



Nordic American Tankers (NYSE: NAT) – The 4th Quarter 2018 report – In an important transaction, NAT has a new financial structure. Markets are positive.

Hamilton, Bermuda, February 19, 2019

HIGHLIGHTS:

- **WITH THIS REPORT WE ANNOUNCE OUR 86TH CONSECUTIVE QUARTERLY DISTRIBUTION. THE DIVIDEND IS 4 CENTS PER SHARE (UP FROM 1 CENT IN THE PREVIOUS QUARTER) PAYABLE MARCH 15, 2019, TO SHAREHOLDERS ON RECORD MARCH 1, 2019. IT IS OUR OBJECTIVE TO INCREASE THE DIVIDEND AS WE REAP THE BENEFITS OF STRONGER TANKER MARKET FUNDAMENTALS.**
- **THE NET LOSS FOR 4Q2018, (AFTER DEPRECIATION, G&A AND FINANCE CHARGES), CAME IN AT -\$10.5 MILLION. THIS WAS A SUBSTANTIAL IMPROVEMENT FROM THE PREVIOUS QUARTER (3Q2018) WHICH SAW A NET LOSS OF -\$37.9 MILLION. THE NET OPERATING EARNINGS WAS \$5.4 MILLION FOR Q42018 AND THE ADJUSTED NET OPERATING EARNINGS^[1] WAS \$23.6 MILLION FOR 4Q2018. IN 3Q2018 THE ADJUSTED NET OPERATING EARNINGS WERE \$2.1 MILLION. I.E. THE 4Q2018 WAS \$21.5 MILLION BETTER THAN THE PREVIOUS QUARTER. IN 4Q2017 THE CORRESPONDING NUMBER WAS \$11.2 MILLION. LATER IN THIS REPORT WE HAVE INCLUDED RELEVANT FINANCIAL INFORMATION FOR 4Q2018 AND FOR OTHER PERIODS.**
- **IT IS IMPORTANT TO NOTE THAT WE HAVE CONCLUDED A REFINANCING OF THE COMPANY WITH CSG INVESTMENT, FUNDED BY BEAL BANK TEXAS, USA. THIS REFINANCING STRENGTHENS THE POSITION OF NAT GOING FORWARD. THE NEW CAPITAL STRUCTURE ALLOWS FOR GREATER FLEXIBILITY AS REGARDS DIVIDEND PAYMENTS.**
- **THE PRESENT AND THE FUTURE ARE THE IMPORTANT ELEMENTS FOR NAT.**
- **A LARGE VOLUME OF NAT SHARES ARE BOUGHT AND SOLD DAILY.**
- **NAT IS WORKING WITH THE LARGEST ENERGY COMPANIES IN THE WORLD, SERVING THEM RELIABLY WITH A TOP CLASS SUEZMAX FLEET OF 23 VESSELS.**
- **THE WORLD ECONOMY IS STILL STRONG, WITH THE US AND THE FAR EAST AS THE DRIVING FORCES. WHAT IS GOOD FOR THE WORLD ECONOMY AND WORLD TRADE IS GOOD FOR OUR BUSINESS.**
- **NAT IS WELL POSITIONED IN THE TANKER MARKET. THE HISTORIC AVERAGE MARKET RATE FOR THE LAST 25 YEARS WAS ABOUT \$30,000 PER DAY PER SUEZMAX VESSEL. SUCH EARNINGS WOULD GIVE A SOLID EXCESS CASHFLOW FROM OPERATIONS.**
- **WE WOULD NOTE THAT THE TCE (TIME CHARTER EQUIVALENT) FOR OUR VESSELS IN 4Q2018 WAS \$20,100 PER DAY PER SHIP COMPARED TO \$12,000 IN 3Q2018. FOR A VARIETY OF REASONS, THE REPORTED TCE-INDICES IN THE MARKET IS NOT A PRECISE MEASURE OF OUR VESSELS PERFORMANCE. THE TCE-INDICES INDICATE THE LEVEL OF THE MARKET.**
- **TANKER MARKETS ARE VOLATILE BUT OUR STRATEGY REMAINS STEADFAST.**
- **AT THE TIME OF THIS REPORT WE HAVE COVERED 70% OF THE INCOME IN 1Q2019 AT ABOUT \$25.000 PER DAY, OR MORE.**

^[1] Adjusted Net Operating Earnings (Loss) represents Net Operating Earnings or Loss before depreciation and non-cash administrative charges. Please see later in this announcement for a reconciliation of Net Operating Earnings (Loss) to Adjusted Net Operating Earnings (Loss).

Our Fleet

Our fleet consists of 23 well maintained Suezmax tankers (all our ships above 15 years of age has a CAP 1 class notation, which above all is related to steel quality) with an aggregate cargo capacity of 23 million barrels of crude oil, illustrating the size of NAT.

The average age of our fleet is about 10,8 years; 10 units were built from 2010 onwards, 13 units were built between 2000 and 2009.

The outcome of the inspections of our ships by oil companies (“vetting”) reflects the good quality of our fleet.

NAT has one of the largest fleet of Suezmax tankers in the world. In a capital intensive industry like ours, timing and financing are the key issues to achieve a sound cost structure.

Financing

Our existing revolving credit facility (“RCF”) syndicated by three banks was nearing its final year before maturity and would be classified as short term within this year. NAT has been refinanced at the time of this report.

During the last 18 months, we have reduced our debt under the RCF with about \$150 million and we are pleased to have taken out the remaining portion of the RCF through a new \$306 million financing announced and concluded on 12 February 2019.

The \$306 million senior secured credit agreement is a five-year loan arranged by CSG Investments, Inc., and funded by Beal Bank of Dallas, Texas. This new loan has retired the old RCF in full.

The new credit will see the effective interest be reduced compared to what was paid under the old RCF at the end of 2018. It is also lower than what was indicated to us for the Secured Bond we contemplated in 2018 and the Back-Stop facility that was cancelled in 3Q18. The new loan will amortize as per a 20-year profile with full maturity after 5 years with annual downpayments amounting to 5% of the original loan amount.

The financing will contribute to a competitive cash break-even rate for NAT. More importantly, the new loan allows NAT greater financial flexibility.

With this new US based debt facility, together with the three 2018 newbuildings financed by a leasing arrangement with Ocean Yield, all long term financing is now in place for NAT.

The debt level of NAT has always been among the lowest in the industry. The NAT board has focus on further reducing the debt to a level that NAT maintained a few years ago.

Our net debt at year end stood at \$15.5 million per vessel.

Dividend

For 4Q2018 a cash dividend of \$0.04 per share has been declared. NAT has a policy to maximize dividend payments within its financial flexibility. Payment of the dividend is expected to be on or about March 15, 2019, to shareholders of record on March 1, 2019.

In an improved tanker market, higher dividends can be expected.

Nordic American Offshore Ltd. (NYSE: NAO)

NAT owns 13.55% of Nordic American Offshore Ltd. and the NAT Chairman & CEO and his immediate family own 10.87% of NAO.

World Economy and the Tanker Market

The world economy is enjoying its strongest upswing since 2010. What is good for the world economy and world trade is by nature positive for the crude oil tanker business. In addition to the role of major oil companies, large oil traders have become important for the tanker industry.

The world Suezmax fleet (excl. shuttle & product tankers) counts 495 vessels at the end of 4Q2018. The total delivery during 2018 was 28 units. For 2019 we expect 26 vessels, and in 2020 we currently see 16 vessels scheduled for delivery. During 2018, 21 Suezmax vessels were scrapped.

The supply of tanker tonnage is inelastic in the short-term. When there are too many ships in an area, rates tend to go down. When there is scarcity of ships, rates tend to go up. Short-term spot tanker rates may be expected to be volatile.

Corporate Governance/Conflict of Interests

It is vital to ensure that there is no conflict of interests among shareholders, management, affiliates and related parties. Interests must be aligned. From time to time in the shipping industry, we see that questionable transactions take place which are not in harmony with sound corporate governance principles, both as to transparency and related party aspects. We have zero tolerance for corruption.

Organizational development and rejuvenation, partly replacing outgoing personnel

Recently we have employed about 10 shore based staff - most of them in their 30s. They are specialists in business development, strategic thinking, finance, accounting, IT, web, chartering and related matters. Young persons are needed in the further development of NAT in a changing world.

Strategy going forward

The NAT strategy is built on expanding and maintaining a homogenous and top quality fleet, leveraging on our industry network and close customer relationships with big oil. Employment of our ships with big oil is a priority.

A strong balance sheet, combined with a homogenous fleet and economies of scale is giving a low cash break-even level, enabling NAT to distribute free cashflow to our shareholders.

This strategy will benefit in both a strong tanker market and in a weak one. In an improved market, higher dividends can be expected and vice versa.

Our dividend policy should continue to enable us to achieve a competitive cash yield.

Our fleet of 23 more or less identical vessels is a special feature of NAT that is particularly valuable to our customers.

NAT is firmly committed to protecting its underlying earnings and dividend potential. We shall safeguard and further strengthen this position in a deliberate, predictable and transparent way.

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NORDIC AMERICAN TANKERS LIMITED

CONSOLIDATED CONDENSED STATEMENTS OF OPERATION (UNAUDITED)	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2018	Sep. 30, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
Amounts in USD '000					
Net Voyage Revenue	44 193	23 187	36 718	124 004	154 676
Vessel Operating Expenses	(17 709)	(17 409)	(22 324)	(80 411)	(87 663)
General and Administrative Expenses	(2 052) *	(4 194) *	(4 020) *	(12 727) **	(12 575) **
Depreciation Expenses	(15 771)	(15 278)	(24 497)	(60 695)	(100 669)
Impairment Loss on Vessels	0	0	(110 480)	(2 168)	(110 480)
Impairment Loss on Goodwill	0	0	(18 979)	0	(18 979)
Gain (Loss) Disposal of Vessels	(3 261)	(1 642)	0	(6 619)	0
Operating Expenses	(38 793)	(38 523)	(180 300)	(162 620)	(330 366)
Net Operating Earnings (Loss)	5 400	(15 336)	(143 582)	(38 616)	(175 690)
Interest Income	84	45	82	334	347
Interest Expense	(10 494)	(8 843)	(6 443)	(34 549)	(20 464)
Other Financial Income (Expenses)	(1 296)	(12 760)	(437)	(14 808)	(726)
Equity Loss in Associate	(4 161)	(1 084)	(985)	(7 667)	(8 435)
Total Other Expenses	(15 867)	(22 642)	(7 783)	(56 690)	(29 278)
Net Gain (Loss)	(10 467)	(37 978)	(151 365)	(95 306)	(204 968)
Basic Earnings per Share	(0,07)	(0,27)	(1,38)	(0,67)	(1,97)
Basic Weighted Average Number of					
Common Shares Outstanding	141 969 666	141 969 666	109 360 970	141 969 666	103 832 680
Common Shares Outstanding	141 969 666	141 969 666	141 969 666	141 969 666	141 969 666

*) The G&A for the three months ended December 31, 2018, September 30, 2018 and December 31, 2017 include non-cash charges of \$(0.8m), \$0.6m and \$0.8m, respectively, which are charges related to share based compensation and pension cost.

**) The G&A for the twelve months ended December 31, 2018 and December 31, 2017 include non-cash charges of \$0.1m and \$1.8m, respectively, which are charges related to share based compensation and pension cost.

CONSOLIDATED CONDENSED BALANCE SHEET (UNAUDITED)	Dec. 31, 2018	Dec. 31, 2017
Amounts in USD '000		
Cash and Cash Equivalents	49 327	58 359
Accounts Receivable, net	22 594	22 474
Prepaid Expenses	3 830	3 376
Inventory	20 291	23 086
Voyages in Progress	15 075	15 308
Other Current Assets	1 828	4 384
Total current assets	112 945	126 987
Vessels, Net	953 758	935 813
Deposit for vessels	0	50 130
Investment in Nordic American Offshore Ltd.	4 197	12 164
Other Non-current Assets	211	15 969
Total non-current assets	958 166	1 014 076
Total Assets	1 071 111	1 141 063
Accounts Payable	3 575	3 218
Accrued Voyage Expenses	5 063	10 873
Other Current Liabilities	8 960	11 239
Current portion of Long Term Debt	18 692 *	0
Total Current liabilities	36 290	25 330
Long-term Debt	417 836	388 855
Deferred Compensation Liability	14 954	15 814
Total Non-current Liabilities	432 790	404 669
Shareholders' Equity	602 031	711 064
Total Liabilities and Shareholders' Equity	1 071 111	1 141 063

* Current portion of Long Term debt includes \$13.0M related to the RCF and \$5.7M related to the Ocean Yield Financing.

NORDIC AMERICAN TANKERS LIMITED

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2018	Sep. 30, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
Amounts in USD '000					
Voyage Revenue	86 257	62 729	72 583	289 016	297 141
Voyage Expense	(42 063)	(39 543)	(35 866)	(165 012)	(142 465)
Net Voyage Revenue	44 193	23 187	36 718	124 004	154 676

	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2018	Sep. 30, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
Net Operating Income	5 400	(15 336)	(143 582)	(38 616)	(175 690)
Depreciation Expense	15 771	15 278	24 497	60 695	100 669
Impairment Loss on Vessels and Goodwill	0	0	129 459	2 168	129 459
(Gain) Loss Disposal of Vessels	3 261	1 642	0	6 619	0
Share Based Compensation and Pension Cost	(799)	557	852	140	1 821
Adjusted Net Operating Earnings ⁽²⁾	23 633	2 141	11 226	31 006	56 259

(1) Net voyage revenues represents voyage revenues less voyage expenses such as bunker fuel, port fees, canal tolls and brokerage commissions. Net voyage revenues is included because certain investors use this data to measure a shipping company's financial performance. Net voyage revenues is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to net income or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.

(2) Adjusted Net Operating Earnings represents Net Operating Earnings (Loss) before depreciation, impairment, (gain) loss disposal of vessels and non-cash administrative charges. Adjusted Net Operating Earnings is included because certain investors use this data to measure a shipping company's financial performance. Adjusted Net Operating Earnings is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to net income or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.

NORDIC AMERICAN TANKERS LIMITED

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOW (UNAUDITED)	Twelve Months ended	
	Dec. 31, 2018	Dec. 31, 2017
Amounts in USD '000		
Net Cash Provided by (Used in) Operating Activities	(16 103)	31 741
Investment in Vessels	(4 810)	(37 567)
Investment in Nordic American Offshore Ltd	0	(10 000)
Sale of Vessels	89 624	0
Other	(60)	0
Return from Investments	300	1 041
Net Cash Provided by (Used in) Investing Activities	85 054	(46 526)
Net Proceeds from Issuance of Common Stock	0	103 748
Proceeds from Ship Financing	12 505	0
Repayments on Credit Facility	(80 603)	(55 359)
Transaction Costs Borrowing Facilities	0	(13 125)
Cash Dividends Paid to Shareholders	(9 936)	(54 226)
Net Cash Provided by (Used in) Financing Activities	(78 034)	(18 962)
Net Increase (Decrease) in Cash and Cash Equivalents	(9 083)	(33 747)
Effect of exchange rate changes on Cash	51	(64)
Cash and Cash Equivalents at Beginning of Period	58 359	82 170
Release of Restricted Cash	0	10 000
Cash and Cash Equivalents at End of Period	49 327	58 359

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "will," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand in the tanker market, as a result of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission, including the prospectus and related prospectus supplement, our Annual Report on Form 20-F, and our reports on Form 6-K.

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