

All buyers and sellers of Bonds must have or open a securities account with Euroclear Bank SA/NV or have an agreement with an authorized nominee in Euroclear Bank SA/NV holding the Bonds on behalf of the subscriber or become a direct or sponsored member of Euroclear Bank SA/NV.

Term Sheet



ISIN NO 0010886336 (during the Compliance Period) and
ISIN NO 0010886328 thereafter (see section "Transfer Restrictions")

American Tanker, Inc.

Senior Unsecured Callable Bond Issue 2020/2025 (the "Bonds" or the "Bond Issue")

Issue Date: 2 July 2020



Issuer:	American Tanker, Inc., (a Delaware corporation with reg. no. 3899715).
Parent:	American Shipping Company ASA (incorporated in Norway with reg. no 988 228 397).
Group:	Means the Parent and all its (directly or indirectly owned) Subsidiaries from time to time, and a " Group Company " means the Parent or any of its Subsidiaries.
Guarantors:	Means, subject to fulfilment of the Conditions Subsequent, American Shipping Company ASA and American Tanker Holding Company, Inc. (together with the Issuer, the " Obligors " and each an " Obligor ").
Currency:	USD
Initial Issue Amount:	USD 200,000,000
Maximum Issue Amount:	USD 220,000,000
Coupon Rate:	7.75% p.a., semi-annual interest payments.

Issue Date:	2 July 2020. Notice is expected to be given to subscribers minimum two (2) banking days prior to the Issue Date.
Maturity Date:	2 July 2025 (5 years after the Issue Date).
First Interest Payment Date:	2 January 2021 (6 months after the Issue Date).
Last Interest Payment Date:	Maturity Date.
Interest Payments:	Interest on the Bonds will start to accrue on the Issue Date and shall be payable semi-annually in arrears on the interest payment date in January and July each year (each an " Interest Payment Date "). Day-count fraction for coupon is "30/360", business day convention is " <i>unadjusted</i> " and business day is Oslo and New York.
Issue Price:	100% of the Nominal Amount.
Amortization:	The Bonds shall be repaid in full on the Maturity Date at 100% of the Nominal Amount together with accrued interest on the redeemed Bonds.
Nominal Amount:	The Bonds will have a nominal value of USD 1,000 each.
Minimum Subscription and Allotment:	Minimum subscription and allotment amount shall be USD 200,000, and higher amounts may be subscribed for in integral multiples of USD 100,000 in excess thereof.
Status of the Bonds and the Guarantees:	The Bonds shall rank as senior debt of the Issuer and shall be unsecured. The Bonds and the Guarantees (when granted) shall rank <i>pari passu</i> with all other senior debt of the relevant Obligor save for obligations which are mandatorily preferred by law. The Bonds shall rank ahead of subordinated debt.
Tap Issues:	The Issuer may on one or more occasions issue Additional Bonds until the Nominal Amount of all Bonds outstanding in aggregate equals the Maximum Issue Amount <i>less</i> the Nominal Amount of any Bonds redeemed at the time. Any Tap Issue is conditional upon that a Tap Issue addendum is made in respect thereof between the Issuer and the Trustee. For Tap Issues settled on a date which is not an Interest Payment Date, accrued interest will be calculated using standard market practice in the secondary bond market.
Purpose of the Bond Issue:	The net proceeds from the Initial Issue Amount (net of legal costs, fees of the Joint Lead Managers and the Trustee and any other agreed costs and expenses) shall be used for repayment in part or in full of the USD 220 million unsecured bond issue with ISIN NO 001 0777519 (the " Existing Bonds ").
First Call Date:	Means the Interest Payment Date in July 2024 (48 months after the Issue Date).
Issuer's Call Options:	The Issuer may redeem the Bonds (in whole or in parts) at any time from and including: <ul style="list-style-type: none"> (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount (plus accrued but unpaid interests on the redeemed Bonds); (ii) the Interest Payment Date falling 48 months after the Issue Date to, but not including, the Interest Payment Date falling 54 months after the Issue Date, at

	<p>a price equal to 102.00% of the Nominal Amount (the “First Call Price”) (plus accrued but unpaid interest on the redeemed Bonds);</p> <p>(iii) the Interest Payment Date falling 54 months after the Issue Date to, but not including, the Interest Payment Date falling 59 months after the Issue Date, at a price equal to 101.00% of the Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds); and</p> <p>(iv) the Interest Payment Date falling 59 months after the Issue Date to, but not including, the Final Maturity Date at a price equal to 100.00% of the Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds).</p> <p>The Call Option may be exercised by the Issuer by written notice to the Trustee and the Bondholders at least ten (10) Business Days prior to the proposed settlement date for the Call Option (the “Call Option Repayment Date”). If redemptions of the Bonds are made in part, such redemption shall be applied pro rata between the Bondholders in accordance with the procedures of the CSD.</p> <p>For the avoidance of doubt, the redemption prices above shall be determined based on the Call Option Repayment Date and not based on the date the Call Option was exercised (issue of call notice).</p>
<p>Make-Whole Amount:</p>	<p>Means an amount equal to the sum of the present value:</p> <p>(i) on the Call Option Repayment Date of the First Call Price of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and</p> <p>(ii) on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to the First Call Date,</p> <p>where the present value shall be calculated by using a discount rate of the sum of the comparable government bond rate + 50 basis points (i.e. comparable to the remaining Macaulay duration of the Bonds from the Call Option Repayment Date until the First Call Date using linear interpolation).</p>
<p>Conditions Precedent:</p>	<p>Disbursement of the net proceeds from the Bond Issue to the Issuer will be subject to the fulfilment of certain conditions precedent, to the satisfaction of the Trustee, as customary for these types of transactions, including but not limited to:</p> <p>a) the Bond Terms duly executed;</p> <p>b) confirmation from the Issuer that no potential or actual Event of Default has occurred or is likely to occur as a result of the issuance of the Bonds;</p> <p>c) a copy of the duly executed Trustee fee letter being the agreement between the Trustee and the Issuer relating to expenses and fees;</p> <p>d) certified copies of necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;</p> <p>e) a certified copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals’ authorisation to execute such Finance Documents on behalf of the Issuer;</p>

	<p>f) certified copies of the Issuer’s constitutional documents and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;</p> <p>g) copies of the Issuer’s latest Financial Reports;</p> <p>h) confirmation that the applicable prospectus requirements (ref the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;</p> <p>i) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);</p> <p>j) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;</p> <p>k) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;</p> <p>l) confirmation of acceptance from any process agent; and</p> <p>m) all legal opinions (including with respect to capacity and enforceability) reasonably requested by the Trustee in respect of the Finance Documents, having been received in form and substance satisfactory to the Trustee.</p> <p>The Trustee may waive or postpone the delivery of certain Conditions Precedent at its sole discretion.</p>
<p>Conditions Subsequent:</p>	<p>At the earlier of i) a full redemption of the Existing Bonds occurs, ii) any amendment of the Existing Bonds pursuant to which the Guarantees become permitted to be granted and iii) 22 March 2022, the following conditions subsequent shall have been fulfilled, to the satisfaction of the Trustee:</p> <p>a) the Guarantees duly executed by each of the Guarantors;</p> <p>b) certified copies of necessary corporate resolutions of the Guarantors to issue the Guarantees; and</p> <p>c) all legal opinions (including with respect to capacity and enforceability) reasonably requested by the Trustee in respect of the Finance Documents, having been received in form and substance satisfactory to the Trustee.</p> <p>The Trustee may waive or postpone the delivery of certain Conditions Subsequent at its sole discretion.</p>
<p>Guarantees:</p>	<p>All amounts outstanding under the Finance Documents to the Trustee and the Bondholders, including but not limited to interest and expenses, shall be guaranteed by unconditional and irrevocable on-demand guarantees from each of the Guarantors (the “Guarantees”).</p> <p>The Guarantees shall be established in accordance with the Conditions Subsequent above.</p> <p>Covenants to be undertaken by or covering the Guarantors shall either be contained in the Guarantees or, to the extent the Guarantees are not in place from the Issue Date, in separate undertakings to be provided by the Guarantors.</p>

Representation and warranties:	<p>The Bond Terms shall include standard representations and warranties (based on the Trustee’s template for high yield bonds). The representations and warranties shall be made on the execution date of the Bond Terms and shall be deemed to be repeated on the Issue Date and on each date a Tap Issue is settled.</p>
Issuer’s General Undertakings:	<p>During the term of the Bonds, the Issuer shall at all times (unless the Trustee or the Bondholders’ meeting (as the case may be) in writing has agreed to otherwise) comply with the following general undertakings:</p> <ul style="list-style-type: none"> a) Pari passu ranking: The Issuer shall, ensure that its obligations under the Bond Terms and any other Finance Document shall at all times rank at least pari passu as set out in “Status of the Bonds” above. b) Mergers: The Issuer shall not, and shall ensure that no other Group Company shall, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer or any other Group Company with any other companies or entities if such transaction would have a Material Adverse Effect. c) De-mergers: The Issuer shall not, and shall ensure that no other Group Company will, carry out any de-merger or other corporate reorganization involving a splitting of the Issuer or any other Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect. d) Continuation of business: The Issuer shall not cease to carry on its business, and shall procure that no substantial change is made to the general nature of the business of the Group from that carried on at the date of this term sheet and/or as set out in the Bond Terms if such change would have a Material Adverse Effect. e) Disposal of assets/business: The Issuer shall not, and shall procure that no other Group Company shall, sell or otherwise dispose of all or a substantial part of the Group’s assets or operations, unless: <ul style="list-style-type: none"> (i) the transaction is carried out on arm’s length terms and for fair market value; (ii) such transaction would not have a Material Adverse Effect; and (iii) if such transaction would constitute a Mandatory Prepayment Event, the Bonds are redeemed in accordance with the Mandatory Prepayment provisions as described below. f) Corporate status: The Issuer shall not, and shall procure that no other Group Company shall, change its type of organization or jurisdiction of incorporation (other than changing to another state in the USA) if such change of type of organization or jurisdiction would have a Material Adverse Effect. g) Compliance with laws: The Issuer shall, and shall ensure that each other Group Company shall, carry on its business in accordance with internationally accepted practices in all material aspects and comply in all material respects with all laws and regulations it or they may be subject to from time to time. h) Insurance: The Issuer shall, and the Issuer shall procure that each other Group Company will, maintain with financially sound and reputable insurance companies, funds or underwriters adequate insurance or captive arrangements with respect to its properties and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice in their relevant jurisdiction.

	<p>i) Arm’s length transactions: The Issuer shall not, and the Issuer shall ensure that no other Group Company shall, enter into any transaction with any affiliate except on arm’s length terms and for fair market value.</p> <p>j) Reporting: The Issuer shall of its own accord make management reports and financial statements (quarterly and annually on an unconsolidated basis) available to the Trustee (and via the distribution system at the stock exchange where the shares in the Parent are listed (if any) and on its web pages) for public distribution not later than 120 days after the end of the financial year and not later than 60 days after the end of the relevant interim period (each a “Reporting Date”). Such reports shall be prepared in accordance with GAAP, and include an income statement, statement of financial position and cash flow statement.</p>
<p>Issuer’s Special Covenants:</p>	<p>During the term of the Bonds, the Issuer shall (unless the Trustee or the Bondholders’ meeting (as the case may be) in writing has agreed to otherwise) comply with the following special covenants:</p> <p>a) Subsidiaries’ distributions: The Issuer shall not permit any (direct or indirect) Subsidiary of the Issuer to create or permit to exist any contractual obligation (or security) restricting the right of such Subsidiary to:</p> <ul style="list-style-type: none"> (i) pay dividends or make other distributions to its shareholders; (ii) service any Financial Indebtedness to the Issuer; (iii) make any loans to the Issuer; or (iv) transfer any of its assets and properties to the Issuer; <p>in each case other than (A) any restrictions reflecting those set forth in the Existing Senior Bank Facilities as per the Issue Date and (B) any restrictions in any New Senior Bank Facility or other Financial Indebtedness of the Group (including any restriction in the Existing Senior Bank Facility that did not exist on the Issue Date) which (i) does not have any Material Adverse Effect and (ii) is not likely to prevent the Issuer from complying with its payment obligations under the Bond Terms.</p> <p>b) Financial Support restrictions: The Issuer shall not, and shall ensure that no other Group Company shall, grant any loans, give any guarantees, otherwise voluntarily assume any financial liability (whether actual or contingent) or provide any other financial support (including providing third party security) (“Financial Support”), to or for the benefit of any person or entity not being a Group Company, other than Permitted Financial Support.</p> <p>c) Financial Indebtedness restrictions: The Issuer shall not, and shall ensure that no other Group Company shall, incur, create or permit to subsist any Financial Indebtedness other than the Permitted Financial Indebtedness.</p> <p>d) Negative pledge: The Issuer shall not, and shall ensure no other Group Company shall, create, permit to subsist or allow to exist any mortgage, pledge, lien or any other security over any of its present or future respective assets or its revenues, other than:</p> <ul style="list-style-type: none"> (i) the Permitted Security; and (ii) any lien arising by operation of law. <p>e) Financing the acquisition of new vessels: If any Group Company (not being a Subsidiary of the Issuer and not being an Obligor) acquires a vessel (or entity owning such vessel or participation in a joint venture owning a vessel) (from an entity not being a Group Company), the relevant Group Company may incur new Financial Indebtedness with respect to such acquisition and/or investment (“New Vessel Financing”) provided that:</p>

	<ul style="list-style-type: none"> (i) the ratio of the principal amount of the New Vessel Financing relative to the purchase price of the acquired vessel does not exceed 70 per cent, provided that if the relevant vessel is committed for employment with a counterparty with an investment grade rating, the ratio can be up to 90 per cent.; and (ii) the New Vessel Financing is provided by one or more of the Senior Finance Parties, other commercial banks or financial institutions or by way of a capital market debt instrument (or any combination of the foregoing). <p>f) Jones Act compliance: The Issuer shall ensure that each Group Company owning any of the Vessels at all times meets the requirements of a Qualified Leasing Company or US Citizen.</p> <p>g) Ownership of American Shipping Corporation: The Issuer shall procure that American Shipping Corporation shall remain its direct or indirect wholly owned Subsidiary.</p>
<p>Parent’s Special Covenants:</p>	<p>During the term of the Bonds (and regardless of whether the Guarantees have been granted or not), the Parent shall (unless the Trustee or the Bondholders’ meeting (as the case may be) in writing has agreed to otherwise) comply with the following special covenants:</p> <ul style="list-style-type: none"> a) Parent Distributions: The Parent may only (i) declare or make any dividend payment or other equity or capital distributions or payments (including group contributions) to, (ii) make any loans to or service any loans from, or (iii) repurchase shares from, its shareholders, in each case whether in cash or in kind, (including without limitation enter into any total return swaps or instruments with similar effect) (a “Distribution”) if, at the time of such Distribution, (a) the Distribution Incurrence Test is fulfilled and (b) that no Event of Default is continuing or would arise from such Distribution. <p>Distribution Incurrence Test shall be considered satisfied if the Debt Service Coverage Ratio at the time of such Distribution is not less than 1.25 and such fulfilment is certified by the Parent to the Trustee.</p> <ul style="list-style-type: none"> b) Pari passu ranking: The Parent shall, and shall procure that each other Group Company will, ensure that their obligations under the Bond Terms and any other Finance Document shall at all times rank at least pari passu as set out in “Status of the Bonds” above. c) Ownership: The Parent shall procure that the Issuer and American Tanker Holding Company, Inc. shall remain a Subsidiaries of the Parent. d) Subordinated Loans: The Parent shall ensure that: <ul style="list-style-type: none"> (i) any existing and future loans from a shareholder in or an Affiliate of the Parent to any Obligor shall be subordinated to the obligations under the Finance Documents, subject to a subordination and turn-over agreement acceptable to the Trustee, have maturity no earlier than 6 months after the Final Maturity Date, have no payment of principal and that any payment of any cash interest is subject to the Distribution Incurrence Test; and (ii) any loans having an Obligor as a debtor and a Group Company not being an Obligor as creditor shall be subordinated to obligations under the Finance Documents, subject to a subordination and turn-over agreement acceptable

	<p>to the Trustee and may only be serviced as long as no Event of Default under the Bond Issue has occurred and is continuing.</p> <p>e) Reporting: The Parent shall of its own accord make management reports and financial statements (quarterly and annually) available to the Trustee (and via the distribution system at Oslo Børs and on its web pages) for public distribution not later than 120 days after the end of the financial year and not later than 60 days after the end of the relevant interim period (each a “Reporting Date”). Such reports shall be prepared in accordance with GAAP, and include an income statement, statement of financial position, cash flow statement and management commentary.</p>
Permitted Financial Indebtedness:	<p>Means:</p> <ul style="list-style-type: none"> (a) any Financial Indebtedness arising under the Finance Documents including through a Tap Issue; (b) the Senior Bank Facilities; (c) any Subordinated Loan; (d) any unsecured bonds issued by the Issuer with (i) no amortization and with maturity after the Maturity Date of the Bonds, (ii) covenants not materially more restrictive than the Bonds, and (iii) without any Financial Support from any other Group Company other than the Guarantors; (e) obligations under any derivative transactions related to the Group’s hedging made on a non-speculative basis entered into with any of the Senior Finance Parties or another Acceptable Bank; (f) any recourse liability incurred by a Group Company to any financial institution in respect of bid or performance bonds, advance payment guarantees, and other guarantees or letters of credit issued in the ordinary course of business of the relevant Group Company; (g) any New Vessel Financing and any refinancing thereof provided that, the amount refinanced shall not exceed the total amount outstanding under the New Vessel Financing at the time of such refinancing; (h) the OSG Credit; or (i) any Financial Indebtedness incurred by the Group (which is not covered by (a) through (h) above) that in total does not cause the levels for Maximum Total-Adjusted Interest-Bearing Debt set out below to be exceeded.
Permitted Security:	<p>Means:</p> <ul style="list-style-type: none"> (a) Security granted in relation to Permitted Financial Indebtedness paragraphs (b), (e), (f) and (g) above; and (b) Security granted in relation to other Financial Indebtedness incurred by the Group (not covered by (a) above) that in total do not exceed USD 10 million.
Permitted Financial Support:	<p>Means any Financial Support:</p> <ul style="list-style-type: none"> (a) given in relation to this Bond Issue; (b) given in relation to the Senior Bank Facilities; (c) given by any Group Company in relation to any Financial Indebtedness falling within items (d), (e), (f), (g) or (h) of the definition of "Permitted Financial Indebtedness"; (d) given by any Group Company not being the Issuer or a Subsidiary of the Issuer in relation to any Financial Indebtedness falling within item (i) of the definition of "Permitted Financial Indebtedness" and having as a borrower any Group Company not being the Issuer or a Subsidiary of the Issuer; (e) given in relation to the DPO; and

	(f) made, granted or given by any Group Company in the ordinary course of business to include inter alia company guarantees or performance guarantees given to shipyards or pursuant to time charters or contracts of affreightment.												
Financial Covenant:	<p>During the term of the Bonds, the Issuer shall at all times (unless the Trustee or the Bondholders' meeting (as the case may be) in writing has agreed to otherwise) comply with the following financial covenant:</p> <p>a) Minimum Liquidity: The Issuer shall ensure that the Group maintains a Liquidity of minimum USD 25,000,000;</p> <p>b) Maximum Total Adjusted Interest-Bearing Debt: The Issuer shall ensure that the Total Adjusted Interest-Bearing Debt shall not exceed:</p> <table border="1" data-bbox="657 629 1203 826"> <thead> <tr> <th>as of:</th> <th>USD million:</th> </tr> </thead> <tbody> <tr> <td>31 December 2020</td> <td>585</td> </tr> <tr> <td>31 December 2021</td> <td>560</td> </tr> <tr> <td>31 December 2022</td> <td>530</td> </tr> <tr> <td>31 December 2023</td> <td>505</td> </tr> <tr> <td>31 December 2024</td> <td>475</td> </tr> </tbody> </table> <p>The maximum Total Adjusted Interest-Bearing Debt, shall be reduced with an amount equal to the amount required to prepay the portion of the Senior Bank Facilities and Outstanding Bonds as described under Mandatory Prepayment below.</p> <p>The Issuer undertakes to comply with the above Financial Covenants at all times, such compliance to be measured on each Quarter Date and certified by the Issuer with each annual financial statement and quarterly financial statement on the respective Reporting Date. The Financial Covenants shall be calculated on a consolidated basis for the Group.</p>	as of:	USD million:	31 December 2020	585	31 December 2021	560	31 December 2022	530	31 December 2023	505	31 December 2024	475
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Definitions:	<p>"Acceptable Bank" means a commercial bank, savings bank or trust company which has a rating of BBB or higher from Standard & Poor's Ratings Service or Baa2 or higher from Moody's Investor Service Limited or a comparable rating from a nationally recognized credit rating agency for its long-term debt obligations.</p> <p>"Additional Bonds" means Bonds issued under a Tap Issue.</p> <p>"Affiliate" means, in relation to any specified person:</p> <p>(a) any person which is a Subsidiary of the specified person;</p> <p>(b) any person who has Decisive Influence over the specified person (directly or indirectly); and</p> <p>(c) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over the specified person.</p> <p>"Bondholders" means a holder of Bond(s), as registered in the Securities Depository, from time to time.</p> <p>"Bondholders' Meeting" means a meeting of Bondholders, as set out in the Bond Terms.</p> <p>"Bonds" means the debt instruments issued by the Issuer pursuant to the Bond Terms.</p> <p>"Business Day" means a day on which both the relevant CSD settlement system is open and the relevant Bond currency settlement system is open.</p> <p>"Cash and Cash Equivalents" means on any date, the aggregate equivalent in USD on such date of:</p>												

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with an Acceptable Bank;
- (b) the then current market value of time deposits with Acceptable Banks and certificates of deposit issued, and bills of exchange accepted, by an Acceptable Bank; and
- (c) any available and undrawn amounts of a revolving credit facility provided on customary terms by an Acceptable Bank with a remaining committed tenor of not less than 6 months,

in each case to which any Group Company is beneficially entitled at the time and to which any Group Company has free and unrestricted access.

“Decisive Influence” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“Debt Service Coverage Ratio” means (for the Group on a consolidated basis) the ratio of Projected EBITDA to Projected Debt Service.

“DPO” means the claim the Issuer holds on Overseas Shipholding Group Inc. and its subsidiaries, referred to by the Group as the deferred principal obligation amounting to USD 25.3 million as at 31 December 2019.

“DPO Payment” means any payment received by the Issuer in connection with the DPO.

“Exchange” means the Oslo Børs (the Oslo Stock Exchange) or any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

“Existing Senior Bank Facilities” means the (i) USD 160 million Secured Term Loan Facility Agreement dated 3 April 2020, (ii) the USD 145 million Loan and Security Agreement dated 9 April 2020 and (iii) the USD 90 million Loan and Security Agreement dated 28 October 2015, each as amended from time to time.

“Existing Vessel” means each of the vessels owned by any Group Company from time to time, at the Issue Date being each of Overseas Houston, Overseas Long Beach, Overseas Los Angeles, Overseas New York, Overseas Texas City, Overseas Boston, Overseas Nikiski, Overseas Martinez, Overseas Anacortes and Overseas Tampa.

“Finance Documents” means (i) the Bond Terms, (ii) the Trustee’s fee letter, (iii) any Guarantee, (iv) any other document (whether creating a security or not) which is executed at any time by the Issuer or any other person in relation to any amount payable under the Bond Terms and (v) and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“Financial Indebtedness” means, without duplication, any indebtedness for or in respect of:

- (a) moneys borrowed and debt balances at banks or other financial institutions;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease

- (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);
 - (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
 - (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
 - (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under GAAP;
 - (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
 - (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP; and
 - (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

"GAAP" means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

"Government Bond Rate" means the interest rate of debt securities instruments issued by the United States Treasury on the day falling two Business Days before the notification to the Bondholders of the Make Whole Amount.

"IFRS" means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

"Jones Act" means Title 46, Appendix, Section 883 of the United States Code as in effect on the date hereof.

"Liquidity" means the aggregate of the Cash and Cash Equivalents.

"Material Adverse Effect" means a material adverse effect on (a) any of the Obligors ability to perform and comply with its obligations under any Finance Document to which it is a party or (b) the validity or enforceability of any of the Finance Documents.

"New Senior Bank Facilities" means any refinancing of any Existing Senior Bank Facility provided by one or more of the Senior Finance Parties, other commercial banks, credit funds or financial institutions or by way of a capital market debt instrument.

"OSG Credit" means the credit granted by OSG to the Issuer in December 2009, having a PIK interest rate of 9.5% p.a. of which USD 6.5 million was outstanding as at 31 December 2019.

"Outstanding Bonds" means the Bonds not redeemed or otherwise discharged.

"Profit Share" means has the meaning given to that term in the Profit Sharing Agreement.

"Profit Sharing Agreement" the profit sharing agreement, dated as of December 11, 2009, as amended by amendment no. one dated as of June 17, 2013, among OSG, OSG America, L.P., and American Tanker, Inc.

"Projected Debt Service" means, in respect of any Projection Period, the sum of total projected gross interest costs, scheduled amortisations and repayments related to the Group's total interest-bearing debt in accordance with GAAP.

"Projected EBITDA" means, in respect of any Projection Period, the projected consolidated earnings of the Group before interest, taxation, depreciation and amortisation, not taking into account any exceptional or extraordinary items but including the DPO Payments and Profit Share.

"Projection Period" means the next six (6) months calculated from the last preceding Quarter Date from the date of calculating the Distribution Incurrence Test.

"Qualified Leasing Company" means a company that is qualified to document a vessel under the U.S. flag pursuant to 46 U.S.C. §12103(b), and the regulations promulgated thereunder, with a coastwise endorsement pursuant to 46 U.S.C. §12119(b), and the regulations promulgated thereunder, for bareboat charter to a U.S. Citizen eligible to operate vessels in the coastwise trade, and able to make the annual certification to the Coast Guard required by 46 U.S.C. §12119(c)(2), and the regulations promulgated thereunder, with respect to such vessel.

"Quarter Date" means each 31 March, 30 June, 30 September and 31 December.

"Security" means any encumbrance, mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Senior Bank Facilities" means the Existing Senior Bank Facilities and any New Senior Bank Facilities.

"Senior Finance Parties" means Atlantic Union Bank, BNP Paribas, CIT, National Bank of Australia, Prudential, Siemens Capital, Wintrust and SEB or any affiliate thereof.

"Subsidiary" means a company over which another company has Decisive Influence.

"Subordinated Loan" means any unsecured Financial Indebtedness subject to such terms as described in the covenant "Subordinated Loans" (item a. or b., as applicable) above.

"Total Assets" means the Group's nominal book value of assets in accordance with GAAP.

"Total Adjusted Interest-Bearing Debt" means the Group's total interest-bearing debt in accordance with GAAP (excluding any New Vessel Financing and the OSG Credit), less the required amount of minimum Liquidity under the Bonds.

"Tax" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding) assessments, fees or other charges imposed by any governmental authority, including any interest, additions to tax or penalties applicable thereto.

	<p>“US Citizen” means a citizen of the United States within the meaning of 46 U.S.C. §§50501(a), (b) and (d), eligible to own and operate vessels in the coastwise trade of the United States.</p> <p>“Vessels” means any Existing Vessel and any vessel acquired after the date of the Bond Terms.</p>
Mandatory Prepayment Event:	<p>Means:</p> <ul style="list-style-type: none"> (i) a direct or indirect disposal of one or more Existing Vessel(s) to an entity not being a Group Company (a “Vessel Disposal Event”); and (ii) an actual or constructive total loss of any Existing Vessel (a “Total Loss Event”).
Mandatory Prepayment:	<p>The Issuer shall:</p> <ul style="list-style-type: none"> (i) upon a Vessel Disposal Event, not later than 30 calendar days following such event, redeem the pro rata portion of the Outstanding Bonds (such pro-rata portion to be based on the number of Existing Vessels disposed of in such Vessel Disposal Event relative to the number of Existing Vessels owned by the Group prior to the Vessel Disposal Event) at a redemption price being the lower of i) the First Call Price and ii) the prevailing call option price as set out under “Issuer’s Call Options” above (with the redemption price to be based on the date the Mandatory Prepayment Event occurred (plus accrued but unpaid interest on the redeemed Bonds). (ii) upon a Total Loss Event, promptly once insurance proceeds (if any) are available to it, but in any event no later than 120 calendar days following the Total Loss Event, redeem on a pro-rata basis relative to the Outstanding Bonds (such pro-rata portion to be based on the number of Existing Vessels subject to the Total Loss Event relative to the number of Existing Vessels owned by the Group prior to the Total Loss Event) at 100% of the Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds).
Event of Default:	<p>The Bond Terms shall include standard event of default provisions related to the Group in respect of non-payment, breach of other obligations, cross default, insolvency proceedings, creditors’ process, impossibility or illegality and Material Adverse Effect, with applicable remedy provisions and exceptions.</p> <p>A Material Regulatory Event shall constitute an event of default.</p> <p>The cross default and creditor’s process provisions will have a threshold on any financial indebtedness or assets (as the case may be) of USD 5 million, or the equivalent thereof in other currencies. Event of default will not arise solely if a Group Company is not able to or admits inability to pay its debts as they fall due or if the value of the assets of any Group Company is less than its liabilities.</p>
Material Regulatory Event	<p>Material Regulatory Event means an event where the Jones Act is repealed or substantially modified in a manner that could reasonably be expected to have a Material Adverse Effect.</p>
Change of Control Event:	<p>Means:</p> <ul style="list-style-type: none"> (i) if any person, or group of persons under the same Decisive Influence, or two or more persons acting in concert obtains Decisive Influence over the Parent, American Tanker Holding Company, Inc or the Issuer, other than Aker ASA or its Affiliates or other parties acting in concert with Aker ASA or its Affiliates; or

	<p>(ii) a de-listing of the Parent’s shares from the Oslo Stock Exchange or another internationally recognized stock exchange (if applicable) that does not occur in connection with a listing of the Parent’s shares on another internationally recognized stock exchange.</p> <p>If Aker ASA or its Affiliates or other parties acting in concert with Aker ASA or its Affiliates acquires 100% of the shares in Parent, and following such acquisition the shares of the Parent is de-listed as described in (ii) above, such de-listing shall not constitute a Change of Control Event as long the Bond Issue is listed on a reputable exchange and remains listed until the Maturity Date.</p>
Change of Control Clause:	Upon the occurrence of a Change of Control Event, each Bondholder will have the right (a “Put Option”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price of 101 % of the Nominal Amount (plus accrued but unpaid interest) during a period of 15 calendar days following the notice of a Change of Control Event, with prepayment to be effected within 30 calendar days following the notice of a Change of Control Event.
Issuer’s ownership of Bonds:	The Issuer has the right to acquire and own the Bonds. Such Bonds may at the Issuer’s discretion be retained by the Issuer, sold or discharged.
Listing of Bonds:	An application will be made for the Bonds to be listed on Oslo Børs within 12 months from the Issue Date.
Listing Failure:	<p>A listing failure event (a “Listing Failure Event”) will occur if either (i) the Bonds are not listed on an Exchange within 12 months after the Issue Date, or (ii) in case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.</p> <p>Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under the Bonds Terms will accrue at the Coupon Rate plus 1.00 percentage point per annum. A Listing Failure Event shall not result in an Event of Default.</p>
Market making:	No market-maker agreement has been made for this Issue.
Joint Lead Managers:	Arctic Securities AS, Haakon VIIIs gate 5, NO-0123 Oslo, Norway, Clarksons Platou Securities AS, Munkedamsveien 62 C, NO-0270 Oslo, Norway; Pareto Securities AS, Dronning Mauds gt. 3, NO-0115 Oslo, Norway; and Skandinaviska Enskilda Banken AB (publ), Oslo Branch, Filipstad Brygge 1, NO-0252 Oslo, Norway.
Settlement Procedures:	<p>The Bonds shall be settled as further set out in the Application Form, and which shall include settlement in:</p> <p>(i) in cash; and/or</p> <p>(ii) in kind by delivery of Existing Bonds (when receipt of subscriptions from holders of Existing Bonds), and which shall include the amount of accrued interest and any call premium on such Existing Bonds.</p>
Trustee:	Nordic Trustee AS, P. O. Box 1470 Vika, NO-0116 Oslo, Norway.
Registration:	<p>The Norwegian Central Securities Depository (VPS). Principal and interest accrued will be credited the Bondholders through VPS.</p> <p>The Bonds will initially be issued to and registered on Euroclear Bank SA/NV's custody account with the VPS (administered by Nordea Bank Norge ASA) as nominee. The Bonds will only be available to the subscribers through Euroclear Bank SA/NV.</p>

Trading:	<p>The Bond Issue will be blocked for all trading in the VPS and all trading in the Bonds will be made through Euroclear Bank SA/NV and all buyers and sellers of Bonds must therefore have or open a securities account with Euroclear Bank SA/NV or have an agreement with an authorized nominee in Euroclear Bank SA/NV holding the Bonds on behalf of the subscriber or become a direct or sponsored member of Euroclear Bank SA/NV.</p> <p>No other International Central Securities Depository can hold the Bonds in the VPS and may therefore not be a substitute to Euroclear Bank SA/NV.</p>
Paying Agent:	Pareto Securities AS
Taxation:	<p>The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bonds, but not in respect of trading in the secondary market (except to the extent required by applicable laws).</p> <p>The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by or on behalf of it in relation to the Finance Documents. Subject to the exceptions and limitations set out in the Appendix (Taxation) hereto, the Issuer is required to gross up the amount of any payment due from it to ensure that the Bondholders or the Trustee (as the case may be) receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required.</p> <p>The gross-up obligation is subject to significant exceptions, please refer to the Investor Presentation and in particular appendix 1 for a further description of such exceptions.</p>
Taxation/gross-up:	The Bond Terms shall contain provisions regarding taxation, including the taxation provisions set out in the Appendix (Taxation) hereto.
Bond Terms:	<p>The bond terms governing the Bond Issue (the "Bond Terms") will be entered into by the Issuer and the Trustee acting as the Bondholders' representative, and it shall be based on the Trustee's Norwegian high-yield standard agreement adjusted (where relevant) by the terms set out herein. The standard is available on the Trustee's web page. The Bond Terms shall regulate the Bondholders' rights and obligations with respect to the Bonds. If any discrepancy should occur between this Term Sheet and the Bond Terms, then the Bond Terms shall prevail.</p> <p>A subscriber of Bonds is by its application for Bonds (see further details under terms of subscription below) deemed to have granted authority to the Trustee to finalise the Bond Terms and the other Finance Documents. Although minor adjustments to the structure described in this Term Sheet may occur, the provisions in the Bond Terms will be substantially consistent with those set forth in this Term Sheet.</p>
Terms of Subscription:	Application and subscriptions of Bonds will be made on the terms of, and by the execution and delivery or otherwise accept (by a taped telephone conversation, e-mail or otherwise) of, an application form from the Manager (" Application Form ") prior to receiving Bond allotments. The terms of the Application Form inter alia provide that the relevant subscribers, through their applications for Bonds, specifically authorise the Trustee to execute and deliver the Bond Terms on behalf of the prospective Bondholders. On this basis, the Issuer and the Trustee will execute and deliver the Bond Terms and the latter's execution and delivery is on behalf of all of the subscribers having received Bond allotments, such that they thereby will become bound by the Bond Terms. The Bond Terms specifies that all Bond transfers shall be subject to the terms thereof, and the Trustee and all Bond transferees shall, when acquiring the Bonds, be deemed to have accepted the terms of the Bond Terms, which specifies that all such transferees shall automatically become bound by the Bond Terms upon

	completed transfer having been registered by CSD without any further action required to be taken or formalities to be complied with.
Governing Law:	Norwegian law.
Subscription Restrictions:	<p>All buyers and sellers of Bonds must have or open a securities account with Euroclear Bank SA/NV or have an agreement with an authorized nominee in Euroclear Bank SA/NV holding the Bonds on behalf of the subscriber or become a direct or sponsored member of Euroclear Bank SA/NV.</p> <p>The Bonds shall only be offered to (i) non-“U.S. persons” in “offshore transactions” (each as defined in Rule 902 of Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”)), and (ii) to persons located in the United States, its territories and possessions that are “qualified institutional buyers” (“QIBs”) (as defined in Rule 144A under the Securities Act (“Rule 144A”)) in transactions meeting the requirements of Rule 144A or another exemption from the registration requirements of the Securities Act. In addition to the application form that each investor will be required to execute, each U.S. investor that wishes to purchase Bonds will be required to execute and deliver to the Issuer a certification in a form to be provided by the Issuer stating, among other things, that the investor is a QIB.</p> <p>The Bond Terms will contain customary terms and provisions for a U.S. Rule 144A or Regulation S (Category 3) placement.</p> <p>The Bonds may not be purchased by, or for the benefit of, persons resident in Canada.</p>
Transfer restrictions:	<p>For 40 days from the issuance of the Bonds (the “Compliance Period”), the Bonds may only be reoffered, resold, pledged or otherwise transferred to (i) a non-U.S. person in an offshore transaction or (ii) a person whom the seller and/or any person acting on its behalf reasonably believes is a QIB, in a transaction meeting the requirements of Rule 144A. Each person transferring Bonds during the Compliance Period is required to arrange such trades through the Joint Lead Managers and to obtain a certificate or taped telephonic confirmation from the transferee certifying as to such transferee’s status as a non-U.S. person or QIB, as the case may be.</p> <p>During Compliance Period, the Bonds will have ISIN NO 0010886336. Upon expiration of the Compliance Period the Bonds will automatically be assigned a new ISIN, being ISIN NO 0010886328, without any action necessary on the part of the Bondholders, and such new ISIN shall apply for the remaining term of the Bond Issue.</p> <p>After the expiration of the Compliance Period, Bondholders located in the United States will not be permitted to transfer the Bonds except (a) to the Issuer, (b) pursuant an effective registration statement under the Securities Act, (c) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, in a transaction meeting the requirements of Rule 144A, (d) to a non-U.S. person in an offshore transaction satisfying the requirements of Rule 904 of Regulation S under the Securities Act, and (e) in accordance with Rule 144 under the Securities Act (if available) and (f) pursuant to any other available exemption from registration under the Securities Act. The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.</p>

Oslo, 18 June 2020

American Tanker, Inc.
As Issuer

**American Shipping Company ASA
American Tanker Holding Company, Inc.**
As Guarantors

**Arctic Securities, Clarksons Platou Securities, Pareto Securities and Skandinaviska Enskilda Banken AB (publ),
Oslo Branch**
As Joint Lead Managers

APPENDIX – TAXATION

- (a) Each Obligor is responsible for withholding any United States withholding tax imposed by applicable law on any payments of interest to be made by or on behalf of it in relation to the Finance Documents.
- (b) If any tax (whether stated to be a tax, assessment, governmental charge or otherwise) is withheld in respect of the Bonds by or on behalf of each Obligor under the Finance Documents, the Obligors shall:
 - (i) subject to the exceptions and limitations set forth in paragraph (c) below, gross up the amount of the payment due from it (or on behalf of it) up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received by such person if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required Tax deduction or withholding has been made.
- (c) Paragraph (b) shall not apply:
 - (i) to any Tax imposed by reason of the Bondholder (or the beneficial owner for whose benefit such Bondholder holds one or more Bonds), or a fiduciary, settlor, beneficiary, member or shareholder of the Bondholder if the relevant Bondholder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary Bondholder, being considered as:
 - (A) being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States;
 - (B) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the Bonds, the receipt of any payment or the enforcement of any rights relating to the Bonds), including being or having been a citizen or resident of the United States or being or having been present in the United States;
 - (C) being or having been (or failing to certify as not being or not having been) a personal holding company, a passive foreign investment company or a controlled foreign corporation for United States income tax purposes, a corporation that has accumulated earnings to avoid U.S. federal income tax, or a foreign tax exempt organisation with respect to the United States;
 - (D) being or having been (or failing to certify as not being or not having been) a “10-percent shareholder” of the Issuer as defined in section 871(h)(3) or 881(c)(3) of the United States Internal Revenue Code of 1986, as amended (the “Code”) or any successor provision; or
 - (E) being (or failing to certify as not being or not having been) a bank purchasing the Bonds in the ordinary course of its lending business; or
 - (ii) to any Tax that is payable otherwise than by withholding by the Issuer from payments made by it, a paying agent or Euroclear to the Bondholders; or

- (iii) to any Tax or other withholding obligation imposed under Sections 1471 through 1474 of the Code (commonly referred to as FATCA) (or any amended or successor provisions), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code; or
- (iv) to any Tax to the extent such Tax would not have been imposed but for the failure of the Bondholder or any other person:
 - (A) to provide a properly completed and executed Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI or Form W-8IMY (and related documentation), as applicable, or any subsequent version thereof or successor thereto and to update such forms or certifications if any such forms or certifications previously delivered expire or become obsolete or inaccurate in any respect; or
 - (B) upon receiving a reasonable prior written notice, to otherwise comply with any applicable certification, identification, backup withholding or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the Bondholder or beneficial owner of one or more Bonds, if compliance is required by any applicable law, regulation or tax treaty to which the United States is a party as a precondition to partial or complete exemption from such Tax; or
- (v) payments to, or to a third party on behalf of, a Bondholder where no such withholding would have been required to be made if the Bonds, at the time of payment, had been credited to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside the United States; or
- (vi) payments to the extent such withholding or deduction is payable by or on behalf of a Bondholder who could lawfully mitigate (but has not so mitigated) such withholding by:
 - (A) complying or procuring that any third party complies with any statutory requirements; or
 - (B) by making or procuring that a third party makes a declaration of non-residence; or
 - (C) other similar claim for exemption to any Tax authority in the place where the payment is effected; or
- (vii) to any Bondholder that is not the sole beneficial owner of the Bonds, or a portion of the Bonds, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficial owner with respect to the Bondholder, a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;
- (viii) where such withholding is imposed on a payment to or for an individual and is required to be made pursuant to Council Directive 2003/48/EC on the taxation of savings income or any other directive or law implementing or complying with, or introduced in order to conform to, such Directive, the ECOFIN Council meeting of 26-27 November 2000 or any other law

implementing or complying with any arrangement entered into between the EU member states and certain third countries and territories in connection with such Directive (including, for the avoidance of doubt, any replacement directive or law); or

- (ix) to any combinations of paragraph (c) (i)-(viii).
- (d) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (e) The Bond Trustee shall not have any responsibility with respect to obtaining information about the Bondholders or any other information relevant for the Tax obligations referred to herein or with respect to any Tax payable by any party pursuant to these Bond Terms.