

NORDIC AMERICAN TANKERS Ltd

Form POSASR

March 19, 2013

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As filed with the Securities and Exchange Commission on March 18, 2013.

Registration Statement No. 333-183639

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1

TO

FORM F-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

NORDIC AMERICAN TANKERS LIMITED

(Exact name of registrant as specified in its charter)

Islands of Bermuda
(State or other jurisdiction of
incorporation or organization)

N/A
(I.R.S. Employer
Identification No.)

Nordic American Tankers Limited

Attn: Herbjørn Hansson

LOM Building

27 Reid Street

Hamilton HM 11

Bermuda

(441) 292-7202

(Address and telephone number of Registrant s

principal executive offices)

Seward & Kissel LLP

Attention: Gary J. Wolfe, Esq.

One Battery Park Plaza

New York, New York 10004

(212) 574-1200

(Name, address and telephone number of agent

for service)

Copies to:

Gary J. Wolfe, Esq.

Seward & Kissel LLP

One Battery Park Plaza

New York, New York 10004

(212) 574-1200

Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective as determined by market conditions and other factors.

If the only securities being registered on the Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. x

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Amount to be Registered(1) | Proposed Maximum Aggregate Offering Price | Amount of Registration Fee |
|---|----------------------------------|--|-------------------------------|
| Primary Offering | | | |
| Common Shares, par value \$0.01 per share | | | |
| Preferred Share Purchase Rights(4) | | | |
| Preferred Shares | | | |
| Debt Securities(5) | | | |
| Warrants(6) | | | |
| Purchase Contracts(7) | | | |
| Rights(8) | | | |
| Units(9) | | | |
| Primary Offering Total | | \$200,000,000(1)(2) | \$27,300(3) |
| Total | | \$200,000,000 | \$27,300 |

1. Such amount in U.S. dollars or the equivalent thereof in foreign currencies as shall result in an aggregate initial public offering price for all securities of \$200,000,000. Also includes such indeterminate amount of debt securities and common shares and preferred shares as may be issued upon conversion or exchange for any other debt securities or preferred shares that provide for conversion or exchange into other securities.
2. Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933. Pursuant to General Instruction II.C of Form F-3, the table does not specify by each class information as to the proposed maximum aggregate offering price. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder. In no event will the aggregate offering price of all securities sold by Nordic American Tankers Ltd. pursuant to this registration statement exceed \$200,000,000.
3. Calculated in accordance with Rule 457(o) under the Securities Act of 1933.
4. Preferred share purchase rights are not currently separable from the common shares and are not currently exercisable. The value attributable to the preferred share purchase rights, if any, will be reflected in the market price of the common shares.
5. If any debt securities are issued at an original issue discount, then the offering may be in such greater principal amount as shall result in a maximum aggregate offering price not to exceed \$200,000,000.
6. There is being registered hereunder an indeterminate number of warrants as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of \$200,000,000.
7. There is being registered hereunder an indeterminate number of purchase contracts as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of \$200,000,000.
8. There is being registered hereunder an indeterminate amount of rights as may from time to time be added at indeterminate prices not to exceed an aggregate offering price of \$200,000,000.
9. There is being registered hereunder an indeterminate number of units as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of \$200,000,000. Units may consist of any combination of the securities offered by Nordic American Tankers Ltd. registered hereunder.

This Post-Effective Amendment No. 1 to the Registration Statement on Form F-3 (File No. 333-183639) of Nordic American Tankers Limited, or the Company, is being filed because the Company expects that it will no longer be a well-known seasoned issuer, as such term is defined in Rule 405 under the Securities Act of 1933, as amended, upon the filing of its annual report on Form 20-F for the year ended December 31, 2012. The reason the Company expects that it will no longer be a well-known seasoned issuer is because the worldwide market value of its outstanding common shares held by non-affiliates is expected to be less than \$700 million during the 60-day period preceding the date of such filing. Accordingly, the Company is filing this Post-Effective Amendment for the purposes of including information required by registrants who are no longer well-known seasoned issuers as well as to register a specific amount of securities and pay the associated filing fee.

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Prospectus

\$ 200,000,000

NORDIC AMERICAN TANKERS LIMITED

Common Shares, Preferred Share Purchase Rights, Preferred Shares,

Debt Securities, Warrants, Purchase Contracts, Rights and Units

Through this prospectus, we may periodically offer:

- (1) our common shares (including preferred share purchase rights),
- (2) our preferred shares,
- (3) our debt securities,
- (4) our warrants,
- (5) our purchase contracts
- (6) our rights, and
- (7) our units.

The prices and other terms of the securities that we will offer will be determined at the time of their offering and will be described in a supplement to this prospectus.

Our common shares are currently listed on the New York Stock Exchange under the symbol NAT. The last reported sales price of our common shares on March 14, 2013 was \$9.33.

The securities issued under this prospectus may be offered directly or through underwriters, agents or dealers. The names of any underwriters, agents or dealers will be included in a supplement to this prospectus.

An investment in these securities involves a high degree of risk. See the section entitled Risk Factors on page 7 of this prospectus, and other risk factors contained in the applicable prospectus supplement and in the documents incorporated by reference herein and therein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2013.

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We prepare our financial statements, including all of the financial statements included or incorporated by reference in this prospectus, in U.S. dollars and in conformity with U.S. generally accepted accounting principles, or U.S. GAAP. We have a fiscal year end of December 31.

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission, or the Commission, using a shelf registration process. Under the shelf registration process, we may sell our common shares (including preferred share purchase rights), preferred shares, debt securities, warrants, purchase contracts and units described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide you with a prospectus supplement that will describe the specific amounts, prices and terms of the offered securities. We may file a prospectus supplement in the future that may also add, update or change the information contained in this prospectus. You should read carefully both this prospectus and any prospectus supplement, together with the additional information described below.

This prospectus and any prospectus supplement are part of a registration statement we filed with the Commission and do not contain all the information in the registration statement. Forms of the indentures and other documents establishing the terms of the offered securities are filed as exhibits to the registration statement. Statements in this prospectus or any prospectus supplement about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. For further information about us or the securities offered hereby, you should refer to the registration statement, which you can obtain from the Commission as described below under the section entitled *Where You Can Find Additional Information*.

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus and the applicable supplement to this prospectus is accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless we indicate otherwise. Our business, financial condition, results of operations and prospects may have changed since those dates.

Other than in the United States, no action has been taken by us or any underwriters that would permit a public offering of the common shares offered by this prospectus in any jurisdiction where action for that purpose is required. The common shares offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such shares be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any common shares offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Common shares may be offered or sold in Bermuda only in compliance with the provisions of the Companies Act 1981, the Investment Business Act of 2003 and the Exchange Control Act 1972, and related regulations of Bermuda which regulate the sale of securities in Bermuda. In addition, specific permission is required from the Bermuda Monetary Authority, or the BMA, pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of securities of Bermuda companies, other than in cases where the BMA has granted a general permission. The BMA in its policy dated June 1, 2005 provides that where any equity securities, which includes our common shares, of a Bermuda company are listed on an appointed stock exchange, general permission is given for the issue and subsequent transfer of any securities of a company from and/or to a non-resident, for as long as any equities securities of such company remain so listed. The New York Stock Exchange, or NYSE, is an appointed stock exchange under Bermuda law.

Notwithstanding the above general permission, the BMA has granted the Company permission, subject to the common shares of the Company being listed on an appointed stock exchange, to issue, grant, create, sell and transfer any of the Company's shares, stock, bonds, notes (other than promissory notes), debentures, debenture stock, units under a unit trust scheme, shares in an oil royalty, options, warrants, coupons, rights and depository receipts, or collectively, the Securities, to and among persons who are either resident or non-resident of Bermuda for exchange control purposes, whether or not the Securities are listed on an appointed stock exchange. The BMA and the Registrar of Companies accept no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed in this prospectus.

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PROSPECTUS SUMMARY

This summary provides an overview of our company and our business. This summary is not complete and does not contain all of the information you should consider before purchasing our securities. You should carefully read all of the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement, including the Risk Factors and our financial statements and related notes contained herein and therein, before making an investment decision. Unless we specify otherwise, all references in this prospectus to we, our, us and the Company refer to Nordic American Tankers Limited. *We use the term deadweight, or dwt, in describing the size of vessels. Dwt, expressed in metric tons each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry.*

Our Company

Nordic American Tankers Limited, or the Company or Nordic American, was founded on June 12, 1995 under the name Nordic American Tanker Shipping Limited under the laws of the Islands of Bermuda. We maintain our principal offices at LOM Building, 27 Reid Street, Hamilton HM 11, Bermuda. Our telephone number at such address is (441) 292-7202. We are an international tanker company that currently owns 20 Suezmax tankers that average approximately 156,000 dwt each and our vessels in our fleet are homogenous, interchangeable and should be viewed as the Nordic American System. The Company was formed for the purpose of acquiring and chartering three double-hull Suezmax tankers that were built in 1997. In the autumn of 2004, the Company owned three vessels and at the end of 2012 the Company owned 20 vessels. We expect that the expansion process will continue over time and that more vessels will be added to our fleet.

We describe the Nordic American System as follows:

It is essential for Nordic American to have an operating model that is sustainable in both a weak and a strong tanker market, which we believe differentiates Nordic American from other publicly traded tanker companies. The Nordic American System is transparent and predictable. As a general policy, the Company has a conservative risk profile. Our dividend payments are important for our shareholders, and at the same time we recognize the need to expand our fleet under conditions advantageous to the Company.

NAT maximizes cash flows by employing all of its vessels in the spot market through the Orion Tanker Pool which increases the efficiency and utilization of the fleet. The spot market gives better earnings than the time charter market over time.

Growth is a central element of the Nordic American System. It is essential that NAT grows accretively, which means that over time our transportation capacity increases more percentage-wise than our share count.

Nordic American has one type of vessel only - the Suezmax vessel. This type of vessel can carry one million barrels of oil. The Suezmax vessel is highly versatile, able to be utilized on most long-haul trade routes. A homogenous fleet streamlines operating and administration costs, which helps keep our cash-breakeven point low.

The valuation of NAT in the stock market should not be based upon net asset value (NAV), a measure that only is linked to the steel value of our ships. NAT has its own ongoing system value with a homogenous fleet.

We pay our dividend from cash on hand. NAT has a cash break-even level of about \$12,000 per day per vessel, which we consider low in the industry. The cash break-even rate is the amount of average daily revenue our vessels would need to earn in the spot tanker market in order to cover our vessel operating expenses, cash general and administrative expenses, interest expense and all other cash charges.

We chartered all of our vessels in the spot market pursuant to a cooperative arrangement with Gemini Tankers LLC until November 24, 2011. In November 2011, the Orion Tankers pool was established with Orion Tankers Ltd. as pool manager and our vessels were transferred from the Gemini Tankers LLC arrangement to

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the Orion Tankers pool upon completion of previously fixed charters within Gemini Tankers LLC. In September 2012, it was agreed that Frontline would withdraw its nine Suezmax tankers from the pool during the fourth quarter of 2012. The withdrawal of these vessels was completed effective November 5, 2012. Effective January 2, 2013, the Company acquired Frontline's shares in Orion Tankers Ltd. at its nominal book value as of December 31, 2012, after which Orion Tankers Ltd. became a wholly-owned subsidiary of the Company.

As of the date of this prospectus, all of our vessels are employed in the spot market pursuant to our cooperative arrangement with Orion Tankers Ltd. The following table provides information regarding the status of each vessel.

| Vessel | Yard | Built | Dwt | Delivered to us |
|------------------|------------|-------|---------|-----------------|
| Nordic Hawk | Samsung | 1997 | 151,475 | October 1997 |
| Nordic Hunter | Samsung | 1997 | 151,400 | December 1997 |
| Nordic Voyager | Dalian New | 1997 | 149,591 | November 2004 |
| Nordic Freedom | Daewoo | 2005 | 163,455 | March 2005 |
| Nordic Fighter | Hyundai | 1998 | 153,328 | March 2005 |
| Nordic Discovery | Hyundai | 1998 | 153,328 | August 2005 |
| Nordic Sprite | Samsung | 1999 | 147,188 | February 2009 |
| Nordic Grace | Hyundai | 2002 | 149,921 | July 2009 |
| Nordic Harrier | Samsung | 1997 | 151,475 | August 1997 |
| Nordic Saturn | Daewoo | 1998 | 157,332 | November 2005 |
| Nordic Jupiter | Daewoo | 1998 | 157,411 | April 2006 |
| Nordic Apollo | Samsung | 2003 | 159,999 | November 2006 |
| Nordic Cosmos | Samsung | 2003 | 159,998 | December 2006 |
| Nordic Moon | Samsung | 2002 | 159,999 | November 2006 |
| Nordic Mistral | Hyundai | 2002 | 164,236 | November 2009 |
| Nordic Passat | Hyundai | 2002 | 164,274 | March 2010 |
| Nordic Vega | Bohai | 2010 | 163,000 | December 2010 |
| Nordic Breeze | Samsung | 2011 | 158,597 | August 2011 |
| Nordic Aurora | Samsung | 1999 | 147,262 | September 2011 |
| Nordic Zenith | Samsung | 2011 | 158,645 | November 2011 |

The commercial and technical management of our vessels is handled by third party companies under the supervision of Scandic American Shipping Ltd., or the Manager. The commercial management services for each of the vessels in our fleet is provided through our spot market cooperative arrangement with Orion Tankers.

The ship management firm of V.Ships Norway AS, or V.Ships, provides the technical management for 15 of the Company's vessels. The ship management firm of Colombia Shipmanagement Ltd, Cyprus provides the technical management for four of the Company's vessels. The ship management firm Hellepont Ship Management GmbH & Co KG, Germany provides the technical management for one of the Company's vessels.

We believe that the compensation under our commercial and technical management agreements is in accordance with industry standards.

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Set forth below are the Company's unaudited interim financial results for the three- and twelve-month periods ended December 31, 2012.

Amounts in USD 000

CONDENSED STATEMENTS OF OPERATION

| Amounts in USD 000 | Three Months Ended | | | Twelve Months Ended | |
|--|----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| | December 31, 2012 | September 30, 2012 | December 31, 2011 | December 31, 2012 | December 31, 2011 |
| Net Voyage Revenues | 17,528 | 15,461 | 19,257 | 92,012 | 79,866 |
| Vessel Operating Expenses | (16,012) | (16,198) | (15,392) | (63,965) | (54,859) |
| General and Administrative Expenses | (2,148) ¹ | (3,593) ¹ | (4,789) ¹ | (14,700) ² | (15,394) ² |
| Depreciation Expenses | (17,615) | (17,431) | (17,038) | (69,219) | (64,626) |
| Impairment Loss on Vessel | (12,030) | 0 | 0 | (12,030) | 0 |
| Loss on Contract | 0 | 0 | 0 | 0 | (16,200) |
| Net Operating Income (Loss) | (30,277) | (21,761) | (17,962) | (67,902) | (71,213) |
| Interest Income | 57 | 85 | 1,186 | 357 | 1,187 |
| Interest Expense | (2,331) | (1,624) | (827) | (5,854) | (2,130) |
| Other Financial Income (Expense) | 17 | (44) | (51) | 207 | (142) |
| Total Other Expenses | (2,257) | (1,583) | 308 | (5,290) | (1,085) |
| Net Income (Loss) | (32,534) | (23,344) | (17,654) | (73,192) | (72,298) |
| Basic Earnings (Loss) per Shares | (0.61) ³ | (0.44) | (0.37) | (1.39) | (1.53) |
| Basic Weighted Average Number of Common Shares Outstanding | 52,915,639 | 52,915,639 | 47,302,241 | 52,547,623 | 47,159,402 |
| Common Shares Outstanding | 52,915,639 | 52,915,639 | 47,303,394 | 52,915,639 | 47,303,394 |

- 1) The general and administrative expenses, or the G&A, for the three months ended December 31, 2012, September 30, 2012 and December 31, 2011 include non-cash charges of -\$0.5 million, \$1.2 million, and \$0.9 million, respectively, which are charges related to share based compensation and pension cost.
- 2) The G&A for the twelve months ended December 31, 2012 and December 31, 2011 include non-cash charges of \$4.2 million and \$3.1 million, respectively, which are charges related to share based compensation and pension cost.
- 3) A portfolio impairment policy reduces the loss to -\$0.39 per share

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| Amounts in USD 000 | December 31, 2012 | December 31, 2011 |
|---|----------------------|----------------------|
| Cash and Cash Equivalents | 55,511 | 24,006 |
| Marketable Securities | 549 | 583 |
| Accounts Receivable, net | 54 | 17,586 |
| Accounts Receivable, net related party | 12,862 | 1,571 |
| Prepaid Expenses and Other Current Assets | 9,597 | 39,354 |
| Vessels, Net | 964,855 | 1,022,793 |
| Related Party receivables (Orion Tanker Pool) | 36,987 | 18,941 |
| Other Non-current Assets | 5,209 | 551 |
| Total Assets | 1,085,624 | 1,125,385 |
| Accounts Payable | 3,095 | 4,378 |
| Accounts Payable, related party | 1,536 | 926 |
| Accrued liabilities | 10,343 | 12,642 |
| Long-term Debt | 250,000 | 230,000 |
| Deferred Compensation Liability | 11,267 | 9,876 |
| Shareholders' Equity | 809,383 | 867,563 |
| Total Liabilities and Shareholders' Equity | 1,085,624 | 1,125,385 |

CONDENSED STATEMENTS OF CASH FLOW

| Amounts in USD 000 | Twelve Months Ended | |
|--|----------------------|----------------------|
| | December 31, 2012 | December 31, 2011 |
| Net Cash Provided by (Used in) Operating Activities | (567) | (12,163) |
| Investment in Marketable Securities | 0 | (795) |
| Investment in Vessels | (2,745) | (91,536) |
| Repayment of Deposit and Loan, Nordic Galaxy | 9,000 | 10,609 |
| Other | (129) | (61) |
| Net Cash Provided by (Used in) Investing Activities | 6,126 | (81,783) |
| Net Proceeds from Issuance of Common Stock | 75,582 | 4 |
| Proceeds from Use of Credit Facility | 270,000 | 155,000 |
| Repayments on Credit Facility | (250,000) | 0 |
| Credit Facility Costs | (6,139) | 0 |
| Dividends Paid | (63,497) | (54,273) |
| Net Cash Provided by (Used in) Financing Activities | 29,946 | 100,731 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 31,505 | 6,785 |
| Cash and Cash Equivalents at Beginning of Period | 24,006 | 17,221 |

| | | |
|---|---------------|---------------|
| Cash and Cash Equivalents at End of Period | 55,511 | 24,006 |
|---|---------------|---------------|

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| Amounts in USD 000 | Three Months Ended | | | Twelve Months Ended | |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 31, 2012 | September 30, 2012 | December 31, 2011 | December 31, 2012 | December 31, 2011 |
| Voyage Revenues | 44,670 | 20,085 | 24,629 | 130,682 | 94,787 |
| Voyage Expenses | (27,142) | (4,624) | (5,372) | (38,670) | (14,921) |
| Net Voyage Revenues ⁽¹⁾ | 17,528 | 15,461 | 19,257 | 92,012 | 79,866 |

| | Three Months Ended | | | Twelve Months Ended | |
|---|-------------------------------------|--------------------------------------|-------------------------------------|----------------------|----------------------|
| | December 31, 2012 (unaudited) | September 30, 2012 (unaudited) | December 31, 2011 (unaudited) | December 31, 2012 | December 31, 2011 |
| Net Operating Income (Loss) | (30,277) | (21,761) | (17,962) | (67,902) | (71,213) |
| Depreciation Expense | 17,615 | 17,431 | 17,038 | 69,219 | 64,626 |
| Impairment of Vessel | 12,030 | 0 | 0 | (12,030) | 0 |
| Loss on Contract | 0 | 0 | 0 | 0 | 16,200 |
| Share Based Compensation and Pension Cost | (457) | 1,168 | 891 | 4,189 | 3,129 |
| Operating Cash Flow ⁽²⁾ | (1,089) | (3,162) | (33) | 17,536 | 12,742 |

- (1) Net voyage revenues represents voyage revenues less voyage expenses such as bunker fuel, port fees, canal tolls and brokerage commissions. Net voyage revenues is included because certain investors use this data to measure a shipping company's financial performance. Net voyage revenues is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to net income or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.
- (2) Operating cash flow represents income from vessel operations before depreciation and non-cash administrative charges. Operating cash flow is included because certain investors use this data to measure a shipping company's financial performance. Operating cash flow is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to net income or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.

In January 2012, the Company issued 5,500,000 common shares at the price of \$15.57 per share in a follow-on offering. The net proceeds of the offering are expected to be used to fund future acquisitions and for general corporate purposes.

On May 21, 2012, the Company conducted its 2012 Annual General Meeting and at the meeting all of the proposed resolutions were approved, including the reduction of the Company's share premium account by approximately \$75.6 million. The reduction will be credited to the Company's contributed surplus account. Going forward, this transaction will facilitate payment of dividends and distributions under Bermuda law in accordance with the full dividend policy of the Company.

In October 2010, Nordic Harrier was redelivered, from a long-term bareboat charter agreement, to the Company, and went directly into drydock for repair. The drydock period lasted until the end of April 2011. The vessel had not been technically operated according to sound maintenance practices by Gulf Navigation Company LLC, and the vessel's condition on redelivery to us was far below the contractual obligation of the charterer. All drydock expenses were paid during 2011. We have sought compensation for these expenses, but have not been able to reach an agreement with the charterer. The arbitration procedures have started and are expected to be heard in 2013.

The Company paid a dividend of \$0.30 per share to shareholders in each of the first three quarters of 2012.

Orion Tankers Ltd. was established as equally owned by us and Frontline Ltd. (NYSE:FRO). In September 2012, it was agreed that Frontline would withdraw its nine Suezmax tankers from the pool during the fourth quarter of 2012. The withdrawal of these vessels was completed effective November 5, 2012.

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In October 2012, we entered into a new \$430 million revolving credit facility. The banking group consists of DNB Bank ASA, Nordea Bank Norge ASA and Skandinaviska Enskilda Banken

In November 2012, the Company announced that one of its vessels was detained for a short while in a U.S. port. The vessel was released in early December 2012 and was employed in the spot market. The Company has been advised by its legal counsel that it will not be prosecuted and is not part of the case.

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Effective January 2, 2013, the Company acquired Frontline Ltd.'s shares in Orion Tankers Ltd. at its nominal book value as of December 31, 2012, after which Orion Tankers Ltd. became wholly-owned subsidiary of the Company.

Effective January 10, 2013, the Company acquired 100% of the shares of Scandic American Shipping Ltd., or the Manager, from a company owned by the Chairman and Chief Executive Officer of the Company Mr. Herbjørn Hansson and his family. On January 10, 2013, the Manager became a wholly-owned subsidiary of the Company. In addition to gaining full direct control of the Manager's operations, the Company will no longer be obligated to maintain the Manager's ownership of the Company's common shares at 2%. The restricted common shares equal to 2% of our outstanding common shares issued as per the Management Agreement and the restricted common shares issued to the Manager under the 2011 Equity Incentive Plan was not part of the transaction.

Effective January, 10, 2013 the Board of Directors amended the vesting requirements for the 174,000 shares allocated to the Manager under the 2011 Equity Incentive Plan.

Effective January, 10, 2013 the Board of Directors amended the management fee. For its services under the Management Agreement, the Manager receives a management fee of \$150,000 per annum for the total fleet.

On February 11, 2013, the Company declared a dividend of \$0.16 per share in respect of the results for the fourth quarter of 2012, which was paid to shareholders on or about February 13, 2013.

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RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risks set forth below and the discussion of risks under the heading "Item 3. Key Information D. Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the Commission on April 17, 2012, and the other documents which are incorporated by reference in this prospectus, before making an investment in our securities. Please see the section of this prospectus entitled "Where You Can Find Additional Information Information Incorporated by Reference." In addition, you should also consider carefully the risks set forth under the heading "Risk Factors" in any prospectus supplement before investing in the securities offered by this prospectus. The occurrence of one or more of those risk factors could adversely impact our business, financial condition or results of operations.

We may issue additional common shares or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of our common shares.

We may issue additional common shares or other equity securities of equal or senior rank in the future in connection with, among other things, future vessel acquisitions, repayment of outstanding indebtedness, our equity incentive plan, or our Dividend Reinvestment and Direct Stock Purchase Plan, without shareholder approval, in a number of circumstances.

Our issuance of additional common shares or other equity securities of equal or senior rank would have the following effects:

our existing shareholders' proportionate ownership interest in us may decrease;

the amount of cash available for dividends payable on our common shares may decrease;

the relative voting strength of each previously outstanding common share may be diminished; and

the market price of our common shares may decline.

Industry Specific Risk Factors

If the tanker industry, which historically has been cyclical, is depressed in the future, our earnings and available cash flow may decrease.

The tanker industry is both cyclical and volatile in terms of charter rates and profitability. Spot market rates are still relatively low compared to the rates achieved in the years preceding the global financial crisis. Fluctuations in charter rates and tanker values result from changes in the supply and demand for tanker capacity and changes in the supply and demand for oil and oil products.

The factors affecting the supply and demand for tankers have been volatile and are outside of our control, and the nature, timing and degree of changes in industry conditions are unpredictable.

The factors that influence demand for tanker capacity include:

demand for oil and oil products,

supply of oil and oil products,

regional availability of refining capacity,

regional imbalances in production/demand,

global and regional economic and political conditions, including developments in international trade and fluctuations in industrial and agricultural production,

the distance oil and oil products are to be moved by sea,

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changes in seaborne and other transportation patterns, including changes in the distances over which oil and oil products are transported by sea,

weather and acts of God and natural disasters, including hurricanes and typhoons,

environmental and other legal and regulatory developments,

currency exchange rates,

competition from alternative sources of energy and from other shipping companies and other modes of transportation, and

international sanctions, embargoes, import and export restrictions, nationalizations, piracy and wars.

The factors that influence the supply of tanker capacity include:

current and expected purchase orders for tankers,

the number of tanker newbuilding deliveries,

the scrapping rate of older tankers,

conversion of tankers to other uses or conversion of other vessels to tankers,

the price of steel and vessel equipment,

the successful implementation of the phase-out of single-hull tankers,

technological advances in tanker design and capacity,

tanker freight rates, which are affected by factors that may affect the rate of newbuilding, scrapping and laying up of tankers,

the number of tankers that are out of service, and

changes in environmental and other regulations that may limit the useful lives of tankers.

Historically, the tanker markets have been volatile as a result of the many conditions and factors that can affect the price, supply and demand for tanker capacity. The current global economic crisis may reduce demand for transportation of oil over longer distances and supply of tankers to carry that oil, which may materially affect our revenues, profitability and cash flows. As of the date of this prospectus, all of our operating

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vessels are in the Orion Tankers Pool, with Orion Tankers Ltd. as pool manager. In September 2012, we agreed to purchase the 50% interest held by Frontline Ltd. (NYSE:FRO) and became the sole owner of Orion Tankers Ltd. as of January 2, 2013. We are highly dependent on spot market charter rates. If spot charter rates decline, we may be unable to achieve a level of charterhire sufficient for us to operate our vessels profitably. If we are not profitable, we may not be able to meet our obligations, including making payments on any future indebtedness, or paying dividends. Furthermore, as charter rates for spot charters are fixed for a single voyage, which may last up to several weeks, during periods in which spot charter rates are rising, we will generally experience delays in realizing the benefits from such increases, or alternatively lose this opportunity, should the rise be short-lived.

Any decrease in shipments of crude oil may adversely affect our financial performance.

The demand for our vessels and services in transporting oil derives primarily from demand for Arabian Gulf, West African, North Sea and Caribbean crude oil, which, in turn, primarily depends on the economies of the world's industrial countries and competition from alternative energy sources. A wide range of economic, social and other factors can significantly affect the strength of the world's industrial economies and their demand for crude oil from the mentioned geographical areas. One such factor is the price of worldwide crude oil. The

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world's oil markets have experienced high levels of volatility in the last 25 years. In July 2008, oil prices rose to a high of approximately \$143 per barrel before decreasing to approximately \$38 per barrel by the end of December 2008 and then rising to approximately \$92 per barrel as of the end of December 2010 and continuing to rise to approximately \$100 by the end of December 2011. In 2012, crude oil reached a high of \$118.74 per barrel and a low of \$91.19 per barrel.

Any decrease in shipments of crude oil from the above mentioned geographical areas would have a material adverse effect on our financial performance. Among the factors which could lead to such a decrease are:

increased crude oil production from other areas;

increased refining capacity in the Arabian Gulf or West Africa;

increased use of existing and future crude oil pipelines in the Arabian Gulf or West Africa;

a decision by Arabian Gulf or West African oil-producing nations to increase their crude oil prices or to further decrease or limit their crude oil production;

armed conflict in the Arabian Gulf and West Africa and political or other factors; and

the development and the relative costs of nuclear power, natural gas, coal and other alternative sources of energy.

In addition, the current economic conditions affecting the United States and world economies may result in reduced consumption of oil products and a decreased demand for our vessels and lower charter rates, which could have a material adverse effect on our earnings and our ability to pay dividends.

We are dependent on spot charters and any decrease in spot charter rates in the future may adversely affect our earnings and our ability to pay dividends.

We currently operate a fleet of 20 vessels and all vessels are employed in the spot market. We are highly dependent on spot market charter rates.

We may enter into spot charters for any additional vessels that we may acquire in the future. Although spot chartering is common in the tanker industry, the spot charter market may fluctuate significantly based upon tanker and oil supply and demand. The successful operation of our vessels in the spot charter market depends upon, among other things, obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent travelling unladen to pick up cargo. The spot market is very volatile, and, in the past, there have been periods when spot rates have declined below the operating cost of vessels. If future spot charter rates decline, then we may be unable to operate our vessels trading in the spot market profitably, meet our obligations, including payments on indebtedness, or to pay dividends. Furthermore, as charter rates for spot charters are fixed for a single voyage which may last up to several weeks, during periods in which spot charter rates are rising, we will generally experience delays in realizing the benefits from such increases.

Our ability to renew the charters on our vessels on the expiration or termination of our current charters, or on vessels that we may acquire in the future, the charter rates payable under any replacement charters and vessel values will depend upon, among other things, economic conditions in the sectors in which our vessels operate at that time, changes in the supply and demand for vessel capacity and changes in the supply and demand for the seaborne transportation of energy resources.

Our results of operations are subject to seasonal fluctuations, which may adversely affect our financial condition.

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, charter rates. Peaks in tanker demand quite often precede seasonal oil consumption peaks, as refiners and suppliers anticipate consumer demand. Seasonal peaks in oil

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demand can broadly be classified into two main categories: (1) increased demand prior to Northern Hemisphere winters as heating oil consumption increases and (2) increased demand for gasoline prior to the summer driving season in the United States. Unpredictable weather patterns and variations in oil reserves disrupt tanker scheduling. This seasonality may result in quarter-to-quarter volatility in our operating results, as our vessels will trade in the spot market. Seasonal variations in tanker demand will affect any spot market related rates that we may receive.

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Declines in charter rates and other market deterioration could cause us to incur impairment charges.

Our vessels are evaluated for impairment continuously or whenever events or changes in circumstances indicate that the carrying amount of a vessel may not be recoverable. The review for potential impairment indicators and projection of future cash flows related to the vessel is complex and requires us to make various estimates, including future freight rates and earnings from the vessel. All of these items have been historically volatile. We evaluate the recoverable amount as the undiscounted estimated cash flow from the vessels over their remaining useful lives. If the recoverable amount is less than the carrying amount of the vessel and less than the estimated fair market value, the vessel is deemed impaired. The carrying values of our vessels may not represent their fair market value at any point in time because the market prices of secondhand vessels tend to fluctuate with changes in charter rates and the cost of newbuildings. Any impairment charges incurred as a result of declines in charter rates could negatively affect our business, financial condition and operating results. Impairment charges may be limited to each individual vessel or be based on a portfolio approach. In 2012, we have impaired one vessel using an individual approach.

An over-supply of tanker capacity may lead to reductions in charter rates, vessel values, and profitability.

The market supply of tankers is affected by a number of factors such as demand for energy resources, oil, and petroleum products, as well as strong overall economic growth in parts of the world economy including Asia. If the capacity of new ships delivered exceeds the capacity of tankers being scrapped and lost, tanker capacity will increase. If the supply of tanker capacity increases and if the demand for tanker capacity does not increase correspondingly, charter rates could materially decline. A reduction in charter rates and the value of our vessels may have a material adverse effect on our results of operations and our ability to pay dividends.

Acts of piracy on ocean-going vessels could adversely affect our business

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean and in the Gulf of Aden off the coast of Somalia. Although the frequency of sea piracy worldwide decreased during 2012 to its lowest level since 2009, sea piracy incidents continue to occur, particularly in the Gulf of Aden off the coast of Somalia and increasingly in the Gulf of Guinea, with drybulk vessels and tankers particularly vulnerable to such attacks. If these piracy attacks result in regions in which our vessels are deployed being characterized as war risk zones by insurers or Joint War Committee war and strikes listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs, including costs which may be incurred to the extent we employ onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability of insurance for our vessels, could have a material adverse impact on our business, financial condition and results of operations.

Changes in the economic and political environment in China and policies adopted by the government to regulate its economy may have a material adverse effect on our business, financial condition and results of operations.

The Chinese economy differs from the economies of most countries belonging to the Organization for Economic Cooperation and Development, or OECD, in such respects as structure, government involvement, level of development, growth rate, capital reinvestment, allocation of resources, rate of inflation and balance of payments position. Prior to 1978, the Chinese economy was a planned economy. Since 1978, increasing emphasis has been placed on the utilization of market forces in the development of the Chinese economy. Annual and five-year plans, or State Plans, are adopted by the Chinese government in connection with the development of the economy. Although state-owned enterprises still account for a substantial portion of the Chinese industrial output, in general, the Chinese government is reducing the level of direct control that it exercises over the economy through State Plans and other measures. There is an increasing level of freedom and autonomy in areas such as allocation of resources, production, pricing and management and a gradual shift in emphasis to a market economy and enterprise reform. Limited price reforms were undertaken, with the result that prices for certain commodities are principally determined by market forces. Many of the reforms are unprecedented or experimental and may be subject to revision, change or abolition based upon the outcome of such experiments. Recently, China began appointing new members to its Politburo Standing Committee, who are replacing members of the committee who have served for periods of up to 10 years, which obscures the

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future policy plans of the country. If the Chinese government does not continue to pursue a policy of economic reform the level of imports to and exports from China could be adversely affected by changes to these economic reforms by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government, such as changes in laws, regulations or export and import restrictions, all of which could adversely affect our business, operating results and financial condition.

If economic conditions throughout the world do not improve, it will have an adverse impact on our operations and financial results

Negative trends in the global economy that emerged in 2008 continue to adversely affect global economic conditions. In addition, the world economy continues to face a number of challenges, including the recent turmoil and hostilities in the Middle East, North Africa and other geographic areas and countries and continuing economic weakness in the European Union. There has historically been a strong link between the development of the world economy and demand for energy, including oil and gas. An extended period of deterioration in the outlook for the world economy could reduce the overall demand for oil and gas and for our services. We cannot predict how long the current market conditions will last. However, recent and developing economic and governmental factors, together with the concurrent decline in charter rates and vessel values, have had a material adverse effect on our ability to implement our business strategy.

The continued economic slowdown in the Asia Pacific region, especially in Japan and China, may exacerbate the effect on us of the recent slowdown in the rest of the world. Before the global economic financial crisis that began in 2008, China had one of the world's fastest growing economies in terms of gross domestic product, or GDP, which had a significant impact on shipping demand. The growth rate of China's GDP decreased to approximately 7.8% for the year ended December 31, 2012, as compared to approximately 9.3% for the year ended December 31, 2011, and continues to remain below pre-2008 levels. China has imposed measures to restrain lending, which may further contribute to a slowdown in its economic growth. China and other countries in the Asia Pacific region may continue to experience slowed or even negative economic growth in the future. Moreover, the current economic slowdown in the economies of the United States, the European Union and other Asian countries may further adversely affect economic growth in China and elsewhere. Our financial condition and results of operations, as well as our future prospects, would likely be impeded by a continuing or worsening economic downturn in any of these countries.

The state of global financial markets and economic conditions may adversely impact our ability to obtain financing on acceptable terms, which may hinder or prevent us from expanding our business.

Global financial markets and economic conditions have been, and continue to be, volatile. Recently, operating businesses in the global economy have faced tightening credit, weakening demand for goods and services, deteriorating international liquidity conditions, and declining markets. There has been a general decline in the willingness by banks and other financial institutions to extend credit, particularly in the shipping industry, due to the historically volatile asset values of vessels. As the shipping industry is highly dependent on the availability of credit to finance and expand operations, it has been negatively affected by this decline.

Also, as a result of concerns about the stability of financial markets generally and the solvency of counterparties specifically, the cost of obtaining money from the credit markets has increased as many lenders have increased interest rates, enacted tighter lending standards, refused to refinance existing debt at all or on terms similar to current debt and reduced, and in some cases ceased, to provide funding to borrowers. Due to these factors, we cannot be certain that financing will be available if needed and to the extent required, on acceptable terms. In addition, these difficulties may adversely affect the financial institutions that provide us with our \$430 million revolving credit facility, or the 2012 Credit Facility, and may impair their ability to continue to perform under their financing obligations to us, which could negatively impact our ability to fund current and future obligations. As of the date of this prospectus we have drawn down an aggregate of \$250.0 million.

The instability of the euro or the inability of countries to refinance their debts could have a material adverse effect on our revenue, profitability and financial position

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility, or the EFSF, and the European Financial Stability Mechanism, or the EFSM, to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to

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establish a permanent stability mechanism, the European Stability Mechanism, or the ESM, which was established on September 27, 2012 to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries. Despite these measures, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations and the overall stability of the euro. An extended period of adverse development in the outlook for European countries could reduce the overall demand for oil and gas and for our services. These potential developments, or market perceptions concerning these and related issues, could affect our financial position, results of operations and cash flow.

Changes in the price of fuel, or bunkers, may adversely affect our profits.

Fuel, or bunkers, is a significant, if not the largest, expense in our shipping operations. Changes in the price of fuel may adversely affect our profitability. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by the Organization of Petroleum Exporting Countries (OPEC) and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Further, fuel may become much more expensive in the future, which may reduce the profitability and competitiveness of our business versus other forms of transportation, such as truck or rail.

We are subject to complex laws and regulations, including environmental laws and regulations, which can adversely affect our business, results of operations, cash flows and financial condition, and our ability to pay dividends.

Our operations are subject to numerous laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership and operation of our vessels. These requirements include, but are not limited to, the U.S. Oil Pollution Act of 1990, or OPA, the Comprehensive Environmental Response, Compensation, and Liability Act (generally referred to as CERCLA), the U.S. Clean Water Act, the U.S. Clean Air Act, the U.S. Outer Continental Shelf Lands Act, European Union Regulations, the International Maritime Organization, or IMO, International Convention on Civil Liability for Oil Pollution Damage of 1969 (as from time to time amended and generally referred to as CLC), the IMO International Convention for the Prevention of Pollution from Ships of 1973 (as from time to time amended and generally referred to as MARPOL), the IMO International Convention for the Safety of Life at Sea of 1974 (as from time to time amended and generally referred to as SOLAS), the IMO International Convention on Load Lines of 1966 (as from time to time amended), the International Convention on Civil Liability for Bunker Oil Pollution Damage (generally referred to as the Bunker Convention), the IMO's International Management Code for the Safe Operation of Ships and Pollution Prevention (generally referred to as the ISM Code), the International Convention for the Control and Management of Ships' Ballast Water and Sediments Discharge (generally referred to as the BWM Convention), and the U.S. Maritime Transportation Security Act of 2002 (generally referred to as the MTSA). Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of our vessels. We may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions, including greenhouse gases, the management of ballast waters, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of our ability to address pollution incidents. These costs could have a material adverse effect on our business, results of operations, cash flows and financial condition and our ability to pay dividends. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. Under OPA, for example, owners, operators and bareboat charterers are jointly and severally strictly liable for the discharge of oil within the 200-nautical mile exclusive economic zone around the United States (unless the spill results solely from the act or omission of a third party, an act of God or an act of war). An oil spill could result in significant liability, including fines, penalties, criminal liability and remediation costs for natural resource damages under other international and U.S. federal, state and local laws, as well as third-party damages, including punitive damages, and could harm our reputation with current or potential charterers of our tankers. We are required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Although we have arranged insurance to cover certain environmental risks, there can be no assurance that such insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on our business, results of operations, cash flows and financial condition, and our ability to pay dividends.

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Furthermore, the explosion of the Deepwater Horizon and the subsequent release of oil into the Gulf of Mexico, or other events, may result in further regulation of the tanker industry, and modifications to statutory liability schemes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and cause disruption of our business

International shipping is subject to security and customs inspection and related procedures in countries of origin, destination and trans-shipment points. Since the events of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. In 2002 the U.S. MTSA came into effect and to implement certain portions of the MTSA, the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. These security procedures can result in delays in the loading, offloading or trans-shipment and the levying of customs duties, fines or other penalties against exporters or importers and, in some cases, carriers. Future changes to the existing security procedures may be implemented that could affect the tanker sector. These changes have the potential to impose additional financial and legal obligations on carriers and, in certain cases, to render the shipment of certain types of goods uneconomical or impractical. These additional costs could reduce the volume of goods shipped, resulting in a decreased demand for vessels and have a negative effect on our business, revenues and customer relations.

Climate change and greenhouse gas restrictions may adversely impact our operations and markets.

Due to concern over the risk of climate change, a number of countries and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy. In addition, although the emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which required adopting countries to implement national programs to reduce emissions of certain gases, a new treaty may be adopted in the future that includes restrictions on shipping emissions. Compliance with changes in laws, regulations and obligations relating to climate change could increase our costs related to operating and maintaining our vessels and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions, or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

Adverse effects upon the oil and gas industry relating to climate change, including growing public concern about the environmental impact of climate change, may also adversely affect demand for our services. For example, increased regulation of greenhouse gases or other concerns relating to climate change may reduce the demand for oil and gas in the f