



## **NORDIC AMERICAN TANKER SHIPPING LTD (NAT) - ANNOUNCES QUARTERLY DIVIDEND OF \$0.45**

### **Summary**

NAT (**AMEX:NAT**) (**OSE:NAT**) has declared a dividend of \$0.45 per share for the second quarter of 2000. The strong tanker market in the first quarter of 2000 has resulted in an increase of \$0.11 in the second quarter 2000 minimum dividend from \$0.34 to \$0.45 per share. This is the eleventh consecutive dividend payment since the Company commenced its operations on October 1, 1997.

NAT's policy is to pay dividends every quarter. Assuming receipt by NAT of charterhire from BP Shipping at the minimum rate and no other expenses or reserves by NAT that are withheld from any distribution, NAT will be able to distribute to its shareholders a minimum of \$1.35 per annum as long as the vessels are on charter to BP Shipping. Whether the dividends may exceed \$1.35 per annum depends upon the spot charter market for modern suezmax tankers.

The dividend of \$0.45 will be paid on or about May 12 to shareholders of record as of April 27, 2000. In February 2000 NAT paid a dividend per share of \$0.34. Total minimum dividend for 2000 will thus be \$1.46 per share. Total dividend paid in 1999 and 1998 was \$1.35 and \$1.43 per share respectively.

The three NAT vessels are on "hell or high water" bareboat charter to BP Shipping for a minimum of 7 years. Under the charter, NAT receives charterhire based on a formula derived from the spot market for suezmax tankers on two round trip trade routes traditionally served by suezmax tankers. The minimum rate is \$13,500/day/vessel, or \$22,000/day/vessel (timecharter equivalent) after taking into account agreed operating expenses of \$8,500/day.

For the first quarter of 2000, BP Shipping will pay \$1.113.567 as additional hire above the base rate since the average spot market for the first quarter has exceeded the minimum level.

### **Background**

NAT's three double hull tankers were delivered from the yard in Korea in 1997 and commenced their charters to BP Shipping on October 1<sup>st</sup> 1997. The decision to pay dividend for the eleventh time since October 1997 is a result of NAT receiving the

minimum hire for the second quarter of 2000 and additional hire for the first quarter of 2000. The additional hire for the tankers in each 3 month period is calculated based upon market conditions for tankers of similar size and age on certain routes, based upon an agreed formula. The minimum hire is paid in advance, quarterly, whilst the additional hire is paid in arrears quarterly.

On July 1, 2000, BP Shipping is scheduled to pay hire for the third quarter of 2000, based upon the minimum rate. Whether there will be any additional hire for the second quarter of 2000 will be dependent upon market conditions for suezmax tankers on the routes which are included in the freight formula.

The structure of paying the minimum rate in advance every quarter and a possible additional rate in arrears each quarter has been agreed and is expected to be continued through the contract period of minimum 7 years and maximum 14 years from October 1997.

The contracts with BP Shipping are guaranteed by its parent company, BP Amoco P.l.c.

Ugland Nordic Shipping ASA (UNS), an Oslo Stock Exchange listed company holding 22.8% of the shares in NAT, is the manager of NAT.

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