



**Nordic American Tankers Limited (NYSE:NAT) – Letter to Shareholders from the Chairman.  
Low oil price is good for the tanker industry.**

Hamilton, Bermuda November 20, 2014

Dear Shareholders,

Many of you have recently contacted us regarding the impact of the recent drop in the oil price on our business. Let me be very clear that the effect is positive for the world tanker business. The upswing in Suezmax tanker rates in the recent past may have to some extent to do with the decrease in the oil price. The Suezmax tanker market is strong at the time of this letter which is boding well for the 4<sup>th</sup> quarter of 2014.

**Increased oil demand and economic growth**

The most significant impact of a lower oil price is an increase in oil demand. Lower prices may trigger stockpiling or have a more general positive impact. A saving of \$20 per barrel equates to savings for the US of about \$55 billion annually. Such an oil price decrease has the same effect on the overall economy as a tax reduction.

The effect of all this is growth - more investment, more jobs and more oil demand. In the US, there is now significant domestic oil production. The story is not the same other places. We see in the shipping market that volumes of oil being transported are increasing. This increases the worldwide demand for Suezmax tankers, which is positive for our business.

**Savings in bunker fuel costs**

By far our largest cost item is the bunker fuel that the ships are burning in the main engines. Until recently, bunker fuel costs stood at about \$600-\$650 per ton. Our 22 vessels typically burn about 40-50 tons of fuel per day each depending upon the speed of the vessel. Recently bunker prices have dropped to around \$450 per ton, decreasing our cost base. This is also positive for our business.

**Improved balance between supply and demand for Suezmax vessels**

We say it again - the world Suezmax tanker fleet is not growing at this time. In fact, we believe the fleet could shrink over the next few years. The rates achieved by tankers are a result of supply and demand for vessels. The improved rates earned in 3Q2014 have continued into 4Q2014. This is also a reflection of higher total fleet utilization. Based on the world Suezmax tanker orderbook, supply can be expected to remain constrained in the near term, which is positive for our business.

In our recent reports we have referred to the improving fundamentals. We believe that there are positive signs in the market for Suezmax tankers. With this letter I wish to make it clear that a lower oil price is contributing positively to our business beyond the effects of changing trade patterns and constrained Suezmax tanker supply growth. We remain cautious as always but we believe we see some bright spots on the horizon.

As always please feel free to contact me with questions or comments.

Kind regards,

Herbjørn Hansson  
Chairman & CEO  
Nordic American Tankers Limited

## 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, 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.

### **For questions related to this message, please contact Nordic American Tankers Limited:**

Herbjørn Hansson, Chairman & CEO  
Nordic American Tankers Limited  
Tel: +1 866 805 9504 or + 47 901 46 291

Jacob Ellefsen,  
Manager, Investor Relations and Research  
Nordic American Tankers Limited  
Tel: + 33 678 631 959 or + 377 93 25 89 07

Turid M. Sørensen, CFO & EVP  
Nordic American Tankers Limited  
Tel: +47 33 42 73 00 or +47 90 57 29 27

Rolf Amundsen, Advisor  
Nordic American Tankers Limited  
Tel: +1 800 601 9079 or + 47 908 26 906

Gary J. Wolfe  
Seward & Kissel LLP, New York, USA  
Tel: +1 212 574 1223

\* \* \* \* \*

**For questions related to the newly established separate company, Nordic American Offshore Ltd., please contact:**

Tor-Øyvind Bjørkli, Chief Executive Officer  
Nordic American Offshore Ltd.  
Tel: +47 90 62 70 14 or +47 21 99 24 81

Herbjørn Hansson, Executive Chairman  
Nordic American Offshore Ltd.  
Tel: +1 866 805 9504 or + 47 901 46 291

Jacob Ellefsen,  
Manager, Investor Relations and Research  
Nordic American Offshore Ltd.  
Tel: + 33 678 631 959 or + 377 93 25 89 07

Gary J. Wolfe  
Seward & Kissel LLP, New York, USA  
Tel: +1 212 574 1223