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NORDIC AMERICAN TANKER SHIPPING LTD

Form 6-K

July 31, 2006

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 July 2006

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

Thistle House
4 Burnaby 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 the financial and operating results of Nordic American Tanker Shipping Limited for the second quarter of 2006.

[GRAPHIC OMITTED]

Exhibit 1

Nordic American Tanker Shipping Ltd. (NAT)-(NYSE:NAT) - Announces Dividend and Earnings in respect of the 2nd Quarter of 2006

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Hamilton, Bermuda, July 27, 2006

Nordic American Tanker Shipping Limited (the "Company") today announced its results for the 2nd quarter of 2006. Although weaker than the traditionally strong 1st quarter, the tanker market was solid during the 2nd quarter. A strong summer market continues into the 3rd quarter and the future Imarex quotations indicate expectations of a strong market going forward. The Company has now declared a dividend for 35 consecutive quarters. For the last four quarters including the 2nd quarter of 2006, a total of \$5.13 has been paid in dividends which is equal to 16.3% of the average daily share price over the same period.

Highlights:

- o The Board of Directors has declared a dividend of \$1.07 per share for the 2nd quarter of 2006.
- o The 2nd quarter 2006 net income was \$0.68 per share.
- o The Company's 9th vessel, the Nordic Jupiter, joined the fleet on April 10th, generating revenues on 81 days of the 2nd quarter.
- o No vessels were in dry dock during the 2nd quarter of 2006.
- o The dividend is expected to be paid on or about August 31st to shareholders of record as of August 16th 2006.
- o Another acquisition was agreed on July 17th, increasing the fleet to 10 vessels.
- o When comparing the 2nd quarter of 2006 with the comparable period last year we see that important parameters are up, such as earnings per share (+19%), dividend per share (+27%), net income (+51%) and sales (+64%), indicating the growth and solid profitability of the Company.

Dividends per Share, Earnings per Share and Financials:

The Board has declared a dividend of \$1.07 per share in respect of the 2nd quarter of 2006. This compares to a dividend of \$0.84 per share in respect of the 2nd quarter of 2005. The 1st quarter 2006 dividend was \$1.58 per share.

Net income for the 2nd quarter of 2006 was \$14.2m or \$0.68 per share (EPS). This compares to a net income of \$9.4m or \$0.57 per share for the 2nd quarter of 2005. The net income for the 1st quarter of 2006 was \$19.1m or \$1.07 per share.

The earnings per share for the 2nd quarter of 2006 have been impacted by non-cash charges of \$0.05 per share in aggregate due to share based compensation and grants under the 2004 Stock Option Plan.

Operating cash flow (1) was \$23.5m in the 2nd quarter of 2006 compared to \$11.2m in the 2nd quarter of 2005. Operating cash flow for the 1st quarter of 2006 was \$29.5m.

For the 2nd quarter of 2006, operating costs of our vessels and general and administrative costs met our expectations.

We believe that our strong balance sheet provides room for further expansion of our fleet which can be expected to take place during 2006. We have \$207m available under our \$300m revolving credit facility which matures in 2010. There is no repayment obligation during the tenure of the facility, and the Company

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pays interest only on drawn amounts, and a small commitment fee for available amounts.

No vessels were in dry dock during the 2nd quarter of 2006, and there are no vessels scheduled for dry docking during the 3rd quarter of 2006.

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

Period	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06
Revenue days	314	371	549	576	697	720	808

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

The Fleet

During the 2nd quarter eight of the Company's nine vessels were traded in the spot market or on spot related terms, while one vessel remained employed on a long term fixed charter rate.

Vessel	Dwt	Employment
Gulf Scandic	151,458	Long term fixed charter
Nordic Hawk	151,458	Spot related terms
Nordic Hunter	151,458	Spot related terms
Nordic Voyager	149,591	Spot
Nordic Fighter	153,181	Spot
Nordic Freedom	159,500	Spot
Nordic Discovery	153,181	Spot
Nordic Saturn	157,332	Spot
Nordic Jupiter	157,332	Spot
New acquisition	149,997	Spot or spot related terms from Nov. 2006
Total	1,534,488	

The Market

The spot market for suezmax tankers softened towards the end of the 1st quarter, and this continued into the first part of the second quarter. According to the spot assessment of the Imarex Tanker Index, which gives an indication of the level of the spot market, rates for modern suezmax tankers were reported below \$25,000/day in mid-April. The market strengthened again thereafter, with average earnings for modern suezmax tankers reported in the \$40,000 - \$50,000/day range during the last part of the quarter.

The July 2006 spot market has so far been strong compared with July 2005. While short term spot rates are notoriously difficult to predict, a seasonal downward trend is normally expected in August and September. However, at the time of this report it was possible to sell freight futures for the remainder of the 3rd quarter at a level of \$43,000 per day on TCE basis. The freight futures for the 4th quarter were at a level of \$58,000 per day on TCE basis, indicating expectations of a strong 4th quarter.

According to the International Energy Agency (IEA), global oil demand averaged 83.3m barrels per day in the 2nd quarter of 2006, a 1.9% decrease from the 1st quarter of 2006. For the 3rd quarter and the 4th quarter, however, the oil demand is expected to rebound to 84.7m and 86.3m barrels per day, respectively.

IEA expects world oil demand to increase by 1.4% in 2006 to 84.4m barrels per

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day, and a further 1.8% growth in 2007 to 86.4m barrels per day. This is on the back of a continued robust global economic outlook in particular in North America and Asia. It is estimated that the oil demand in China alone will account for 25-30% of the projected worldwide demand growth in 2006 and 2007. Chinese interests have been investing in production capacity in other regions of the world, including West Africa, and this is expected to have a positive impact on the demand for crude oil tankers.

The world's suezmax fleet stood at 338 vessels at the end of the 2nd quarter 2006, compared with 334 vessels at the end of the 1st quarter 2006. 4 new vessels were delivered during the quarter while no vessels were scrapped. 2 new vessels have been ordered during the 2nd quarter of 2006, and the total suezmax order book stood at 57 vessels at the end of the quarter. At the same time 57 vessels were single hull which are expected to be phased out by 2010. 14 new vessels are expected to be delivered during the second half of 2006 (Source: R.S. Platou Shipbrokers AS).

Deliveries of tankers over the next 24 - 36 months from the shipyards can be estimated with a high degree of certainty. The shipyards are expected to operate at more or less full capacity with their present order books, and new orders placed for suezmax tankers are typically for delivery in late 2009 or in 2010.

While we expect that short term rates may continue to vary significantly, the supply and demand tanker fundamentals are in the Company's view positive.

Strategy

The Company is basing its operations on its unique and successful operating model with a full dividend payout policy together with high spot market exposure and a strong balance sheet. Focus is also on a cost effective management of the company, in order to maintain a low cash break-even level for the vessels.

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 also being contemplated from time to time.

The main objective of the Company is to create value for shareholders via a transparent, predictable and simple strategic platform. Growth is also 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.

- (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 5 for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

NORDIC AMERICAN TANKER SHIPPING LIMITED
Amounts In USD '000

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CONDENSED STATEMENTS OF OPERATION

	Three Months Ended			Six Months
	Jun. 30, 2006 (unaudited)	Mar. 31, 2006 (unaudited)	Jun. 30, 2005 (unaudited)	Jun. 30, 2006 (unaudited)
NET VOYAGE REVENUE	29 574	34 958	18 003	64 532
OPERATING EXPENSES				
Vessel operating expenses	(4 842)	(4 449)	(2 986)	(9 291)
Depreciation	(7 256)	(6 285)	(4 188)	(13 541)
General and administrative costs	(2 175)*	(3 839)*	(1 297)	(6 014)
	(14 273)	(14 573)	(8 471)	(28 846)
Income from vessel operation	15 301	20 385	9 532	35 686
OTHER ITEMS				
Interest income	243	279	233	522
Interest expense	(1 302)	(1 580)	(325)	(2 882)
	(1 059)	(1 301)	(92)	(2 360)
NET INCOME	14 242	19 084	9 440	33 326
Earnings per average number of shares	0.68	1.07	0.57	1.70
Weighted average number of shares	21 035 622	17 880 812	16 644 496	19 587 724
Common shares outstanding	21 046 400	21 029 700	16 644 496	21 046 400

*) The G&A for the three months ended Mar 31, 2006 and Jun. 30, 2006 include non-cash charges of \$2.9m and \$0.9m respectively which are charges related share based compensation and the 2004 Stock Option Plan.

CONDENSED BALANCE SHEETS

	June 30, 2006 (unaudited)	June 30, 2005 (unaudited)	Dec. 31, 2005 (unaudited)
Cash deposits	13 633	18 310	14 240
Other assets	25 649	9 975	27 671
Vessels	520 680	337 401	463 933
Total Assets	559 962	365 686	505 844
Accounts payable and accrued liabilities	8 485	1 087	4 972
Long-term debt	93 000	0	130 000
Shareholders' equity	458 477	364 599	370 872
Total liabilities and shareholders' equity	559 962	365 686	505 844

CONDENSED STATEMENTS OF CASH FLOW

	Six months ended		Twelve Months Ended
	June 30, 2006 (unaudited)	June 30, 2005 (unaudited)	Dec. 31, 2005 (unaudited)
OPERATING ACTIVITIES			
Net cash from Operating Activities	56 233	22 911	51 056

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FINANCING ACTIVITIES

Net proceeds from sale of Common Stock	114 993	161 967	161 967
Proceeds from use of Credit Facility	79 000	0	135 000
Repayment of debt	(116 000)	0	(5 000)
Loan facility costs	0	0	(1 075)
Dividends paid	(64 545)	(40 311)	(64 279)
Net Cash provided by (used for) Financing Activities	13 448	121 656	226 613

INVESTING ACTIVITIES

Investment in Vessels	(70 288)	(156 989)	(294 161)
Net cash used by investing activities	(70 288)	(156 989)	(294 161)
Net Increase In Cash and Cash Equivalents	(607)	(12 422)	(16 492)
Beginning Cash and Cash Equivalents	14 240	30 732	30 732
Ending Cash and Cash Equivalents	13 633	18 310	14 240

NORDIC AMERICAN TANKER SHIPPING LIMITED Reconciliation of non-GAAP financial measures (Amounts in USD '000)

	Three Months Ended			Six Months Ended	
	Jun. 30, 2006	Mar. 31, 2006	Jun. 30, 2005	Jun. 30, 2006	Jun. 30, 2005
Voyage revenue	40 600	45 179	27 281	85 779	46 525
Voyage expenses	(11 026)	(10 221)	(9 278)	(21 247)	(12 372)
Net voyage revenue(1)	29 574	34 958	18 003	64 532	34 153

	Three Months Ended		
	Jun. 30, 2006	Mar. 31, 2006	Jun. 30, 2005
Income from vessel operations	15 301	20 385	9 532
Depreciation	7 256	6 285	1 297
Share Based Compensation/Stock Option Plan	949	2 881	380
Operating Cash Flow(2)	23 506	29 551	11 209

(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

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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:

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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: July 31, 2006

By: /s/ Herbjorn Hansson

Herbjorn Hansson
Chairman, Chief Executive Officer
and President

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7/28/06