



Nordic American Tanker Shipping Ltd. - (NYSE: NAT) - Cancellation of Director and Employee Stock Options

Hamilton, Bermuda, August 14, 2009

Nordic American Tanker Shipping Ltd. (the "Company") today announced that it has cancelled all stock options (400,000) reserved for issuance under the 2004 Stock Incentive Plan including the 320,000 options previously granted to its directors (10,000 each, 60,000 in total), to the Chairman and Chief Executive Officer (100,000), to employees of the Company (80,000) and to employees of its Manager (80,000). The Stock Incentive Plan was established in November 2004 when the Company became an operating company.

The stock options were cancelled in exchange for a payment equal to the difference between the strike price of the options and the closing price of \$30.70 per share for the Company's shares on the New York Stock Exchange August 13, 2009. The compensation of \$7.23 per option results in a cash outlay of \$2.3 million for the Company, which is covered by cash on hand. The cancellation of the options is expected to result in a charge of approximately \$450,000 to the Company's Profit & Loss account for the 3rd quarter 2009.

Following the cancellation described above, there are no more stock options reserved for issuance under the Company's Stock Incentive Plan.

Herbjorn Hansson, the Company's Chairman and Chief Executive Officer stated: "When the plan was introduced the Company had only three ships. With an operating fleet of 14 Suezmax tankers and two newbuildings to be delivered next year, the Company today is very different, and the cancellation of the options was appropriate. I intend to use the net after-tax proceeds from the cancellation of my 100,000 options to purchase shares of the Company in the open market."

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 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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