Moving Energy with Integrity

2nd Quarter 2019
Earnings Conference Call

August 9, 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. 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 Company’s concentration in the Jones Act market which may make OSG more susceptible to market fluctuations; 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; the supply of vessels exceeds the demand; estimates of future profit sharing payouts; 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 fund capital expenditures for vessels under construction; 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, including the financial contributions of the Company’s niche and core businesses;. 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, 2018 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.

Introduction & Business Review – Samuel H. Norton, President & CEO

OSG

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Progress on Strategic Priorities and The Way Forward

Increased Forward Visibility, Coverage, and Earnings Power

- Closed financing on $50 million new debt for Korean newbuilds.
- Extended Overseas Cascade in shuttle tanker contract for 5 years to April 2025.
- Fixed 2 conventional tankers at higher rates for calendar 2020.
- Fixed 2 new barges on 1 year contracts commencing on delivery; both new barges now fully fixed for 1 year following delivery.
- Fixed main terms (subject charter party details) for the 2 Korean MR newbuilds for 1 year firm delivery in September; targeting participation in new Tanker Security Program beginning 4Q 2020.
- SG&A Annual run rate less than $25 million on target through first half of 2019.

Impact of PES Bankruptcy

- $4.3 million unsecured claim for receivables due from PES fully reserved in 2nd quarter earnings
- OSG350/Vision ATB repositioned to US Gulf of Mexico; has served two consecutive spot voyages transporting crude oil in Gulf of Mexico
- OSG 351/Horizon ATB remains in Delaware Bay to service remaining customers, Monroe/Delta and PBF
- PES contract contributed approximately $6.0 million in TCE per quarter on average over the past several years
- Expectation for balance of 2019 is a drop of $2-3 million dollars per quarter in TCE taking into account alternative employment for OSG 350/Vision and contractual service for remaining lightering customers

ATB & Conventional MRs – Spot & Fixed TCE

US JONES ACT TANKER MARKET RATES

Year	Quarter Ending	MR Spot Rate	MR 12 Mo T/C Rate
2017	March	$ 35,000	$ 42,000
	June	$ 40,000	$ 38,000
	September	$ 50,000	$ 35,000
	December	$ 55,000	$ 38,000
2018	March	$ 62,500	$ 50,000
	June	$ 60,000	$ 54,000
	September	$ 55,000	$ 55,000
	December	$ 65,000	$ 60,000
2019	March	$ 65,000	$ 60,000
	June	$ 65,000	$ 60,000

*Note: Based on Broker Market Reports

OGG CONVENTIONAL JONES ACT MR's

	2019		2018				2017			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Spot Earning	$ 37,356	$ 27,940	$ 32,420	$ 17,133	$ 32,526	$ 41,227	$ 31,397	$ 24,466	$ 18,288	$ 45,061
Spot Days	157	90	248	276	279	337	284	367	173	72
Spot Revenue	$ 5,864,892	$ 2,514,600	$ 8,040,160	$ 4,728,708	$ 9,074,754	$ 13,893,499	$ 8,916,748	$ 8,979,022	$ 3,163,824	$ 3,244,392
Fixed Earnings	$ 51,619	$ 51,718	$ 53,127	$ 50,613	$ 54,597	$ 56,664	$ 54,790	$ 56,083	$ 57,237	$ 57,428
Fixed Days	686	720	562	524	525	450	515	459	627	719
Fixed Revenue	$ 35,410,634	$ 37,232,823	$ 29,857,374	$ 26,521,212	$ 28,663,425	$ 25,498,800	$ 28,216,850	$ 25,742,097	$ 35,887,599	$ 41,290,732
Average Blended TCE	**$ 48,963**	**$ 49,076**	**$ 46,787**	**$ 39,062**	**$ 46,938**	**$ 50,054**	**$ 46,475**	**$ 42,035**	**$ 48,814**	**$ 56,302**
Total Trading Days	843	810	810	800	804	787	799	826	800	791
Total Revenue	**41,275,526**	**39,747,423**	**37,897,534**	**31,249,920**	**37,738,179**	**39,392,299**	**37,133,598**	**34,721,119**	**39,051,423**	**44,535,124**

OGG CONVENTIONAL ATB's

	2019		2018				2017			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Spot Earning	$ 19,000	$ 20,992	$ 10,984	$ 15,233	$ 20,679	$ 12,230	$ 12,644	$ 8,360	$ 7,234	$ 17,057
Spot Days	89	86	226	235	268	261	317	280	202	180
Spot Revenue	$ 1,691,000	$ 1,805,312	$ 2,482,384	$ 3,579,755	$ 5,541,972	$ 3,192,030	$ 4,008,148	$ 2,340,800	$ 1,461,268	$ 3,070,260
Fixed Earnings	$ 21,610	$ 21,557	$ 21,548	$ 22,171	$ 23,629	$ 22,979	$ 25,363	$ 25,331	$ 26,047	$ 29,433
Fixed Days	252	266	259	224	255	261	270	355	488	524
Fixed Revenue	$ 5,445,720	$ 5,734,162	$ 5,580,932	$ 4,966,304	$ 6,025,395	$ 5,997,519	$ 6,848,010	$ 8,992,505	$ 12,710,936	$ 15,422,892
Average Blended TCE	**$ 20,929**	**$ 21,419**	**$ 16,625**	**$ 18,619**	**$ 22,117**	**$ 17,605**	**$ 18,494**	**$ 17,848**	**$ 20,539**	**$ 26,269**
Total Trading Days	341	352	485	459	523	522	587	635	690	704
Total Revenue	**7,136,720**	**7,539,474**	**8,063,316**	**8,546,059**	**11,567,367**	**9,189,549**	**10,856,158**	**11,333,305**	**14,172,204**	**18,493,152**

- Second Quarter 2019 Conventional Tanker TCE Average Rate $48,963
- Second Quarter 2019 Conventional ATB TCE Average Rate $20,929

Tanker Time Charter Maturity

Vessel	TC Maturity Date	End Date Option
Chinook	10/8/2019	+/- 14 Days
Anacortes	10/31/2019	+/- 15 Days
Texas City [1]	12/7/2019	+/- 14 Days
Nikiski	12/8/2019	
Long Beach	12/11/2019	- 15 Days
Los Angeles	12/11/2019	
New York	12/11/2019	-15 Days
Houston [2]	3/26/2020	+/- 45 days
Martinez	11/15/2020	+/- 45 days
Boston	12/31/2020	
Cascade [3]	4/11/2025	
Tampa	6/25/2025	+/- 30 Days

1 Charterer option for 12 month extension to be declared in September 2019
2 Charterer option for 6 month extension to be declared in December 2019.
3 Charterer option redeliver with 12 month advanced notice.

Niche Businesses

- MSP earnings will be heavily weighted to 4th Quarter due to scheduling agreement under Government of Israel COA
- Korean newbuilds will deliver into Marshall Islands flag pending development of legislation for new Tanker Security Program; both vessels fixed on one year time charters at rates which should generate approximately $7 million in EBITDA during first year of operation
- Overseas Cascade extended her shuttle tanker contract with Murphy Oil for 5 years; Charter terms allow for early cancellation with one year prior notice; otherwise rates, terms all agreed
- Lightering Revenues impacted by PES bankruptcy, but remaining customers will still provide good business for one vessel

2019 Adjusted EBITDA Estimate

($ Millions)

	1H 2019 Act.	2H 2019 Est.	Difference
Tankers TCE	81.0	88.5	7.5
ATBs TCE	14.7	7.5	(7.2)
Niche Business TCE	69.2	67.3	(1.9)
Total TCE	**$ 164.9**	**$ 163.3**	**$ (1.6)**
Lease Expense	(44.9)	(46.2)	(1.3)
Operating Expense	(65.0)	(68.1)	(3.1)
General and Administrative Expenses	(11.6)	(12.9)	(1.3)
Bad Debt Expense	(4.3)	-	4.3
(Gain)/Loss on Disposal of Vessels, Including Impairments	(0.1)	-	0.1
Equity in Income/(Loss) of Affiliated Companies	0.1	3.1	3.0
Other Income/ (Expense)	0.6	0.4	(0.2)
EBITDA	**$ 39.7**	**$ 39.6**	**$ (0.1)**
Amortization classified in charter hire expenses	0.5	0.9	0.4
Interest expense classified in charter hire expenses	0.8	0.8	(0.0)
Non-Cash Stock Based Compensation Expense	0.8	1.4	0.6
(Gain)/Loss on Disposal of Vessels, Including Impairments	0.1	0	(0.1)
Adjusted EBITDA	**$ 41.9**	**$ 42.7**	**$ 0.8**

U.S. Flag Fleet Overview

Vessel Type	Vessel Class	Capacity (in Barrels)	Approximate U.S. Fleet	OSG Active Fleet	Number Owned	Market Share (%)
Tanker 	Tanker	330,000	42	10	–	24 %
	Shuttle Tanker	330,000	3	3	2	100 %
Large ATB 	ATB	237,000	42	3	3	7 %
	Lightering ATB	320,000	2	2	2	100 %
Total Jones Act			**89**	**18**	**7**	**20 %**
	MSP Tanker	400,000	2	2	2	100 %
Total U.S. Flag				**20**	**9**	

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

Financial Review – Dick Trueblood, VP & CFO

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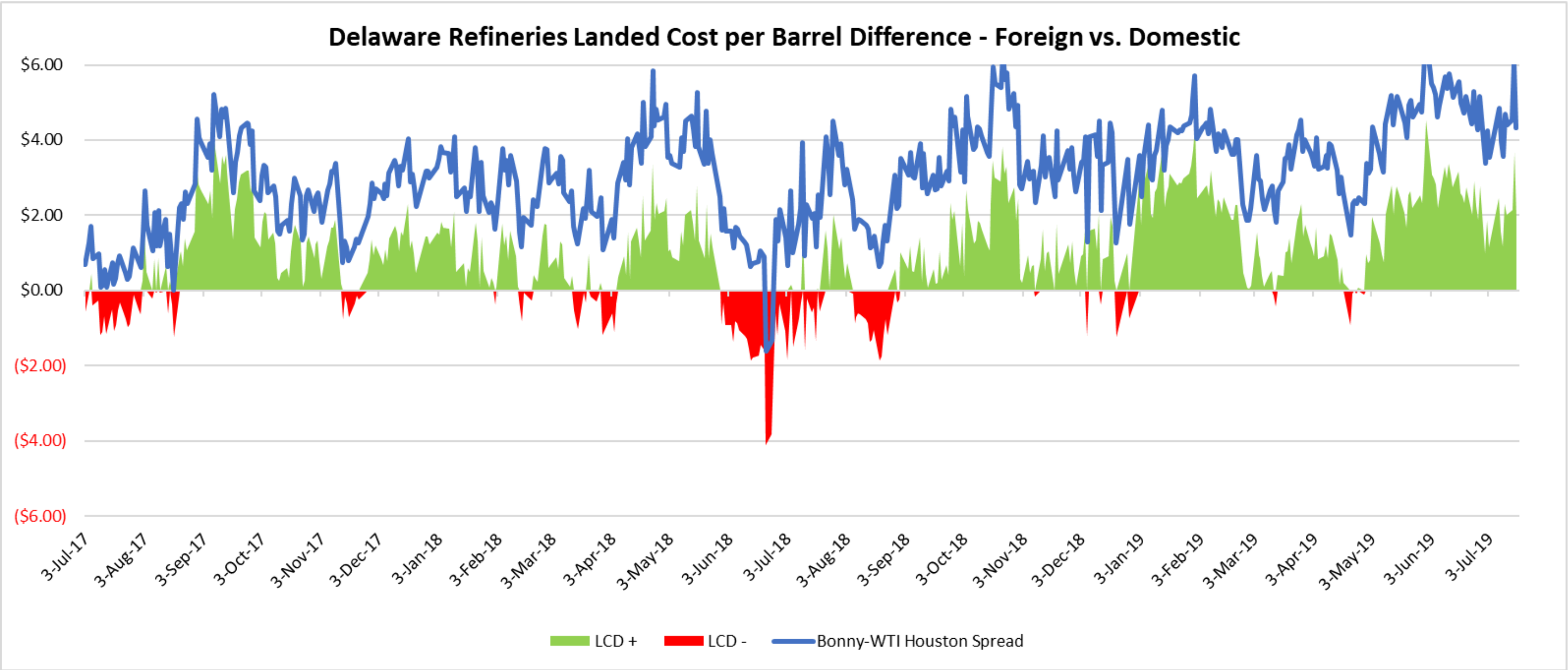
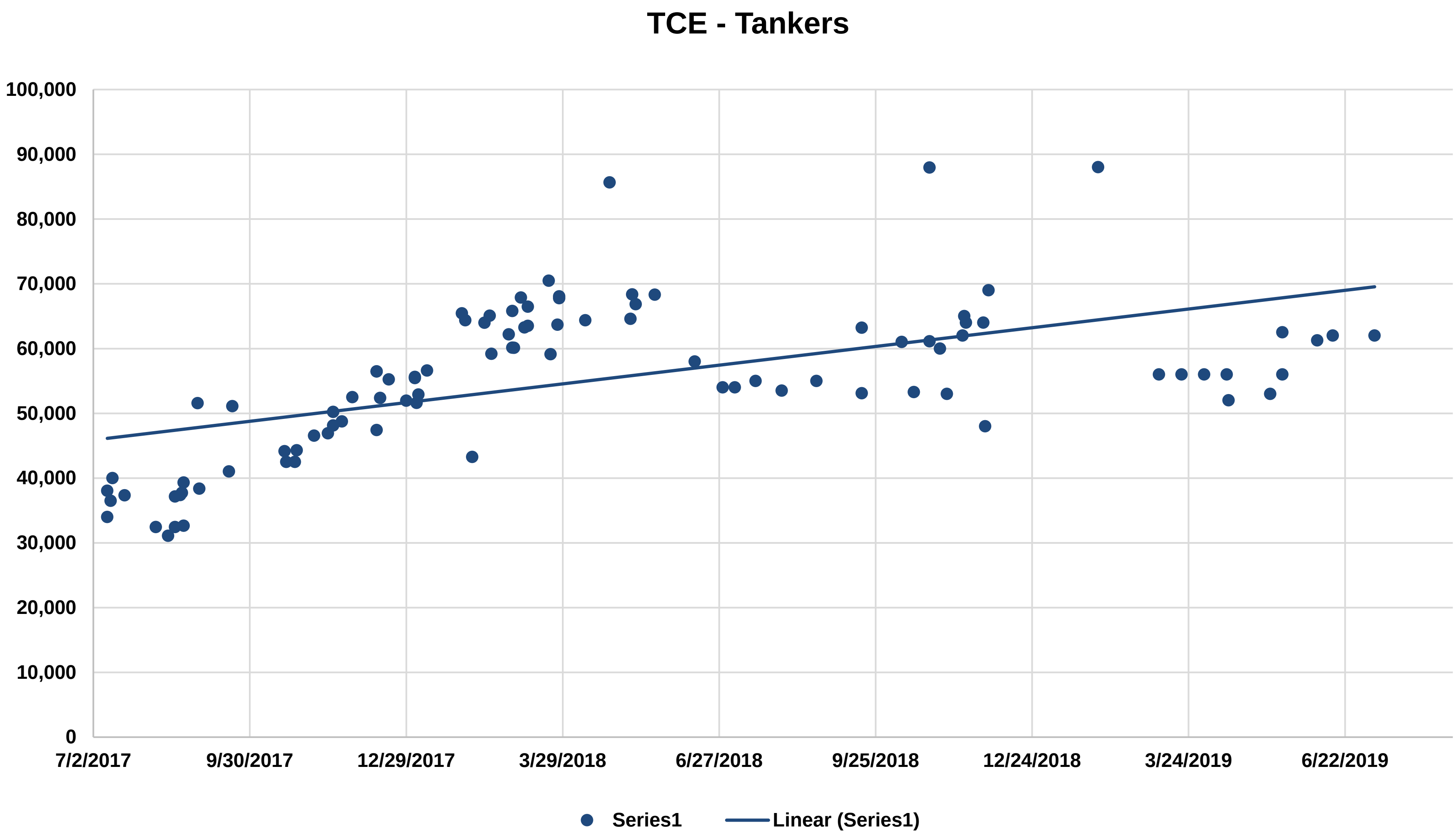
Crude Price Differentials Support Heightened Jones Act Demand

July 2017 to July 2019 Crude Price Differentials



- Bonny – WTI Houston Spread has averaged $3.74 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 June 2019



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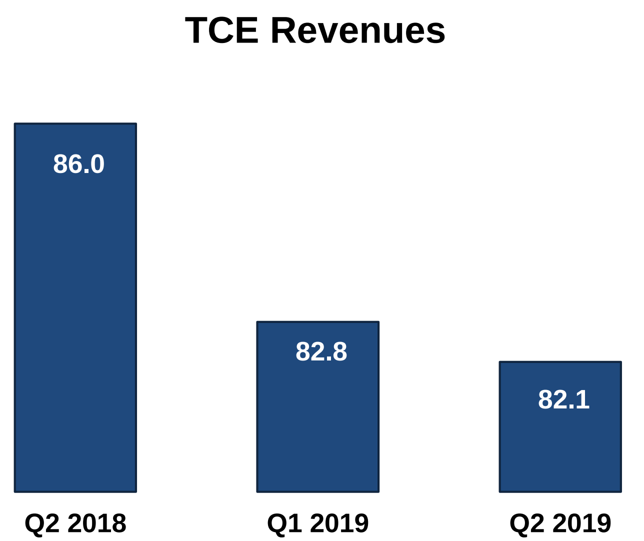
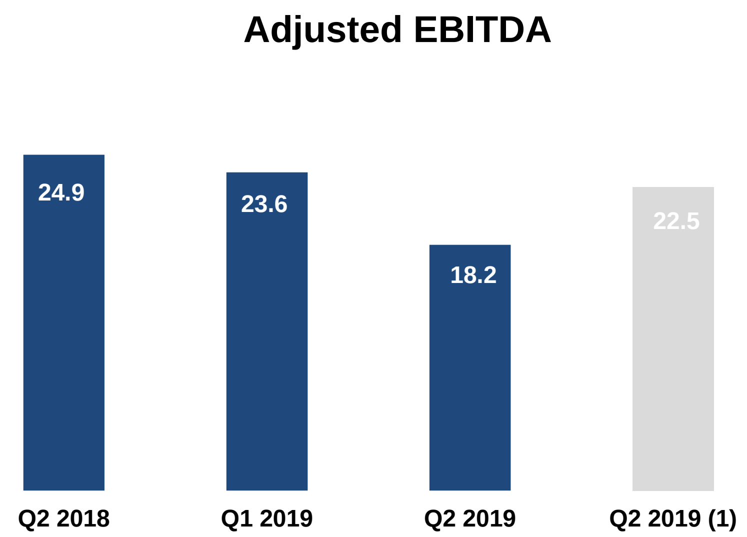
TCE Revenues and Adjusted EBITDA
($ Millions)

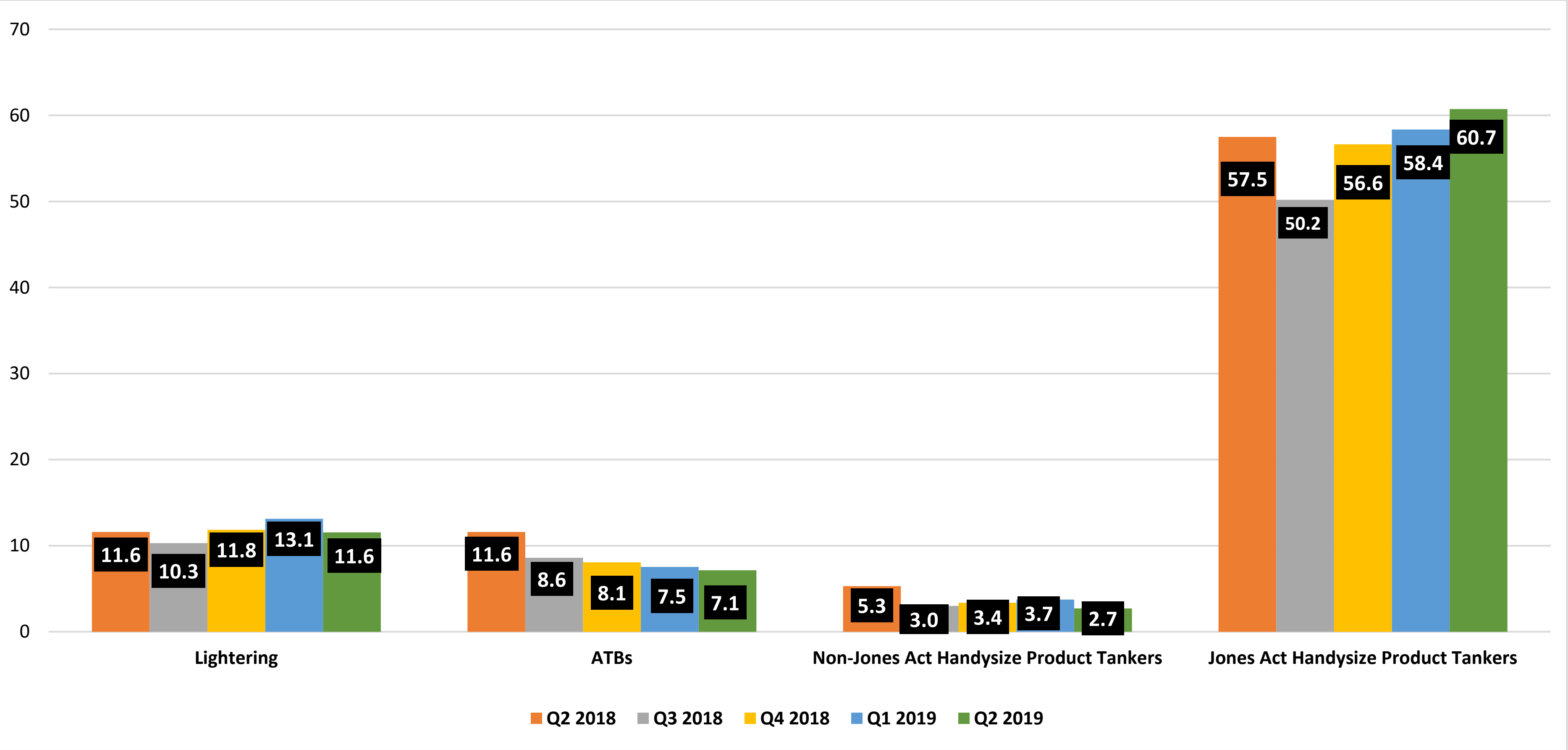




- 2019 revenue reductions related to trading fewer vessels, Overseas Chinook on time charter as a conventional tanker, and one GOI voyage.
- PES reserves on receivables further impacted adjusted EBITDA.
- Spot market rates continue their upward trend.
- Recent time charters, further recharterings, and introduction of new vessels expected to drive improving results through 2020 .

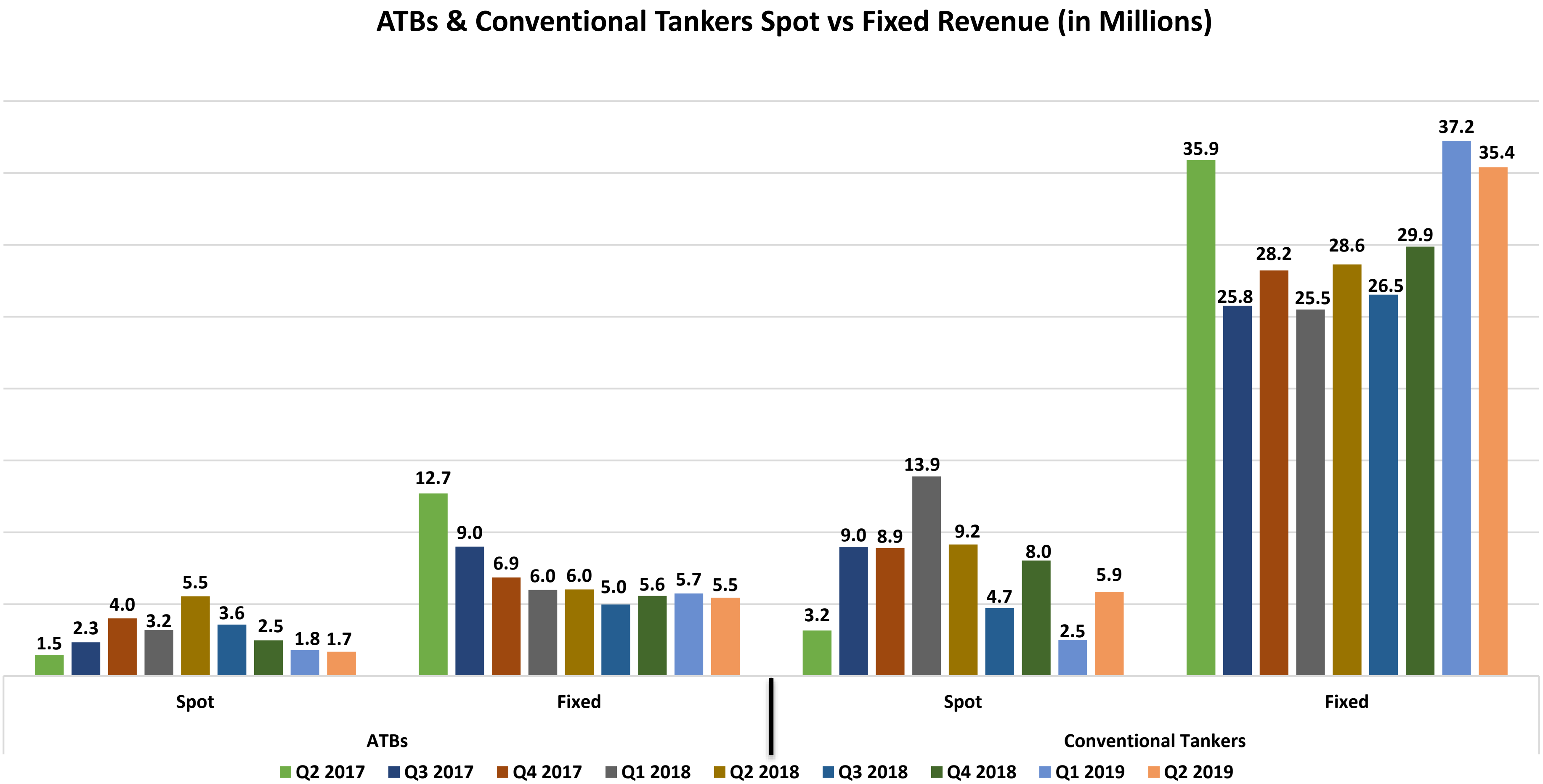
(1) Excludes PES Reserve in Q2 2019

Quarterly TCE Revenue
($ Millions)

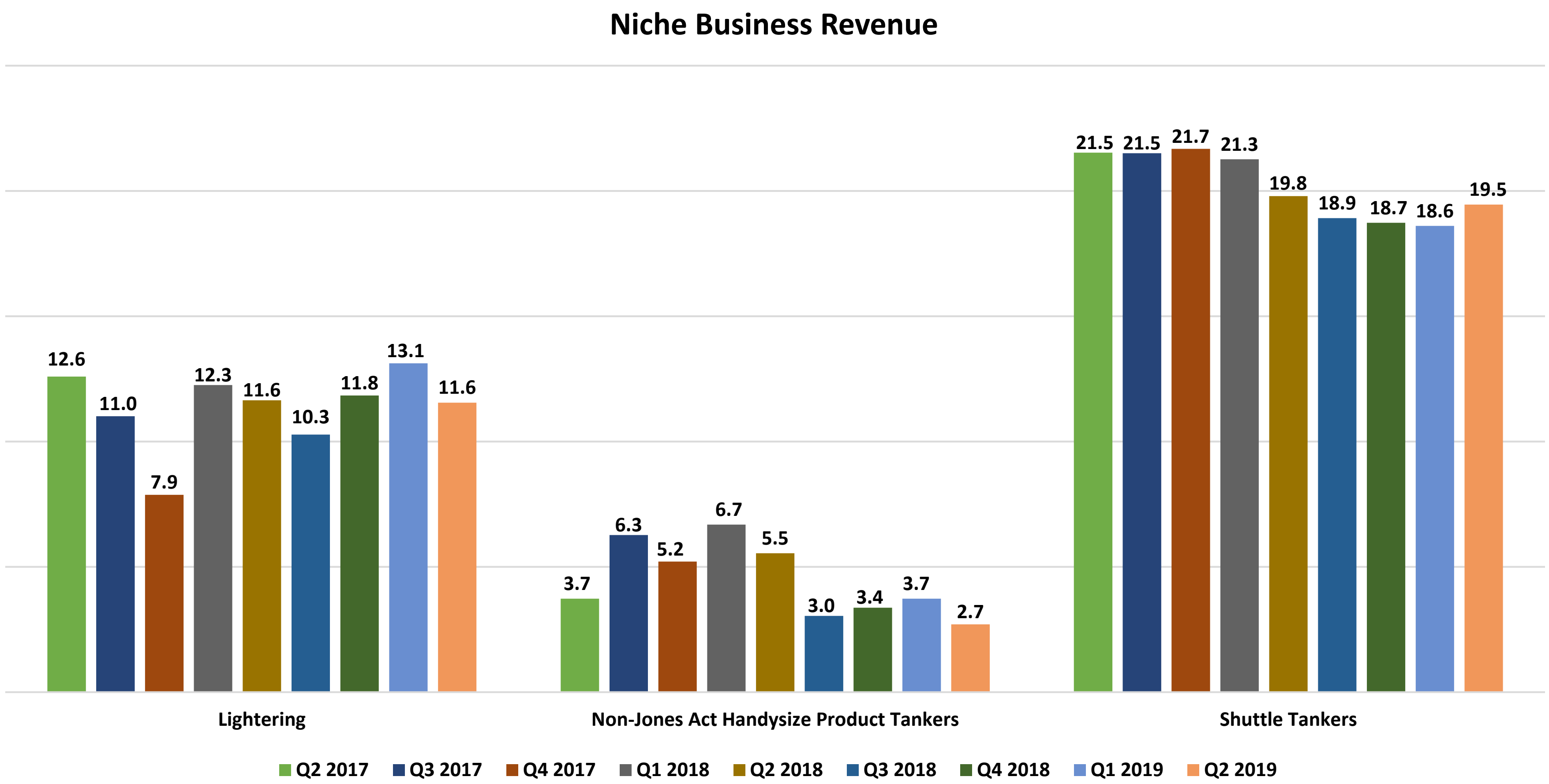


Diversified Portfolio Dampens Market Volatility

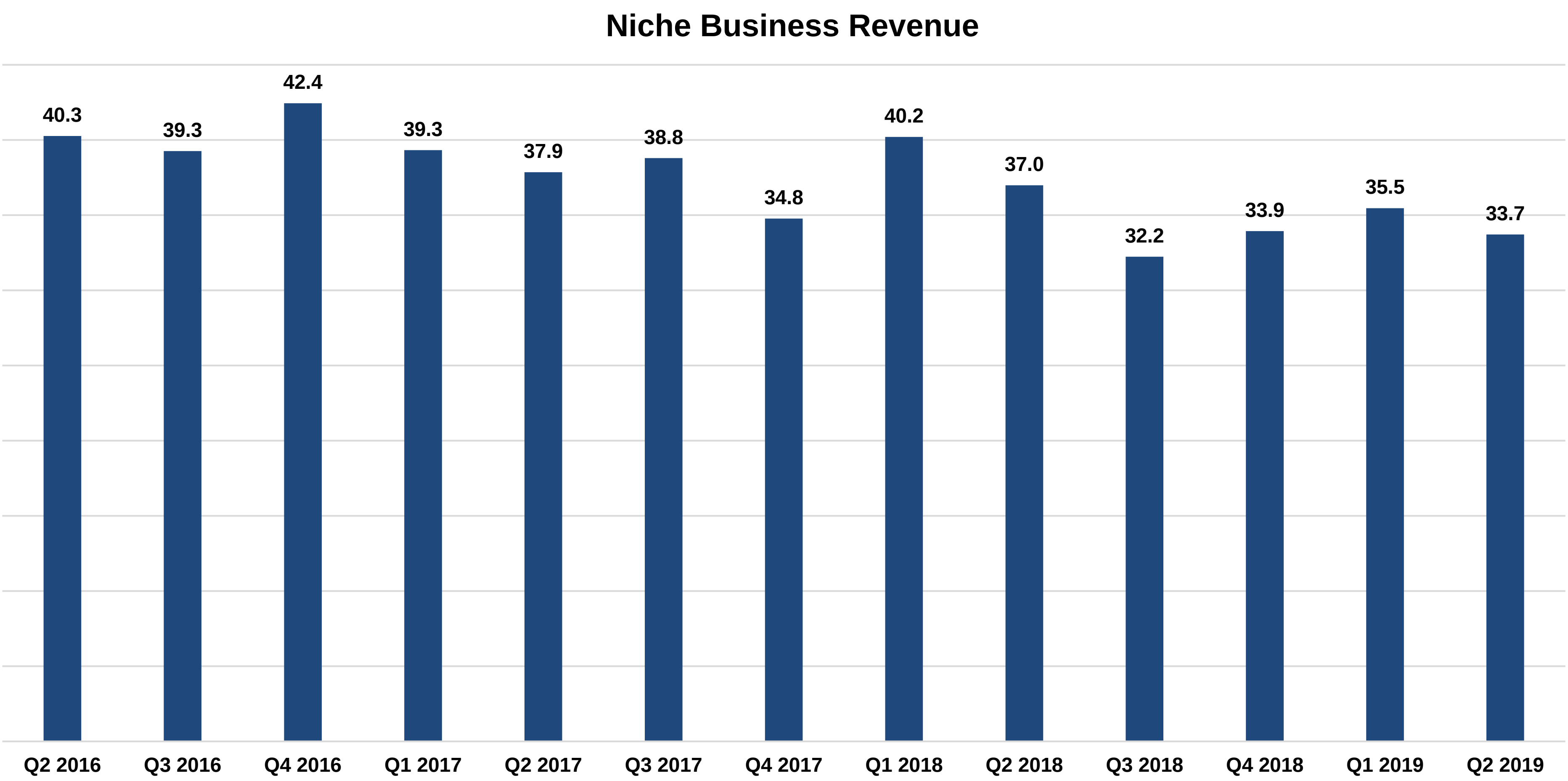
ATB & Conventional Tankers – Spot vs Fixed
($ Millions)



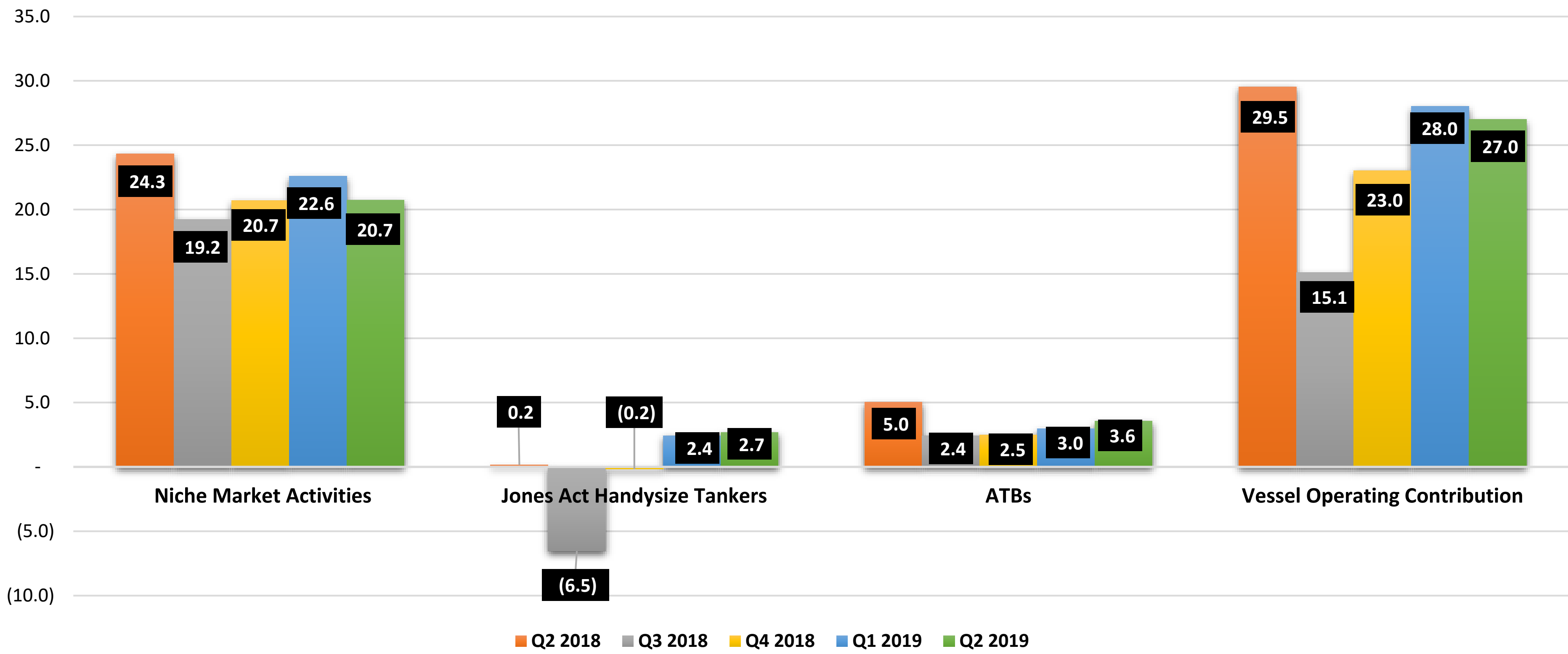
Niche Business
($ Millions)



Niche Business
($ Millions)



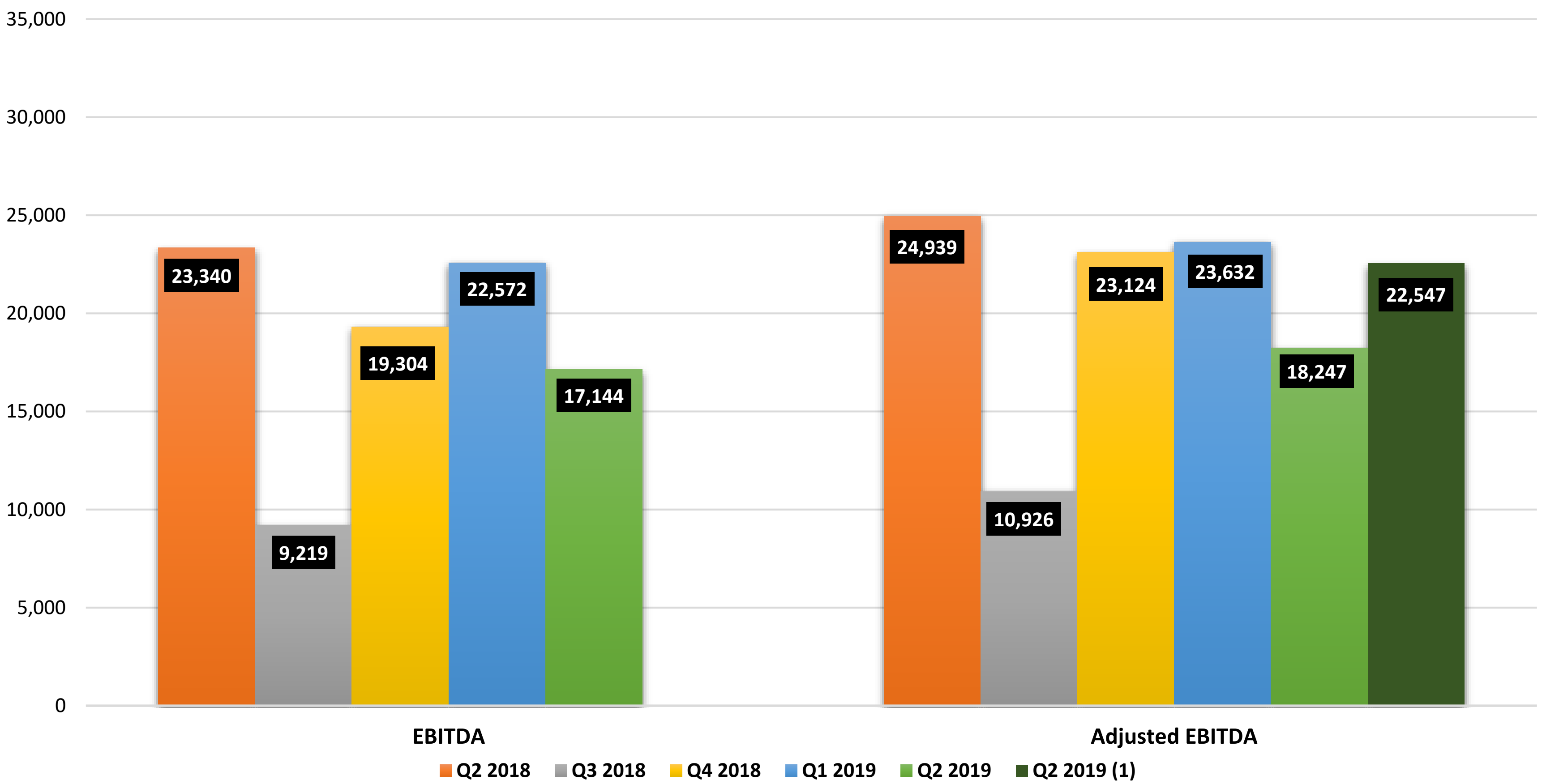
Quarterly Vessel Operating Contribution (1)
($ Millions)



Niche Market Activities
Provide A Stable Operating Platform Underlying Our Total US Flag Operations
Insulated from the Broader Jones Act Market Forces

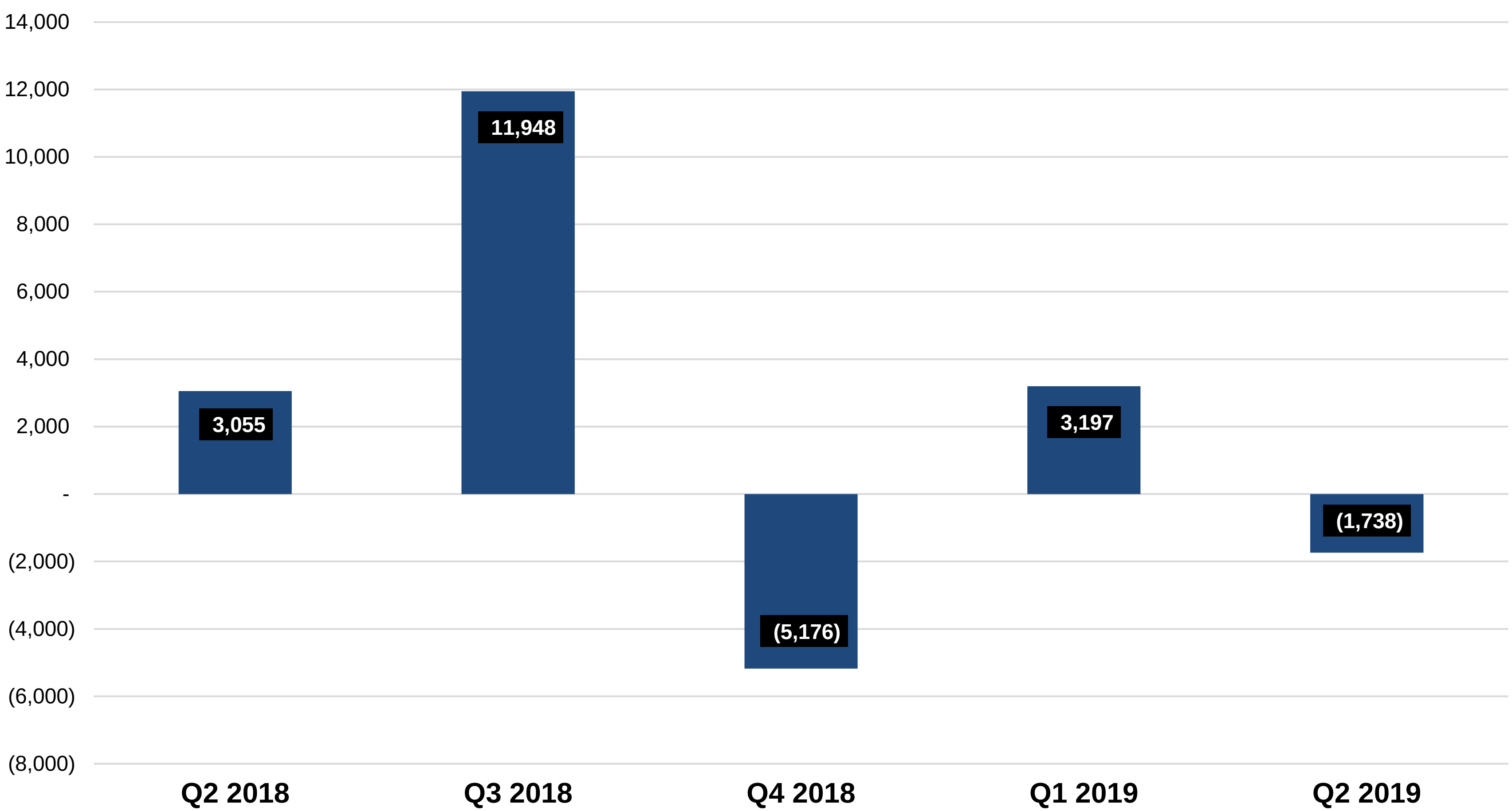
(1) TCE Revenues minus vessel expenses and charter hire expenses

Quarterly EBITDA
($ Thousands)



(1) Excludes PES Reserve in Q2 2019

Quarterly Net Income
($ Thousands)



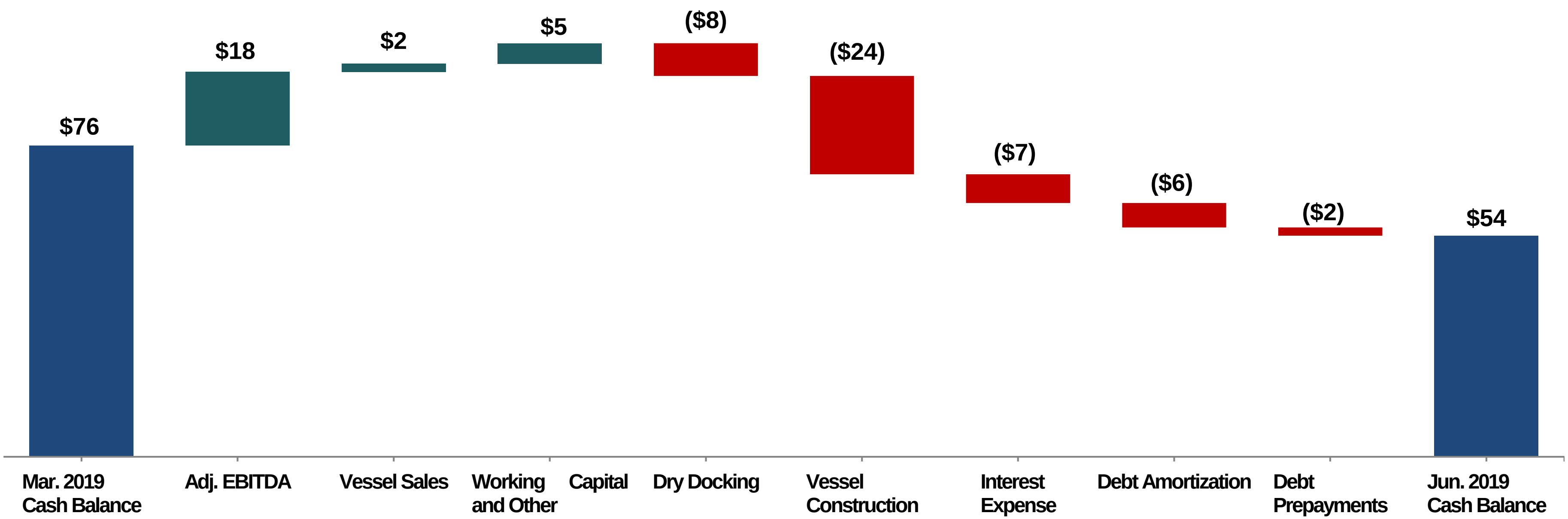
Drydock

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Drydock Expenses	$555,423	$6,175,000	$ 0	$ 3,300,000	$10,030,423
Days Off Hire	8	42	0	21	71
Off Hire Revenue Lost	$609,840	$2,373,700	$ 0	$1,848,000	$4,831,540

AMSC Profit Share

	2020	2021	2022
Total Avg TCE Rate - Current Market Rates	$62,000	$63,700	$65,000
Profit Share Payout	$0	$807,338	$10,700,000
Minimum Avg TCE Rate Resulting in Profit Share Payout	$67,500	$63,400	$59,000
Profit Share Payout	$300,000	$300,000	$300,000

Financial Summary – Change in Cash
($ Millions)



Cash Balances at March 2019 and June 2019 include cash restricted for the payment of bond interest of $0.2 and $0.2 at quarter end

Financial Summary – Balance Sheet & Liquidity
($ Millions)

($ Millions)	6/30/2019
Cash[(1)]	$54
Debt[(2)]	$341
Net Debt	$287
Equity	$333
Net Debt to Equity Ratio	0.9x

Capital Structure

- Net Debt to Equity of 0.9x
- $27.5 million Term Loan with maturity in 2026
- $312 million Term Loan with maturity in 2023
- $50 million 5-year Term Loan for new tankers secured with funding upon delivery in September 2019

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

Debt has decreased $40 million since 6/30/18

Net Debt to Equity has slightly increased from 0.8x at 6/30/18 to 0.9x

(1) Q2 2019 Cash includes $0.2 million of restricted cash
(2) Debt balance is not reduced for unamortized discounts and deferred costs totaling $7.0 million at June 30, 2019.

Summary

- 75% fleet-wide contract coverage in 2019
- Renewed earnings contribution expected from additional ATB capacity to be added during 2020
- High operating leverage of conventional tankers beginning to appear and expected to further manifest over next 24 months
- 2019 expected to demonstrate improved cashflow and financial results, with reduced volatility, tempered by lag effect of charters signed in 2018 and retirement of older ATBs, and the negative impact of the PES bankruptcy.
- Full benefits of market recovery, operating leverage, and recent fleet renewal investments to be more fully expressed in 2020 results

Q&A

Appendix – Supplemental Information

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The Jones Act

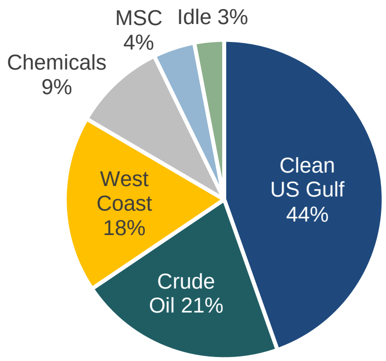
Jones Act Overview

- The Jones Act is a 1920 regulation aimed at promoting the American merchant marine industry by regulating maritime commerce in U.S. waters and between U.S. ports
- In order to transport goods by water between U.S. ports, a vessel must meet specific criteria:
  - 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

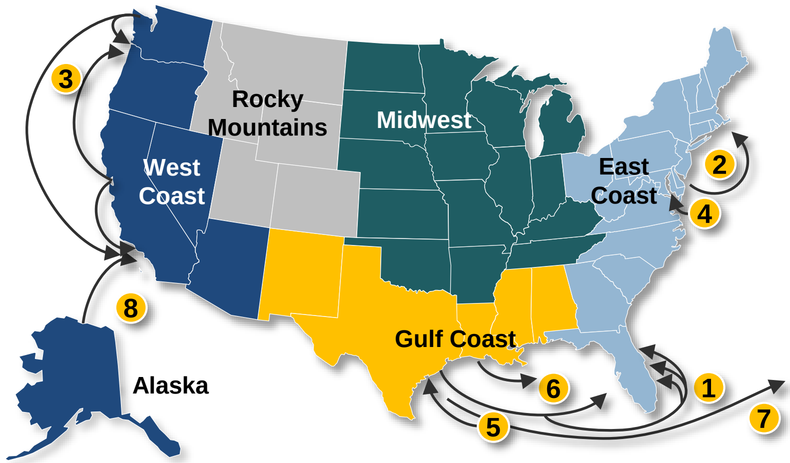
Favorable Industry Dynamics

- Limited U.S. shipyards and high vessel prices limit new builds of Jones Act vessels, restraining capacity and driving high utilization rates
- Non-Jones Act vessels are unable to transport products between U.S ports, greatly limiting foreign competition
- No mandatory regulatory retirement age
- Mature market that is highly contractual and project-based in nature

Jones Act Petro-Chemical Fleet Carries Broad Range of Products



8 Modern Jones Act Petroleum Trade Routes

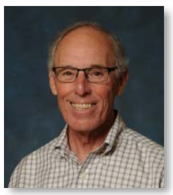


Source: Company filings and presentations

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

TCE Revenue Reconciliation
($ Millions)

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	2018 TTM	2019 TTM
Time Charter Equivalent Revenue	$ 86	$ 72	$ 80	$ 83	$ 82	$ 342	$ 317
Voyage Expenses	9	8	9	5	6	40	29
Shipping Revenue	**$ 95**	**$ 81**	**$ 89**	**$ 88**	**$ 88**	**$ 382**	**$ 346**

Source: Company filings

Adjusted EBITDA Reconciliation
($ Millions)

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	2018 TTM	2019 TTM
Net (Loss) / Income	**$ 3.1**	**$11.9**	**$ (5.2)**	**$ 3.2**	**$ (1.7)**	**$ 54.1**	**$ 8.2**
Income Tax (Benefit) / Provision	0.4	(23.4)	4.1	0.4	(0.8)	(61.2)	(19.7)
Interest Expense	7.5	7.8	7.5	6.5	6.6	34.2	28.4
Depreciation and Amortization	12.4	12.8	12.9	12.5	13.1	51.8	51.3
EBITDA	**$ 23.3**	**$ 9.2**	**$ 19.3**	**$ 22.6**	**$ 17.1**	**$ 78.8**	**$ 68.2**
Amortization classified in charter hire expenses	0.5	0.5	0.4	0.2	0.3	1.9	1.3
Interest expense classified in charter hire expenses	0.4	0.4	0.4	0.4	0.4	1.8	1.7
Non-Cash Stock Based Compensation Expense	0.7	0.8	1.5	0.3	0.5	3.4	3.1
(Gain) / Loss on Disposal of Vessels, Including Impairments	-	-	(0.9)	0.1	(0.1)	13.2	(0.8)
Loss on Repurchase and Repayments of Debt	-	-	2.4	-	0.0	3.0	2.5
Reorganized Items, net	-	-	-	-	-	-	-
Adjusted EBITDA	**$ 24.9**	**$ 10.9**	**$ 23.1**	**$ 23.6**	**$ 18.2**	**$ 102.1**	**$ 75.9**

Source: Company filings

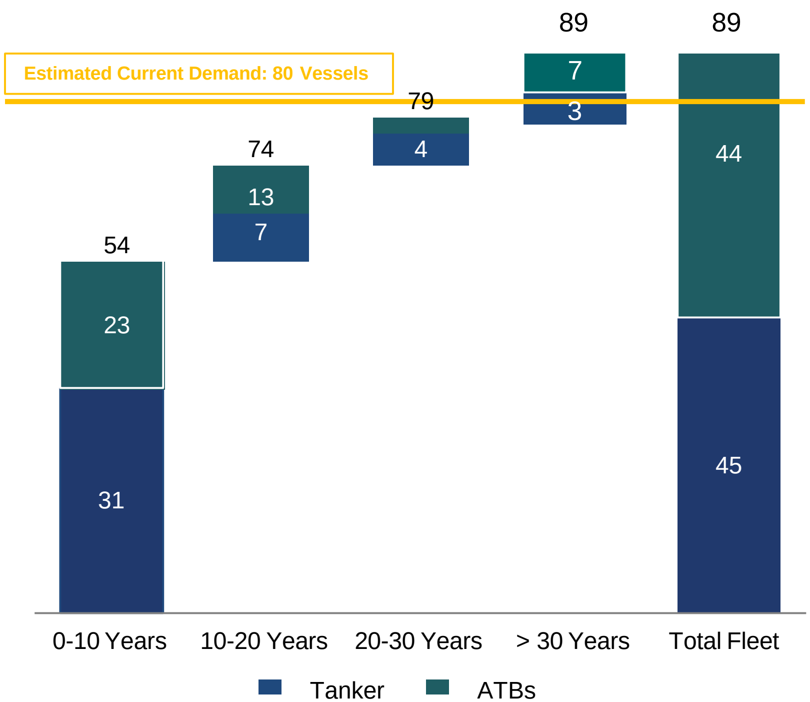
Vessel Operating Contribution Reconciliation
($ Millions)

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	2018 TTM	2019 TTM
Niche Market Activities	$ 24	$ 19	$ 21	$ 23	$ 21	$ 101	$ 83
Jones Act Handysize Tankers	0	(7)	0	2	3	(2)	(1)
ATBs	5	2	3	3	4	16	11
Vessel Operating Contribution	**$ 30**	**$ 15**	**$ 23**	**$ 28**	**$ 27**	**$ 116**	**$ 93**
Depreciation and Amortization	12	13	13	12	13	52	51
General and Administrative	7	6	7	6	6	27	25
Bad Debt Expense	-	-	-	-	4	-	4
Loss on Disposal of Vessels and Other Property, including Impairments	-	-	(1)	0	(0)	13	(1)
Equity in Income of Affiliated Companies	-	-	(4)	(0)	0	(4)	(4)
Operating Income	**$ 11**	**($ 4)**	**$ 8**	**$ 10**	**$ 4**	**$ 28**	**$ 17**

Current Industry Supply / Demand Imbalance in the Jones Act Market

Absent an Increase in Demand, Restoration of Historic Market Dynamics is Still Expected to Occur in Near-Term as Older Vessels are Taken Offline

Supply / Demand Imbalance



Jones Act Supply / Demand Dynamics

- Clean product movements is estimated to require 80 vessels.
- Demand increase in crude transportation will push the market balance over 80 vessels.
- Crude movements currently absorbing the majority of the remaining vessel supply.
- Market economics will drive an increase in scrapping activity, moving vessel supply closer to total demand as older vessels are permanently removed from service
  - Due to several factors, including limited shipyard availability, monetary cost of building a new vessel (~$140mm) and time required for vessel construction (~2 years), there is very limited risk of supply increasing
- Majority of the older Jones Act vessels are anticipated to be retired over the course of the next 1-2 years, restoring market balance without any change in demand

Source: Navigistics, company websites
Note: Supply / demand imbalance is per management guidance. Industry data as of June 30, 2019.

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
(2/2)

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