# Jefferies Shipping Conference

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# Principles That Guide OSG Through Cycles

## Financial Strength

- **Robust financial profile**
  - $1.8B in liquidity
  - $571M in cash
  - $185M cash generated from operations 1H09
  - $1.4B locked in- revenue
- **1H09 Results**
  - $541M TCE revenues
  - $220M EBITDA
  - $113M net income
  - $4.20 earnings per share

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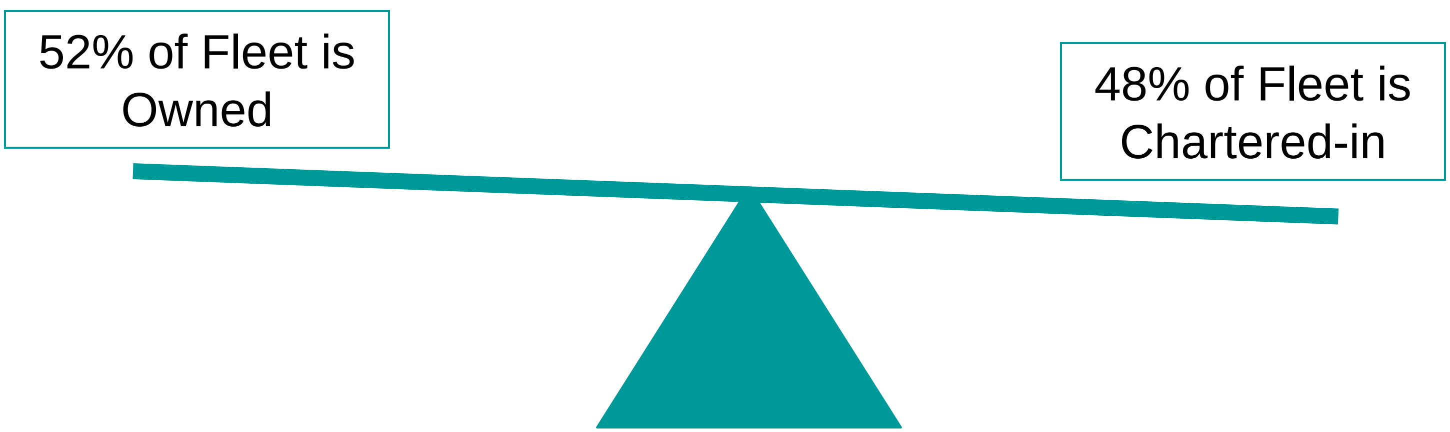
## Commercial Platform — Trading Flexibility



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## Commercial Platform — Scale

| | Owned | Chartered-in | Pool | Total | OSG Newbuild |
|---|---|---|---|---|---|
| **VLCC / FSO** | 8 | 9 | 23 | **40** | 5 |
| **Suezmax** | - | 2 | 4 | **6** | - |
| **Aframax / Lightering** | 8 | 12 | 33 | **53** | - |
| **Panamax** | 9 | 2 | 11 | **22** | - |
| **LR2 / LR1** | 2 | 3 | - | **5** | 4 |
| **MR** | 10 | 16 | 6 | **32** | 8 |
| **U.S. Flag** | 14 | 7 | - | **21** | 7 |
| **LNG** | 4 | - | - | **4** | - |
| **Other** | 1 | - | - | **1** | 1 |
| **TOTAL** | **56** | **51** | **77** | **184** | **25** |

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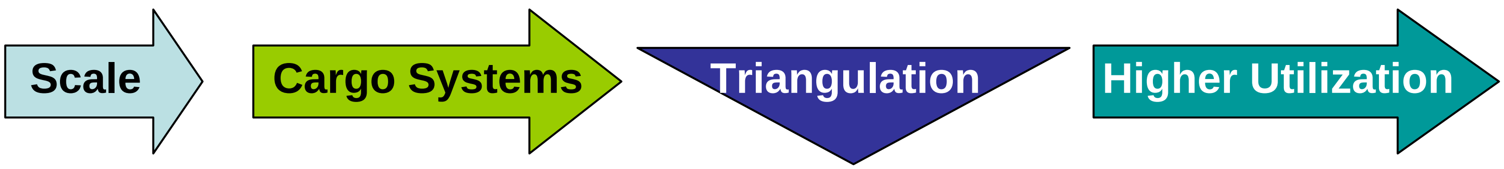
## In-house Technical Management Platform

# Key Points of Investment Differentiation

- Primarily long-term contracts in U.S. Flag; 100% long-term contracts in LNG
- Commercial pool platform in crude and product segments




- Recent expansion into higher return, adjacent markets
  - Floating Storage and Offloading Services (FSO)
  - U.S. Gulf of Mexico Ultra-deepwater Shuttle Tankers
- Current platform allows for scalability
  - Can double the fleet managed with modest G&A increases
- Breadth and experience of management critical to success
- FFA cover in 2009 plus commercial pool strategy well-position OSG to outperform the competition

# Outperforming in Tough Markets

*In daily rates per day*

| | | OSG Spot[1] | Benchmark[2] | Outperformance |
|---|---|---|---|---|
| VLCC (TI) | Q1 | 47,228 | 40,400 | 6,828 |
| | Q2 | 32,020 | 13,300 | 18,720 |
| | Q3 (QTD) | 25,000 | 11,016 | 13,984 |
| Suezmax (SI) | Q1 | 40,054 | 37,500 | 2,554 |
| | Q2 | 23,847 | 17,700 | 6,147 |
| | Q3 (QTD) | 17,500 | 7,915 | 9,585 |
| Aframax (AI) | Q1 | 28,449 | 24,200 | 4,249 |
| | Q2 | 16,757 | 9,200 | 7,557 |
| | Q3 (QTD) | 15,000 | 3,575 | 11,425 |
| Panamax (PI) | Q1 | 27,318 | 21,300 | 6,018 |
| | Q2 | 18,776 | 13,900 | 4,876 |
| | Q3 (QTD) | 16,000 | 10,673 | 5,327 |
| MR (CPI) | Q1 | 22,359 | 11,000 | 11,359 |
| | Q2 | 16,715 | 6,800 | 9,915 |
| | Q3 (QTD) | 12,000 | 3,902 | 8,098 |

[1] See Company press releases for reported spot TCE rates/day for Q1 and Q2; YTD Q3 in 8/5/09 press release. [2]Benchmark rates are sourced from OSG Form 10-Q see additional detail below.
Benchmark spot rates for VLCCs based on 60% AG-East and 40% AG-West; Suezmaxes W. Africa to USG; Aframaxes Caribbean to USG and USAC; Panamaxes based on 50% Carib-USG and 50% Ecuador to USWC; MRs based on 60% trans-Atlantic and 40% Caribbean to USAC

# Today's Takeaways

- OSG's conservative financial strategy looks to maintains ample liquidity and moderate leverage levels
  - Preferred liquidity levels of ~$1B
  - With liquidity-adjusted debt to capital at 26.8%, debt levels can increase by $2.7B under current covenants[1]
- Focused cost cutting efforts
  - G&A expected to decline by ~$25M in 2009
  - Additional $5 to $10M targeted for 2010-2011
  - Tight management of vessel OPEX
- Actively negotiating with newbuild yards and achieving results
- Incremental financing obtained to fuel growth
- Asset / fleet / company acquisitions will be disciplined
  - Focused on four core or adjacent markets
- Global staff focused on 25+ internal priorities that improve the Company today

[1] See page 11 in 2Q09 earnings presentation dated August 5, 2009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