

Edgar Filing: NORDIC AMERICAN TANKER SHIPPING LTD - Form 6-K

NORDIC AMERICAN TANKER SHIPPING LTD

Form 6-K

February 26, 2007

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of February 2007

NORDIC AMERICAN TANKER SHIPPING LIMITED  
(Translation of registrant's name into English)

LOM Building  
27 Reid Street  
Hamilton, HM 11  
Bermuda

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)7:

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): \_\_\_\_\_.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached hereto as Exhibit 1 is a press release issued by Nordic American Tanker Shipping Limited on February 14, 2007 announcing its dividends and earnings in respect of the fourth quarter 2006.

Exhibit 1

[GRAPHIC OMITTED]

Nordic American Tanker Shipping Ltd. (NYSE:NAT) -

## Edgar Filing: NORDIC AMERICAN TANKER SHIPPING LTD - Form 6-K

Announces Dividend and Earnings in Respect of the 4th Quarter of 2006

Hamilton, Bermuda, February 14th, 2007

Nordic American Tanker Shipping Limited (the "Company") today announced its results for the 4th quarter of 2006. In spite of the mild weather in the Western Hemisphere and being lower than the spot market in the 3rd quarter of 2006, the market for our suezmax fleet was still strong during the 4th quarter of 2006. The Company has now declared a dividend for 37 consecutive quarters. For the last four quarters, including the dividend to be paid in respect of the 4th quarter of 2006, a total of \$4.97 has been declared in dividends, which represents 14.9% of the average daily share price over the same period. The market for our vessels so far in 2007 is well above the level achieved in the 4th quarter of 2006.

### Highlights:

-----

- o The Board of Directors has declared a dividend of \$1.00 per share in respect of the 4th quarter of 2006.
- o The dividend is expected to be paid on or about March 1st, 2007 to shareholders of record as of February 22nd, 2007.
- o Delivery of the three newly-acquired vessels did not occur until November and December, while the newly-issued shares from our follow-on offering were outstanding as of October 11th. As a result of this timing difference, our dividend and earnings per share were impacted negatively in respect of the fourth quarter of 2006. The one time dilutive effect of this timing difference is approximately \$0.17 per share.
- o After taking into account a one time non-cash charge of \$3.3 million (\$0.14 per share) associated with the follow-on offering in October 2006, net income for the 4th quarter of 2006 was \$0.52 per share based on the average number of shares outstanding during the period.
- o The Company closed a follow-on offering on October 11, which provided net proceeds to the Company of \$173.1 million based on an offering price of \$32.00 per share. The weighted average number of shares outstanding during the 4th quarter of 2006 was 26,276,292. As of February 14, 2007, there are 26,914,088 shares issued and outstanding, the same share count as at the end of 2006.
- o At the end of the year our fleet consisted of 12 modern double hull suezmax tankers.
- o Following a minor incident, one vessel underwent repair in drydock during the 4th quarter of 2006, resulting in a total of approximately 20 days offhire during the period.

### Dividends per Share, Earnings per Share and Financial Information:

-----

Operating cash flow(1) was \$26.6 million for the 4th quarter of 2006 compared to \$32.8 million for the 4th quarter of 2005. Operating cash flow was \$29.7 million for the 3rd quarter of 2006.

The Board has declared a dividend of \$1.00 per share in respect of the 4th quarter of 2006. This compares with a dividend of \$1.88 per share in respect of the 4th quarter of 2005, which was the highest dividend ever paid by the Company. The dividend in respect of the 3rd quarter of 2006 was \$1.32 per share.

## Edgar Filing: NORDIC AMERICAN TANKER SHIPPING LTD - Form 6-K

After a one time non-cash charge(2) of \$3.3 million associated with the follow-on offering in October 2006, net income for the 4th quarter of 2006 was \$13.7 million, or \$0.52 per share (EPS). This compares to a net income of \$25.1 million or \$1.51 per share for the very strong 4th quarter of 2005. In the 3rd quarter of 2006, net income was \$20.3 million, or \$0.97 per share.

Earnings per share for the whole year of 2006 were \$3.14 compared to \$3.03 for the year 2005. Dividends per share in respect of 2006 were \$4.97 compared to \$4.47 per share for the year 2005.

Our stated policy concerning the calculation of dividend per share in a quarter when an offering has taken place is set forth in footnote 3 later in this release. (3)

For the 4th quarter of 2006, operating costs of our vessels and general and administrative costs were largely according to our expectations. Across the shipping industry there is an upward pressure on vessel operating costs - in particular crewing costs, lubricating oil costs and repair and maintenance costs.

The Company is not involved in freight or interest derivatives.

We currently estimate that our average cash breakeven for our fleet of twelve vessels is approximately \$9,500 per day per vessel. The breakeven rate is the amount of average daily revenues for our vessels which would cover our vessel operating expenses, voyage expenses, if any, cash general and administrative expenses, interest expenses and other financial charges.

After the follow-on offering in October 2006 and the delivery of the three vessels during the 4th quarter of 2006, our net debt is approximately \$14.5 million per vessel. As of February 14, 2007, we have approximately \$326 million undrawn under our \$500 million revolving credit facility with maturity in 2010. There is no repayment obligation during the term of the facility, and the Company pays interest only on drawn amounts, and a commitment fee for undrawn amounts. Our strong balance sheet combined with our credit facility provides room for expansion of the fleet.

After a minor incident which took place in late September, one of our vessels was in drydock approximately 20 days during the 4th quarter of 2006. None of our other vessels was in dry dock during the 4th quarter of 2006.

The table below shows the number of vessel revenue days over the last eight quarters for all our vessels, reflecting the growth of the Company.

Period	1Q 05	2Q 05	3Q 05	4Q 05	1Q 06	2Q 06	3Q 06
Revenue days	371	549	576	697	720	808	817

The market capitalization of the Company also reflects the growth of NAT.

Period	2005	2006	Feb. 2007

## Edgar Filing: NORDIC AMERICAN TANKER SHIPPING LTD - Form 6-K

Market Capitalization as of December 31, (in millions) \$479.2      \$918.7      \$1,01

For further details on our financial results, please see later in this release.

### The Fleet:

-----

Eleven of the Company's twelve vessels are trading in the spot market or on spot related terms, while one vessel remains employed on a long term fixed rate charter.

The three vessels which we took over in November and December of 2006 produced 111 revenue days in the 4th quarter of 2006. During the 1st quarter of 2007, we have 12 vessels in operation - increasing the revenue days compared with previous quarters.

At the end of 2004 the Company had four vessels; at the end of 2005 the Company had eight vessels; and at the turn of the year 2006/2007 the Company had twelve vessels.

Vessel	Dwt *	Employment
-----	-----	-----
Gulf Scandic	151,475	Long term fixed charter
Nordic Hawk	151,475	Spot related terms
Nordic Hunter	151,400	Spot related terms
Nordic Voyager	149,591	Spot
Nordic Fighter	153,328	Spot
Nordic Freedom	163,455	Spot
Nordic Discovery	153,328	Spot
Nordic Saturn	157,332	Spot
Nordic Jupiter	157,411	Spot
Nordic Cosmos	159,998	Spot
Nordic Moon	159,999	Spot
Nordic Apollo	159,999	Spot
Total	1,868,791	

\* Scantling draft is the maximum draft at which a vessel complies with the governing strength requirements of classification societies

Performing a scheduled 10-year special survey, one vessel was out of service 22 days as from mid-January this year.

### The Market:

The average spot market rates, according to the Imarex Tanker Index, were \$39,727 per day for modern suezmax tankers during the 4th quarter of 2006 compared with \$64,002 per day for the 4th quarter of 2005. While lower than the 3rd quarter of 2006 the market during the 4th quarter of 2006 was still healthy for our vessels - a situation that has continued into 2007. The average Imarex Tanker Index was \$43,574 per day from January 1 to and including February 12th, 2007. Short-term spot rates are notoriously difficult to predict. We expect that they may continue to fluctuate significantly.

The world's suezmax fleet stood at 346 vessels at the end of the 4th quarter of 2006, compared to 324 vessels at the end of the 4th quarter of 2005. Twenty-two

## Edgar Filing: NORDIC AMERICAN TANKER SHIPPING LTD - Form 6-K

new vessels were delivered during 2006 while no vessels were scrapped. The total suezmax order book stood at 123 vessels at the end of the December 2006. At the same time, 72 vessels were single hull, which are expected to be phased out from the tanker trade by 2010. Out of the 72 single hull suezmax vessel shipping companies worldwide have decided to convert 17 vessels into purposes other than employment in the tanker sector. (Source: Fearnresearch).

Generally, single hull tankers are facing challenges in the market place as the customers prioritize double hull tonnage. We believe that this development is advantageous for our Company, which owns double hull tankers only.

Going forward, deliveries of new tankers from shipyards over the next few years can be estimated with a high degree of certainty. The shipyards are expected to operate at more or less full capacity with their present orderbooks, and new orders placed for suezmax tankers are typically for delivery in 2010 or later.

The level of the tanker market ahead is above all dependent on the development of the world economy.

### Shareholders' Rights Plan

-----  
The Board of Directors has adopted a shareholder rights plan designed to enable the Company to protect shareholder interests in the event that an unsolicited attempt is made for a business combination with or takeover of the Company. The Company believes that the shareholder rights plan should enhance the Board's negotiating power on behalf of shareholders in the event of a coercive offer or proposal. The Company is not currently aware of any such offers or proposals, and is adopting the plan as a matter of prudent corporate governance. Several other listed shipping companies have this kind of arrangement in place.

The terms of the shareholder rights plan are set forth in a filing that the Company has made with the Securities and Exchange Commission this morning. Rights under the plan are expected to be issued to shareholders of record as of the close of business on February 27, 2007.

### Strategy going forward:

-----  
The operations of the Company are based on its unique and successful operating model which combines a transparent and predictable full dividend payout policy with high spot market exposure and a strong balance sheet. Focus is also on a cost effective management of the Company, both in regard to the operating expenses of the vessels and general & administrative expenses, in order to maintain a low cash break-even level for operations.

The Company's exposure to the spot market is based on our analysis showing that the spot market over time can be expected to produce higher revenues on average than the time charter market. With a strong balance sheet, a full dividend payout policy can be maintained without accumulating cash reserves on the balance sheet. A certain amount of term charter coverage is being contemplated from time to time.

The main objective of the Company is to maximize its total return(4) for shareholders via a transparent, predictable and simple strategic platform. In our communication with the stock market we encourage investors wishing to have tanker exposure to assess our operating model and to invest in our Company. Growth continues to be an inherent part of the operating model and further expansion can be expected. The expansion of the Company is bolstering its earnings and dividend capacity per share.

Edgar Filing: NORDIC AMERICAN TANKER SHIPPING LTD - Form 6-K

\* \* \* \* \*

- 
- (1) Operating cash flow is a non-GAAP financial term often used by investors to measure financial performance of shipping companies. Operating cash flow represents income from vessel operations before depreciation and non-cash administrative charges. Please see page 8 for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.
- (2) The Management Agreement formerly provided that the Manager would receive 1.25% of any gross charterhire paid to us. In order to further align the Manager's interests with those of the Company, the Manager agreed with us to amend the Management Agreement to eliminate this payment, and we have issued to the Manager restricted common shares equal to 2% of our outstanding common shares. Any time additional common shares are issued, the Manager will receive additional restricted common shares to maintain the number of common shares issued to the Manager at 2% of our total outstanding common shares. These restricted shares are non-transferable for three years from issuance.
- (3) Our policy is to declare quarterly dividends to shareholders, substantially equal to our net operating cash flow during the previous quarter after reserves as the Board of Directors may from time to time determine are required, taking into account contingent liabilities, the terms of our Credit Facility, our other cash needs and the requirements of Bermuda law. However, if we declare a dividend in respect of a quarter in which an equity issuance has taken place, we calculate the dividend per share as our net operating cash flow for the quarter (after taking into account the factors described above) divided by the weighted average number of shares over that quarter. Net operating cash flow represents net income plus depreciation and certain non-cash administrative charges. The dividend paid is the calculated dividend per share multiplied by the number of shares outstanding at the end of the quarter.
- (4) The total return is based on the change in the price for our common shares plus dividends reinvested in our common shares.

AMOUNTS IN USD '000

CONDENSED STATEMENTS OF OPERATION	Three Months Ended			Twelve Months Ended
	Dec 31, 2006 (unaudited)	Sep. 30, 2006 (unaudited)	Dec. 31, 2005	Dec. 31, 2006 (unaudited)
NET VOYAGE REVENUE	34,269	36,547	37,571	135,348
OPERATING EXPENSES				
Vessel operating expenses	(6,105)	(5,706)	(3,510)	(21,102)
Depreciation	(8,456)	(7,257)	(5,796)	(29,254)
General and administrative costs	(5,188) *	(1,549)	(1,617)	(12,750) **
	(19,749)	(14,512)	(10,923)	(63,106)

Edgar Filing: NORDIC AMERICAN TANKER SHIPPING LTD - Form 6-K

Income from vessel operation	14,520	22,035	26,648	72,242
-----				
OTHER ITEMS				
Interest income	962	118	129	1,602
Interest expense	(1,737)	(1,831)	(1,674)	(6,451)
	(775)	(1,713)	(1,545)	(4,849)
-----				
NET INCOME	13,745	20,322	25,103	67,393
-----				
Earnings per average number of shares	0.52	0.97	1.51	3.14
Weighted average number of shares	26,276,292	21,046,400	16,644,496	21,476,196
Common shares outstanding	26,914,088	21,046,400	16,644,496	26,914,088

\*) The G&A for the three months ended Dec. 31, 2006 include non-cash charges of \$3 .6m which are related to share based compensation and the 2004 Stock Option Plan.

\*\*\*) The G&A for the twelve months ended Dec. 31, 2005 and Dec. 31, 2006 include non-cash charges of \$7.9m respectively which are charges related to share based compensation and the 2004 Stock Option Plan.

CONDENSED BALANCE SHEETS	Dec 31, 2006 (unaudited)	Dec. 31, 2005
Cash deposits	11,729	14,240
Account receivables	13,416	14,840
Other current assets	19,333	11,481
Vessels	752,478	463,933
Other long term assets	3,224	1,350
-----		
Total Assets	800,180	505,844
-----		
Accounts payable	3,006	1,562
Accrued liabilities	11,728	3,410
Long-term debt	173,500	130,000
Shareholders' equity	611,946	370,872
-----		
Total liabilities and shareholders' equity	800,180	505,844

NORDIC AMERICAN TANKER SHIPPING LIMITED

CONDENSED STATEMENTS OF CASH FLOW	Twelve Months Ended	
	Dec 31, 2006 (unaudited)	Dec. 31, 2005
-----		
OPERATING ACTIVITIES		
-----		
Net cash from Operating Activities	107,067	51,056
-----		
FINANCING ACTIVITIES	287,904	161,967
Net proceeds from sale of Common Stock		
Proceeds from use of Credit Facility	274,500	135,000
Repayment of debt	(231,000)	(5,000)
Loan facility costs	(591)	(1,075)

Edgar Filing: NORDIC AMERICAN TANKER SHIPPING LTD - Form 6-K

Dividends paid	(122,591)	(64,279)
Net Cash provided by (used for) Financing Activities	208,222	226,613
INVESTING ACTIVITIES		
Investment in Vessels	(317,800)	(294,161)
Net cash used by investing activities	(317,800)	(294,161)
Net Increase in Cash and Cash Equivalents	(2,511)	(16,492)
Beginning Cash and Cash Equivalents	14,240	30,732
Ending Cash and Cash Equivalents	11,729	14,240

NORDIC AMERICAN TANKER SHIPPING LIMITED

Reconciliation of non-GAAP financial measures  
(Amounts in USD '000)

	Three Months Ended		Twelve Months	
	Dec. 31, 2006	Sep. 30, 2006	Dec. 31, 2005	Dec. 31, 2006
Voyage revenue	45,142	44,599	47,623	175,520
Voyage expenses	(10,873)	(8,052)	(10,052)	(40,172)
Net voyage revenue (1)	34,269	36,547	37,571	135,348

	Three Months Ended		
	Dec. 31, 2006	Sep. 30, 2006	Dec. 31, 2005
Income from vessel operations	14,520	22,035	26,648
Depreciation	8,456	7,257	5,796
Share Based Compensation/ Stock Option Plan	3,691	393	440
Operating Cash Flow (2)	26,667	29,685	32,884

(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



## Edgar Filing: NORDIC AMERICAN TANKER SHIPPING LTD - Form 6-K

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.

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "will," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand in the tanker market, as a result of changes in OPEC's petroleum production levels and world wide oil consumption and storage, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission, including the prospectus and related prospectus supplement, our Annual Report on Form 20-F, and our reports on Form 6-K.

#### Contacts:

Scandic American Shipping Ltd  
Manager for:  
Nordic American Tanker Shipping Ltd.  
P.O Box 56, 3201 Sandefjord, Norway  
Tel: + 47 33 42 73 00 E-mail: [nat@scandicamerican.com](mailto:nat@scandicamerican.com)  
-----

Edgar Filing: NORDIC AMERICAN TANKER SHIPPING LTD - Form 6-K

Web-site: www.nat.bm

Rolf Amundsen, Investor Relations  
Nordic American Tanker Shipping Ltd.  
Tel: +1 800 601 9079 or + 47 908 26 906

Gary Wolfe  
Seward & Kissel LLP, New York, USA  
Tel: +1 212 574 1223

Herbjorn Hansson, Chairman & CEO  
Nordic American Tanker Shipping Ltd.  
Tel: +1 866 805 9504 or + 47 901 46 291

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NORDIC AMERICAN TANKER SHIPPING LIMITED  
(registrant)

Dated: February 26, 2006

By: /s/ Herbjorn Hansson

-----

Herbjorn Hansson  
Chairman, Chief Executive  
Officer and President

SK 01318 0002 750879