



**Nordic
American
Tankers**

February 15, 2012

Characterization of distribution 2011

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 ("E&P") and as a return of capital to the extent that it exceeds E&P.

In 2011 Nordic American Tankers Limited ("NAT") distributed a total of \$54.3 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 purposes.

You are encouraged to consult your tax advisor regarding the federal, state, local and other tax consequences of those distributions in your particular situations.