



Nordic American Tanker Shipping Ltd. (NAT)-(NYSE:NAT) Letter to Shareholders from the Chairman and CEO

Hamilton, Bermuda, May 19, 2009

Dear Shareholder,

In today's volatile situation in the international financial markets many shareholders are contacting us to learn more about the situation of the company. Therefore, I am personally writing this letter to you. In particular, I wish to comment on value creation and growth.

In short, Nordic American is well positioned for further strong growth and increase of its dividend capacity.

Nordic American has:

- a strong balance sheet, a positive cash position, no net debt and a unused credit line of \$500 million which offers us financial flexibility
- the financial capacity to acquire vessels without issuing more equity at this time
- a low cash break-even level, and
- a full pay out dividend model.

In January, we announced the agreement to acquire our 15th suezmax tanker and in early May 2009 we announced the acquisition of our 16th suezmax tanker. The cost of these two vessels, in total about \$114 million, will be paid from out of our available capital resources prior to the recent equity offering.

On May 18, 2009, we closed the previously announced underwritten public offering from which we raised \$130 million, before expenses. These funds will be used for further acquisitions beyond our 16th suezmax tanker.

With the offering, we have positioned the company for further expansion. Such an expected expansion has as its main objective to enhance the ability of the company to deliver higher dividends and earnings per share than had the expansion not taken place. In the autumn of 2004 our fleet stood at three ships. Now we have 16 ships.

In the period between the autumn of 2004 and now, our fleet has grown faster than our company's share count. The result is that under our dividend policy, each share receives a higher cash dividend than had the growth process not taken place.

Our recent equity offering and our credit facility place us in the current position of being able to acquire more vessels without having to issue additional equity at this time. We expect to increase our fleet further during 2009 - with no guarantee being given in this regard.

We have a non-bureaucratic and streamlined decision making process and our board can decide an acquisition very quickly when and if the opportunity arises.

We normally undertake equity offerings in order to fund future acquisitions, not to finance ships that we already own. We do not go for an equity offering if we believe it will be dilutive to dividends and earnings per share over time. This is because our main objective is to achieve the best total return for our shareholders - an expression which indicates the value creation taking place. The concept of total return is the sum of the stock price and the dividend, assuming that the dividend is reinvested in the stock.

Nordic American has over the years created consistent value to our shareholders. We have a young and modern fleet with an average age of about 8 years. Over the years we have kept the average age profile down in the growth process. The useful life of a vessel is 25 years or more.

We focus on cost efficient operations and, including all cash expenses, we estimate that our cash break-even for our trading fleet is below \$10,000 per day per vessel. When the spot suezmax tanker rates are above this level, you can expect that our company will pay a dividend. This cash break-even rate is very low compared with other companies in the industry.

We often receive questions about our dividend. The amount of our dividend per share is above all a reflection of the level of the spot tanker market. In stronger suezmax spot tanker markets the quarterly dividend can be expected to be higher than in a weaker spot rate environment. For the whole year 2008, the Company's dividend was \$5.26. The Company has now 42,204,903 shares outstanding.

The last five years, as from 2004 up to end 2008, the average annual cash dividend yield paid to shareholders has been about 13.9% per annum - being the cash dividend over the average stock price each year. Over a longer period the same strong yield picture is clear. Our Board of Directors is committed to continuing the full pay out dividend policy. The Company has paid a dividend for 47 consecutive quarters since the autumn of 1997 when the first three vessels were delivered and commenced operations.

I am optimistic about the future of Nordic American. In one year or so NAT can be expected to have a substantially higher dividend and earnings capacity than today. We are well placed in a strong rate environment. In a weaker spot tanker market, we can strengthen our position in particular relative to the companies that face financial difficulties. We have achieved a lot in pursuing our main objective - the best possible total return and value creation.

We shall be faithful to our strategy and stay the course.

Going forward, we shall continue to safeguard the quality of our balance sheet.

Many shareholders contact us expressing views and recommendations. Please continue contacting us for any question or comment you may have. My email is herbjorn.hansson@scandiamerican.com

For other addresses, please see the end of this message.

All the best!

Sincerely,
Herbjorn Hansson
Chairman & CEO

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,” “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 piracy, accidents or political events, vessels breakdowns and instances of off-hire, failure on the part of a seller to complete a sale to us 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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