



Nordic American Tankers' 2Q2014 Report (NYSE:NAT) – Cash dividend of \$0.12 and dividend-in-kind of NAO shares declared (worth \$0.16/sh). Operational performance remains strong as fundamentals improve.

Hamilton, Bermuda, August 11, 2014

The strong winter market at the beginning of the year subsided in 2Q2014. Refinery maintenance schedules and geopolitical factors affected our results this quarter in a weaker spring market. However, there are now reaffirmed indications that a recovery may be on the horizon. 3Q2014 has started on a more positive note than 2Q2014. The spikes in rates seen this year are a sign that the crude oil tanker market is becoming more balanced. During 2Q2014 we had cashflow from operations¹ of \$4.3m, compared with \$27.1m in 1Q2014, -\$10.6m in 2Q2013 and -\$4.9m in 1Q2013.

During 2012 and 2013, when the market was weak, we used the opportunity to place ships in planned drydock for maintenance to ensure the continued top technical quality of our vessels. During drydockings the classification societies certify the seaworthiness of our vessels, giving us confidence that the quality of our vessels ranks with the best in the industry. In 2014, NAT has undertaken two scheduled drydockings, both completed at the time of this report.

In June 2014 Nordic American Offshore Ltd. (NAO) completed a successful public offering of shares and was listed on the NYSE. Subsequently, the shares issued in the NAO November 2013 private placement in Norway were transferred to the NYSE. NAT participated in the NAO NYSE offering with \$5.6m. Following the share distribution of NAO shares to NAT shareholders, NAT will own about 17% of NAO. At the time of this release, following the dividend-in-kind distribution to NAT shareholders, NAT has an unrealized gain of about \$12m related to the investment in NAO. Our investment in NAO has a positive impact both accountingwise and cashwise.

On July 11, 2014, NAT declared a cash dividend of \$0.12 per share payable to NAT shareholders of record as of July 25, 2014. The dividend is expected to be paid on or about August 12, 2014. In addition, as previously communicated, the dividend-in-kind with a value of about \$0.16 per share will also be distributed to NAT shareholders in the form of NAO shares at about the same time.

Since NAT commenced operations in the fall of 1997, the Company has paid a dividend 68 times, with total dividend payments over the period amounting to \$45.02 per share, including the dividend to be paid in August 2014.

In June and leading into July the market rebounded as refineries came back on line after scheduled maintenance and the so-called contango returned to the Brent crude market.

Key points to consider:

- Tanker rates achieved on average for 2Q2014 were \$12,100 per day per vessel for our trading fleet, as against \$26,300 per day achieved in 1Q2014.
- The Company agreed to acquire two additional Suezmax vessels in June, bringing the fleet to 22 vessels. The vessels were delivered to us July 16 and August 4, respectively.

¹ Operating cash flow is a non-GAAP number. Please see later in this announcement for a reconciliation of operating cash flow to income from vessel operations.

- Earnings per share in 2Q2014 was -\$0.19, compared with \$0.05 in 1Q2014, -\$0.48 in 2Q2013 and -\$0.59 for 1Q2013.
- On April 7, 2014, NAT announced an equity offering that resulted in net proceeds to the Company of \$113m.
- The undrawn part of our credit facility plus net working capital stood at about \$387m at the end of 2Q2014.
- We continue to focus on cost efficiency - both in administration and onboard our vessels.
- 13 vessels were vetted (inspected by customers) during 2Q2014. NAT came out with excellent results, reflecting the quality of our fleet.
- NAT received a dividend of about \$2.0m from its investment in NAO. It is expected that NAO will continue to produce dividends for NAT. NAO also contributes to reducing NAT's general and administrative costs.

Nordic American Tankers is very different from other tanker companies.

Nordic American Tankers has an operating model that is sustainable in both a weak and a strong tanker market. Accretive fleet growth and quarterly dividend payments are central elements of the strategy. NAT has one type of vessel – the Suezmax vessel that can carry one million barrels of oil. A homogenous fleet is reducing our costs, which helps to keep our cash-breakeven down at about \$12,000 per day per vessel, which is considered low for the industry. Net asset value (NAV) is a measure that is linked to the steel value of each individual ship, and has no relevance when it comes to valuation of NAT as an ongoing business. The key for the Company is to generate returns.

Financial Information

The Company declared a cash dividend of \$0.12 on July 11, 2014, which is expected to be paid on or about August 12, 2014 to shareholders of record as of July 25, 2014. The number of NAT shares outstanding at the time of this report is 89,182,001.

We believe that Nordic American Offshore will strengthen Nordic American Tankers. We see cost synergies for both NAT and NAO, in particular as regards general and administrative costs. The G&A costs of NAT benefit from resource sharing with NAO. As our respective fleets grow both companies benefit. Further growth should result in lower costs on a per vessel basis. Our investment in NAO has been recorded as a capital asset.

Earnings per share in 2Q2014 was -\$0.19, compared with \$0.05 in 1Q2014, -\$0.48 in 2Q2013 and -\$0.59 in 1Q2013.

The Company's operating cash flow in 2Q2014 was \$4.3m, compared with \$27.1m in 1Q2014, -\$10.6m in 2Q2013 and -\$4.9m in 1Q2013.

There are no further scheduled drydockings in 2014.

As a matter of policy, the Company has always kept a strong balance sheet with low net debt and a focus on limiting the Company's financial risk. This policy will continue. At the end of 2Q2014 the net debt per NAT vessel was about \$5m including the remaining purchase price for the 21st and 22nd vessel that were delivered to us in 3Q2014.

The Company is well placed to take advantage of strong shipping markets, which can be expected to be reflected in increased dividend payouts immediately following a market upswing.

It is a prerequisite for any expansion of the fleet that our dividend and earnings capacity per share increase, following such a transaction.

Our primary objective is to enhance total return for our shareholders, including maximizing our quarterly dividend.

The Company has in place a non-amortizing credit facility of \$430m maturing in November 2017, of which \$250m has been drawn. Cash on hand is about \$154m. Net working capital and undrawn amounts of the credit facility amount to \$387m.

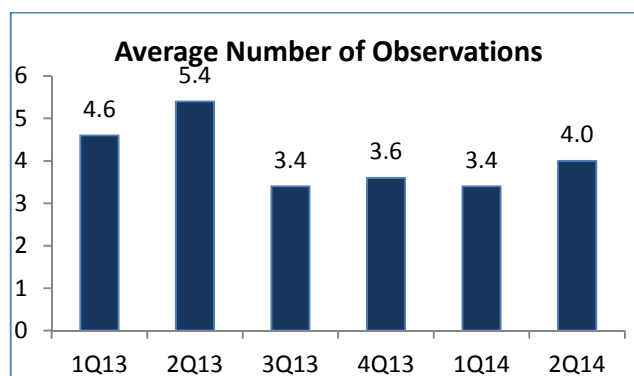
Given the Company's financial position and development in the crude oil tanker environment, NAT is not planning to access the equity capital markets at this time.

For further details on our financial position for 2Q2014, 1Q2014 and 2Q2013, please see later in this release.

The Fleet

Our company recently agreed to buy two secondhand vessels. The vessels were delivered to us July 16, 2014 and August 4, 2014. Now, the Company has a fleet of 22 vessels. By way of comparison, in the autumn of 2004, the Company had three vessels. Our vessels are in excellent technical condition.

Following the arbitration hearings involving the Suezmax vessel Gulf Scandic (now named Nordic Harrier), NAT was awarded \$10.2m in the arbitration. Gulf Navigation Holding PJSC (GulfNav) was the other party in the arbitration. We are working to collect the award.



NAT's fleet is kept in top condition. Our operational performance remains at the forefront of the industry. The chart above shows our development in observations per inspection per quarter. 2Q2014 inspections had an average of 4.0 observations which is an excellent result. NAT's performance can be considered industry best practice.

World Economy and the Tanker Market

The development of the world economy affects the tanker industry. Seaborne imports of crude oil into the US have decreased over the recent past. Going forward, shale oil and tar sand oil projects are expected to affect the US and Canadian oil sector. These projects are vulnerable to reduced oil prices. In terms of

transportation work (ton miles), the reduced imports into the US are more than outweighed by the increased imports to the Far East. The economies of the Far East generally show continuing growth, although at a slower pace than before.

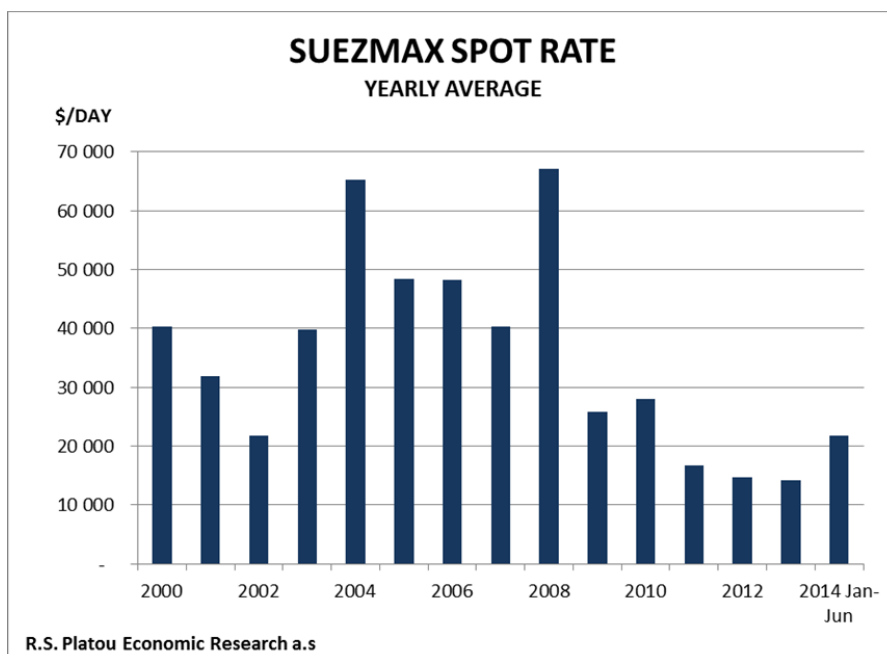
Tanker market rates are also affected by newbuildings that enter the markets, increasing the supply of vessels. Increased scrapping impacts supply in the other direction.

The Suezmax fleet (excl. shuttle tankers) counts 447 vessels at the end of 2Q2014, meaning the fleet has not grown this year.

The current orderbook stands at 41 vessels from now to mid-2017. This represents less than 9% of the Suezmax fleet. In 2009, the orderbook was at over 50% of the existing fleet. At the time of this report, the orderbook for 2014 counts 11 Suezmax vessels. Four Suezmax vessels were delivered in the first six months of 2014, and 10 have been delivered in the last four quarters. The Company believes about 10-15 of the vessels in the orderbook will not be delivered, possibly more.

So far this year four vessels with an average age of around 21 years have been scrapped. In 2013 six Suezmaxes were scrapped compared to 21 in 2012 and eight during 2011.

The graph below shows the average yearly spot rates since 2000 as reported by R.S. Platou Economic Research a.s. The daily rates as reported by shipbrokers and by Imarex may vary significantly from the actual rates we achieve in the market, but these rates are in general an indication of the level of the market and its direction.



Corporate Governance/Conflict of Interests

It is vital for NAT to ensure that there is no conflict of interests among shareholders, management, affiliates and related parties. Interests must be aligned. We will work to ensure that transactions with affiliates and/or related parties are transparent.

Strategy going forward

Our objective is to have a strategy that is flexible and has benefits in both a strong tanker market and a weak one. When the market improves, higher earnings and dividends can be expected. If rates do remain low, the Company is in a position to buy secondhand vessels or newbuildings, which are inexpensive by historical standards. Therefore, the Company is able to improve its relative position in a weak market and will be able to reap the benefits of stronger markets thereafter. Over the recent past the Company has improved its relative position. NAT is always assessing investments that further strengthen the Company.

Provided spot market rates remain above our cash break-even level, the Company should be able to pay a higher dividend per share and produce higher earnings per share after an acquisition of vessels than had such an acquisition not taken place.

Our dividend policy will continue to enable us to achieve a competitively priced risk adjusted cash yield and a competitive total return over time compared with that of other tanker companies.

NAT is firmly committed to protecting its underlying earnings and dividend potential.

Our Company is well positioned in this marketplace. We shall endeavor to safeguard and further strengthen this position for our shareholders in a deliberate, predictable and transparent way.

We encourage investors who seek exposure to the tanker sector to consider buying shares in NAT.

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NORDIC AMERICAN TANKERS LIMITED

CONSOLIDATED CONDENSED STATEMENTS OF OPERATION	Three Months Ended			Six Months Ended	
	Jun. 30, 2014 (unaudited)	Mar. 31, 2014 (unaudited)	Jun. 30, 2013 (unaudited)	June 30, 2014 (unaudited)	June 30, 2013 (unaudited)
Amounts in USD '000					
Net Voyage Revenue	22 618	45 019	10 029	67 637	27 294
Vessel Operating Expenses	(15 342)	(15 019)	(16 804)	(30 361)	(32 950)
General and Administrative Expenses	(3 220) *	(3 910) *	(3 559) *	(7 130) **	(10 934) **
Depreciation Expenses	(19 710)	(19 691)	(18 491)	(39 401)	(36 632)
Settlement Loss	0	0	0	0	(5 000)
Operating Expenses	(38 273)	(38 620)	(38 854)	(76 892)	(85 516)
Net Operating Gain (Loss)	(15 654)	6 399	(28 825)	(9 255)	(58 222)
Interest Income	67	19	64	86	84
Interest Expense	(3 220)	(3 197)	(2 812)	(6 418)	(5 634)
Other Financial Income (Expense)	2 272	769	(124)	3 042	(317)
Total Other Expenses	(881)	(2 409)	(2 872)	(3 290)	(5 867)
Net Gain (Loss)	(16 535)	3 990	(31 696)	(12 545)	(64 088)
Basic Gain (Loss) per Share	(0.19)	0.05	(0.48)	(0.15)	(1.07)
Basic Weighted Average Number of					
Common Shares Outstanding	87 665 517	75 382 001	65 545 394	81 557 692	60 120 206
Common Shares Outstanding	89 182 001	75 382 001	66 038 251	89 182 001	66 038 251

*) The G&A for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013 include non-cash charges of \$0.3m \$1.0m and \$(0.2m) respectively which are charges related to share based compensation and pension cost.

**) The G&A for the six months ended June 30, 2014 and June 30, 2013 include non-cash charges of \$1.3m and \$1.2m which are charges related to share based compensation and pension cost. Additionally, the G&A for the six months ended June 30, 2013 includes non-recurring items of \$3.6m related to the acquisition of Scandic American Shipping Ltd.

CONSOLIDATED CONDENSED BALANCE SHEET	June 30, 2014 (unaudited)	June 30, 2013 (unaudited)	Dec. 31, 2013
Amounts in USD '000			
Cash and Cash Equivalents	154 284	71 125	65 675
Accounts Receivable, net	14 354	8 136	18 801
Prepaid Expenses	4 478	3 343	5 436
Inventory	28 642	22 519	24 281
Voyages in Progress	23 084	11 230	14 953
Other Current Assets	2 449	8 221	2 251
Total current assets	227 291	124 575	131 396
Vessels, Net	882 251	934 782	911 429
Goodwill	18 979	18 979	18 979
Investment in Nordic American Offshore Ltd.	70 371	0	64 128
Other Non-current Assets	10 294	5 392	10 504
Total non-current assets	981 895	959 153	1 005 040
Total Assets	1 209 185	1 083 728	1 136 437
Accounts Payable	4 275	3 805	6 447
Accrued Voyage Expenses	7 702	4 888	6 249
Other Current Liabilities	7 756	6 652	6 604
Total Current liabilities	19 733	15 344	19 300
Long-term Debt	250 000	210 000	250 000
Deferred Compensation Liability	12 714	10 996	12 154
Total Non-current Liabilities	262 714	220 996	262 154
Shareholders' Equity	926 738	847 388	854 983
Total Liabilities and Shareholders' Equity	1 209 185	1 083 728	1 136 437

NORDIC AMERICAN TANKERS LIMITED

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOW	Six Months ended Jun. 30, 2014 (unaudited)	Six Months ended Jun. 30, 2013 (unaudited)	Twelve Months ended Dec. 31, 2013
Amounts in USD '000			
Net Cash Provided by (Used in) Operating Activities	17 841	(24 910)	(47 266)
Proceeds from Sale of Marketable Securities	0	600	600
Investment in Vessels	(7 762)	(6 838)	(6 983)
Repayment of Deposit	0	5 475	5 475
Investment in Nordic American Offshore Ltd	(5 640)	0	(65 004)
Investment in Orion Tankers Ltd.	0	(271)	(271)
Cash arising from obtaining control of Orion Tankers Ltd	0	6 544	6 544
Investment in Scandic American Shipping Ltd.	0	(8 191)	(7 641)
Investment in Scandic Assets Held for Sale	0	(5 467)	(5 467)
Proceeds from Sale of Scandic Assets held for Sale	0	5 467	5 467
Transfer to restricted account	0	0	(5 000)
Other	303	635	(973)
Net Cash Provided by (Used in) Investing Activities	(13 099)	(2 046)	(73 253)
Net Proceeds from Issuance of Common Stock	113 455	101 831	172 611
Proceeds from Use of Credit Facility	0	(40 000)	0
Dividends Paid	(29 558)	(19 331)	(41 756)
Net Cash Provided by (Used in) Financing Activities	83 898	42 500	130 855
Net Increase (Decrease) in Cash and Cash Equivalents	88 639	15 544	10 336
Effect of exchange rate changes on Cash	(29)	70	(172)
Cash and Cash Equivalents at Beginning of Period	65 675	55 511	55 511
Cash and Cash Equivalents at End of Period	154 284	71 125	65 675

NORDIC AMERICAN TANKERS LIMITED

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES	Three Months Ended			Six Months ended	
	Jun 30, 2014 (unaudited)	Mar 31, 2014 (unaudited)	Jun 30, 2013 (unaudited)	Jun. 30, 2014 (unaudited)	Jun. 30, 2013 (unaudited)
Amounts in USD '000					
Voyage Revenue	66 134	94 678	48 740	160 812	112 310
Voyage Expense	(43 516)	(49 659)	(38 711)	(93 175)	(85 016)
Net Voyage Revenue ⁽¹⁾	22 618	45 019	10 029	67 637	27 294
	Three Months Ended			Twelve Months ended	
	Jun 30, 2014 (unaudited)	Mar 31, 2014 (unaudited)	Jun 30, 2013 (unaudited)	Dec 31, 2013	
Net Operating Gain (Loss)	(15 654)	6 399	(28 825)	(93 608)	
Depreciation Expense	19 710	19 691	18 491	74 375	
Settlement Loss	0	0	0	5 000	
Share Based Compensation and Pension Cost	286	994	(242)	3 116	
Operating Cash Flow ⁽²⁾	4 342	27 084	(10 576)	(11 118)	

(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) Operating cash flow represents income from vessel operations before depreciation and non-cash administrative charges. Operating cash flow is included because certain investors use this data to measure a shipping company's financial performance. Operating cash flow 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.

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 world wide 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, any change in our liquidity requirements and the state of the equity and debt capital markets, 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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