconciliation

($ Millions)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	2018 TTM	2019 TTM
Net (Loss) / Income	**$ 3.7**	**$ 3.1**	**$1 1.9**	**$ (5.2)**	**$ 3.2**	**$ 54.2**	**$ 13.0**
Income Tax (Benefit) / Provision	1.2	0.4	(23.4)	4.1	0.4	(60.0)	(18.5)
Interest Expense	8.1	7.5	7.8	7.5	6.5	36.1	29.3
Depreciation and Amortization	12.4	12.4	12.8	12.9	12.5	54.4	50.6
EBITDA	**$ 25.3**	**$ 23.3**	**$ 9.2**	**$ 19.3**	**$ 22.6**	**$ 84.8**	**$ 74.4**
Amortization classified in charter hire expenses	0.5	0.5	0.5	0.4	0.2	1.9	0.2
Interest expense classified in charter hire expenses	0.4	0.4	0.4	0.4	0.4	1.8	0.4
Non-Cash Stock Based Compensation Expense	0.8	0.7	0.8	1.5	0.3	3.9	3.3
(Gain) / Loss on Disposal of Vessels, Including Impairments	-	-	-	(0.9)	0.1	13.2	(0.8)
Loss on Repurchase and Repayments of Debt	1.0	-	-	2.4	-	3.3	2.4
Reorganized Items, net	-	-	-	-	-	(0.0)	-
Adjusted EBITDA	**$ 28.0**	**$ 24.9**	**$ 10.9**	**$ 23.1**	**$ 23.6**	**$ 108.7**	**$ 82.6**

Source: Company filings

Vessel Operating Contribution Reconciliation

($ Millions)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	2018 TTM	2019 TTM
Niche Market Activities	$ 28	$ 24	$ 19	$ 21	$ 23	$ 104	$ 87
Jones Act Handysize Tankers	2	0	(7)	0	2	0	(4)
ATBs	3	5	2	3	3	18	13
Vessel Operating Contribution	**$ 33**	**$ 30**	**$ 15**	**$ 23**	**$ 28**	**$ 122**	**$ 96**
Depreciation and Amortization	12	12	13	13	12	54	50
General and Administrative	7	7	6	7	6	26	26
Loss on Disposal of Vessels and Other Property, including Impairments	0	0	0	(1)	0	13	(1)
Equity in Income of Affiliated Companies	0	0	0	(4)	0	(4)	(4)
Operating Income	**$ 14**	**$ 11**	**($ 4)**	**$ 8**	**$ 10**	**$ 32**	**$ 24**

Glossary
(1/2)

Articulated Tug Barge or ATB — A tug-barge combination system capable of operating on the high seas, coastwise and further inland. It combines a normal barge, with a bow resembling that of a ship, but having a deep indent at the stern to accommodate the bow of a tug. The fit is such that the resulting combination behaves almost like a single vessel at sea as well as while maneuvering.

Bareboat Charter — A Charter under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. The customer pays all costs of operating the vessel, including voyage and vessel expenses. Bareboat charters are usually long term.

Charter — Contract entered into with a customer for the use of the vessel for a specific voyage at a specific rate per unit of cargo (“Voyage Charter”), or for a specific period of time at a specific rate per unit (day or month) of time (“Time Charter”).

Contract of Affreightment or COA — An agreement providing for the transportation between specified points for a specific quantity of cargo over a specific time period but without designating specific vessels or voyage schedules, thereby allowing flexibility in scheduling since no vessel designation is required. COAs can either have a fixed rate or a market-related rate. One example would be two shipments of 70,000 tons per month for two years at the prevailing spot rate at the time of each loading.

Crude Oil — Oil in its natural state that has not been refined or altered.

Deadweight tons or dwt — The unit of measurement used to represent cargo carrying capacity of a vessel, but including the weight of consumables such as fuel, lube oil, drinking water and stores.

Double Hull — Hull construction design in which a vessel has an inner and an outer side and bottom separated by void space, usually two meters in width.

Drydocking — An out-of-service period during which planned repairs and maintenance are carried out, including all underwater maintenance such as external hull painting. During the drydocking, certain mandatory Classification Society inspections are carried out and relevant certifications issued. Normally, as the age of a vessel increases, the cost and frequency of drydockings increase.

Handysize Product Carrier — A small size Product Carrier of approximately 29,000 to 50,000 deadweight tons. This type of vessel generally operates on shorter routes (short haul).

Jones Act — U.S. law that applies to port-to-port shipments within the continental U.S. and between the continental U.S. and Hawaii, Alaska, Puerto Rico, and Guam, and restricts such shipments to U.S. Flag Vessels that are built in the United States and that are owned by a U.S. company that is more than 75% owned and controlled by U.S. citizens, set forth in 46 U.S.C. sections 50501 and 55101.

Jones Act Fleet — A fleet comprised of vessels that comply with the Jones Act regulations.

Lightering — The process of off-loading crude oil or petroleum products from large size tankers, typically Very Large Crude Carriers, into smaller tankers and/or barges for discharge in ports from which the larger tankers are restricted due to the depth of the water, narrow entrances or small berths.

Source: Company filings

Glossary

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Maritime Security Program or MSP — The U.S. Maritime Security Program, which ensures that militarily useful U.S. Flag vessels are available to the U.S. Department of Defense in the event of war or national emergency. These vessels are required to trade outside the United States but are eligible for government sponsored business. Under the MSP, participants receive an annual fee in exchange for a guarantee that the vessels will be made available to the U.S. government in the event of war or national emergency.

Product Carrier — General term that applies to any tanker that is used to transport refined oil products, such as gasoline, jet fuel or heating oil.

Scrapping — The disposal of vessels by demolition for scrap metal.

Shuttle Tanker — A tanker, usually with special fittings for mooring, which lifts oil from offshore fields and transports it to a shore storage or refinery terminal on repeated trips.

Time Charter — A Charter under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. Subject to any restrictions in the Charter, the customer decides the type and quantity of cargo to be carried and the ports of loading and unloading. The customer pays all voyage expenses such as fuel, canal tolls, and port charges. The ship-owner pays all vessel expenses such as the Technical Management expenses.

Time Charter Equivalent or TCE — TCE is the abbreviation for Time Charter Equivalent. TCE revenues, which are voyage revenues less voyage expenses, serve as an industry standard for measuring and managing fleet revenue and comparing results between geographical regions and among competitors.

U.S. Flag fleet — OSG's Jones Act Fleet together with its MSP vessels.

U.S. Flag vessel — A U.S. Flag vessel must be crewed by U.S. sailors, and owned and operated by a U.S. company.

Vessel Expenses — Includes crew costs, vessel stores and supplies, lubricating oils, maintenance and repairs, insurance and communication costs associated with the operations of vessels.

Voyage Charter — A Charter under which a customer pays a transportation charge for the movement of a specific cargo between two or more specified ports. The shipowner pays all voyage expenses, and all vessel expenses, unless the vessel to which the Charter relates has been time chartered in. The customer is liable for Demurrage, if incurred.

Voyage Expenses — Includes fuel, port charges, canal tolls, cargo handling operations and brokerage commissions paid by the Company under Voyage Charters. These expenses are subtracted from shipping revenues to calculate Time Charter Equivalent revenues for Voyage Charters.

Source: Company filings