

**Nordic
American
Tankers**

February 24, 2016

Characterization of distribution 2015

A distribution by a corporation to its shareholders is treated as a dividend for US federal income tax purposes to the extent it comes from current or accumulated earnings and profits and as a return of capital to the extent that the distribution exceeds current or accumulated earnings and profits.

In 2015 Nordic American Tankers Limited ("NAT") distributed a total of \$123.0 million to its shareholders. Of this amount, \$107.8m (87.6%) was distributed from current earnings and \$15.2m (12.4%) was distributed as a return of capital.

NAT is a non-US company. You should consult your tax advisor regarding the federal, state, local and other tax consequences of those distributions.

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Nordic American Tankers Limited		2 Issuer's employer identification number (EIN) 98-0500048	
3 Name of contact for additional information Jan H. A. Moller	4 Telephone No. of contact +47 90 11 53 75	5 Email address of contact ir@nat.bm	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact LOM Building, 27 Reid Street		7 City, town, or post office, state, and Zip code of contact Hamilton, HM11, Bermuda	
8 Date of action See Below	9 Classification and description Distribution to common shares in excess of current and accumulated earnings and profits		
10 CUSIP number G65773106	11 Serial number(s) N/A	12 Ticker symbol NAT	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **During the year ended 2015, Nordic American Tankers Limited ("NAT") declared the following cash distribution per share for the common shareholders of the record of the specific dates:**

Date of Record:	Amount per Share:	Date Paid:
January 22, 2015	\$0.22	February 9, 2015
May 7, 2015	\$0.38	May 21, 2015
July 29, 2015	\$0.40	August 12, 2015
October 29, 2015	\$0.38	November 11, 2015

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Dividends paid in excess of the current and accumulated earnings and profits of a corporation reduce the basis of the shares the corporation pursuant to Internal Revenue Code ("IRC") 301(c)(2) and 316(a).**

Based on NAT's current and accumulated earnings and profits the distributions per share as of the dates of record reduce the basis of each common shareholder as follows:
\$0.00 per share on February 9, 2015
\$0.00 per share on May 21, 2015
\$0.09 per share on August 12, 2015
\$0.08 per share on November 11, 2015

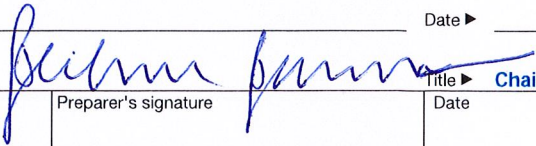
16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Based on NAT's accumulated earnings and profits for the year ended December 31, 2015, the distributions per common share should reduce the basis of each common share held by each shareholder as described in item 15.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC 301(c) and 316

18 Can any resulting loss be recognized? ▶ For U.S. federal income tax purposes, the distributions will not result in any tax loss for any common shareholders of NAT.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year. Shareholders should reduce their basis in each common share held as provided in item 15 above.

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ▶			Date ▶ <u>24/2-16</u>
Paid Preparer Use Only	Print your name ▶ <u>Herbjorn Hansson</u>	Preparer's signature	Date	Title ▶ <u>Chairman & CEO</u>
	Firm's name ▶			Check <input type="checkbox"/> if self-employed PTIN
	Firm's address ▶			Firm's EIN ▶ Phone no.