



**Nordic  
American  
Tankers**

February 22, 2019

### **Characterization of distribution 2018**

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 thereafter as a return of capital to the extent of a shareholder's basis in his shares. A distribution that exceeds current or accumulated earnings and profits and the shareholder's basis will be treated as return of capital.

In 2018 Nordic American Tankers Limited ("NAT") distributed a total of \$9.9 million to its shareholders. Based on the fact that NAT had no current or accumulated E&P at the time of these distributions, NAT believes that all of these distributions are treated as a return of capital for U.S federal income tax purpose.

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 <b>Nordic American Tankers Limited</b>		2 Issuer's employer identification number (EIN) <b>98-0500048</b>	
3 Name of contact for additional information <b>Bjorn Gjaever</b>	4 Telephone No. of contact <b>+47 33 42 73 00</b>	5 Email address of contact <b>bg@scandicamerican.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>LOM Building, 27 Reid Street</b>		7 City, town, or post office, state, and ZIP code of contact <b>Hamilton, HM11, Bermuda</b>	
8 Date of action <b>See Below</b>		9 Classification and description <b>Distribution to common shares in excess of current and accumulated earnings and profits</b>	
10 CUSIP number <b>G65773106</b>	11 Serial number(s) <b>N/A</b>	12 Ticker symbol <b>NAT</b>	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 2018, Nordic American Tankers Limited ("NAT") declared the following cash distribution per share for the common shareholders of record for the specific dates:**

Date of record:	Amount per Share:	Date Paid:
<b>February 21, 2018</b>	<b>\$0.03</b>	<b>March 9, 2018</b>
<b>May 24, 2018</b>	<b>\$0.01</b>	<b>June 12, 2018</b>
<b>August 22, 2018</b>	<b>\$0.02</b>	<b>September 7, 2018</b>
<b>November 21, 2018</b>	<b>\$0.01</b>	<b>December 07, 2018</b>

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 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 distribution per share as of the dates of record reduce the basis of each common shareholder as follows:**  
**\$0.03 per share on February 21, 2018**  
**\$0.01 per share on May 24, 2018**  
**\$0.02 per share on August 22, 2018**  
**\$0.01 per share on November 21, 2018**

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, 2018, the distributions per common share should reduce the basis of each common share held by each shareholder as described in item 15.**

