Form **8937**(December 2011)

Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

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	Issuer's na	me					2 Issuer's employer identification number (EIN)		
Ove	rseas Shir	holdina Gra	oup, Inc. & Subs				13-2637623		
			ditional information	4 Telephon	e No. of contact		5 Email address of contact		
Tax Manager				(212) 953-4100			Form8937@osg.com		
6 Number and street (or P.O. box if mail is not delivered to street address) of contact							7 City, town, or post office, state, and Zip code of contact		
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1301 Avenue of the Americas, 42nd Floor 8 Date of action 9 Classification and description							New York, NY 10019		
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Dec	ember 30,	2015		Bond ter	nder and consent payme	ent for 8.1	25% Senior Notes due 2018		
	CUSIP nur		11 Serial number	(s)	12 Ticker symbol		13 Account number(s)		
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							k of form for additional questions.		
14				applicable, the	e date of the action or the	date agaii	nst which shareholders' ownership is measured for		
	irie actio	¹► See atta	ached						

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15	Describe	the quantitat	tive effect of the organge of old basis $ ightharpoonup$ $_{ m S}$	anizational act	tion on the basis of the se	curity in the	ne hands of a U.S. taxpayer as an adjustment per		
	SHALE OF	as a percente	age of old basis > 5	ee attached					
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16	Describe	dates ► See	on of the change in t	basis and the	data that supports the cal	lculation, s	such as the market values of securities and the		
	valuation	See	attached						

Pai	't II	Organizational Action (continu	ed)		
17			tion(s) and subsection(s) upon which the tax t	reatment is based ▶	See attached
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18	Can a	any resulting loss be recognized? See	attached		

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19	Prov	de any other information necessary to im	plement the adjustment, such as the reportal	ole tax year ► <u>N/A</u>	
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	Ι.,				
	b	nder penaities of perjury, I declare that I have elief, it is true, correct, and complete. Declarati	examined this return, including accompanying sche on of preparer (other than officer) is based on all info	dules and statements, a rmetion of which prepa	and to the best of my knowledge and rer has any knowledge.
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	Pi	int your name ► Rick Oricchio	<u> </u>	Title ► SVP & CF	0
Pai	d	Print/Type preparer's name	Prepare signature	Date / /	Check if PTIN
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	βαιτ e On	" [1	Firm's EIN ▶ 86-1065772
Vat	<i>,</i> Oil	Firm's address ► 695 East Main Stre	eet, Stamfor T, 06902	· · · · · · · · · · · · · · · · · · ·	Рhone по. (203) 708 - 4536
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8.125% Bond Tender and Consent Payment

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.

On December 2, 2015, Overseas Shipholding Group, Inc. (the "Company") offered (the "Tender Offer") to purchase for cash up to \$119,076,000 in aggregate principal amount of its outstanding 8.125% Senior Notes due 2018 (the "Notes") from the holders of such Notes (the "Holders"). The Company also solicited (the "Consent Solicitation") consents ("Consents") from the Holders of the Notes to a proposed amendment with respect to the Notes. Holders were given the option to participate in both the Tender Offer and Consent Solicitation or solely the Consent Solicitation. Holders who validly tendered his or her Notes received the total compensation amount, which was the sum of (i) the Tender Offer consideration, (ii) an early tender payment of \$30.00 per \$1,000 principal amount of Notes that are accepted for purchase and (iii) a consent payment of \$30.00 per \$1,000 principal amount of Notes with respect to which Consents are accepted for payment (the "Consent Payment").

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.

The Company intends to treat the receipt of the Consent Payment as resulting in a deemed exchange of the original debt instrument for a new debt instrument. The deemed exchange qualified as a tax-free recapitalization for U.S. federal income tax purposes. The deemed exchange did not result in the recognition of gain or loss, except that gain may be recognized up to the amount of the Consent Payment. A U.S. Holder's tax basis in the new debt instrument will be the same as the U.S. Holder's tax basis in the old debt instruments, decreased by the amount of the Consent Payment received and increased by the amount of gain recognized by the U.S. Holder in respect of the deemed exchange.

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.

A U.S. Holder's tax basis in the new debt instruments will be the same as the U.S. Holder's tax basis in the old debt instruments, decreased by the amount of the Consent Payment received and increased by the amount of gain recognized by the U.S. Holder in respect of the deemed exchange.

The new debt instrument may be treated as issued with Original Issue Discount ("OID") if the "stated redemption price at maturity ("SRPM") of the debt instrument is more than the issue price of the new debt instrument, The SPRM of the new debt instrument will equal their stated principal amount. The issue price of the new debt instrument will be its fair market value on the date of the deemed exchange. Based upon trades of the debt instrument on an established market, the Company does not believe that the new debt instruments will be treated as having been issued with OID.

Each Holder should consult with his or her tax advisor with respect to the basis in this transaction based on his or her specific facts.

17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Section 1001.1(g) Section 368 Section 356

18. Can any resulting loss be recognized?

The deemed exchange will not result in the recognition of gain or loss, except that gain may be recognized up to the amount of the Consent Payment.

19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

See "OVERSEAS SHIPHOLDING GROUP, INC. Offer to Purchase for Cash Up to \$119,076,000 in Aggregate Principal Amount of its Outstanding 8.125% Senior Notes due 2018 (the "Notes") (CUSIP: 690368AH8; ISIN: US690368AH88) and Solicitation of Consents to Proposed Amendments to the Indenture Governing the Notes" provided to Holders of the Notes for additional information.