



**Nordic American Tankers Limited (NYSE:NAT) - Underpromise and overdeliver is how we approach our communications with shareholders/investors. Positive signs in the market.**

Hamilton, Bermuda, October 2, 2014

Dear Shareholder,

In the tanker market, many of us are particularly interested in the future; what do we see on the horizon? The more exposed a company is financially, the more likely managers may paint a rosy picture of the future – simply because such a company may not survive a prolonged slump. In NAT we are conservative stewards of the company and a strong balance sheet. We do not wish to oversell simply because we think that is a wrong approach that could mislead investors.

Nobody knows what the future is holding. I am not impressed with those who look into the crystal ball. We position NAT to be able to pay maximum dividends. We are at the top of the league when it comes to total return, defined as the stock price plus the dividend reinvested in the NAT stock. We must keep in mind that volatility is an inherent characteristic of the tanker market.

Dividend payments have been made over 68 quarters since NAT commenced operations in the autumn of 1998. We are determined to continue our dividend policy. Our last quarterly dividend was \$0.12 per share in a weak tanker market. NAT is well positioned to reap the benefit of an upswing in tanker market rates. In strong tanker markets there will be a basis for increased dividends immediately. A quarterly dividend of \$0.12 per share translates into about \$0.50 per share per year. We have paid in total dividends of \$45.02 per share over the last 68 quarters. The average dividend per quarter is \$0.66 per share.

A spot rate of \$20,000 per day for each of our 22 ships translates into a dividend of approximately \$0.60 per year. A spot rate of \$30,000 per day should result in a dividend of about \$1.50 per year while an average rate level of \$40,000 per day and \$50,000 per day would produce an annual dividend in the region of \$2.40 and \$3.30, respectively.

There are positive signs on the tanker horizon, reflected above all by a better balance between supply and demand for ships.

At this time, even conservative people like ourselves do discern bright spots as we enter the autumn and the winter market. The 3Q2014 has produced better results than 2Q2014. We see an improvement during the first days of the fourth quarter of 2014.

Going forward, we expect the NAT fleet to grow further – bolstering the earnings and dividend capacity. It is an objective to retain a strong financial position.

Please contact me if you have views or comments.

Kind Regards,  
Herbjørn Hansson  
Chairman & CEO  
Nordic American Tankers Limited

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