# (December 2011)

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

Department Internal Rev	of the Treasury enue Service		j	➤ See separate instructions.						
Part I	Reporting	Issuer		C Bern office at 1990 ■ Transference of the peak of the HD54 the Collect Model of the Collect		· · · · · · · · · · · · · · · · · · ·				
1 Issue	r's name				2 Issuer's employer identifi	cation number (EIN)				
Overseas	Shipholding Gr	oun Inc			13-263762	93				
3 Name	of contact for ac	Iditional information	4 Telephon	e No. of contact	5 Email address of contact					
Tax Mana	ager			(212)-953-4100	Form8937@osg.com					
6 Numb	per and street (or	P.O. box if mail is not	7 City, town, or post office, state	7 City, town, or post office, state, and Zip code of contact						
600 Third	Avenue, 39th Fl	oor	2000000		New York, NY 10016	New York, NY 10016				
8 Date	of action		×							
Novembe	er 30, 2016		Dietribut	tion of International Seawa	eve Inc Common Stock					
	P number	11 Serial number(		12 Ticker symbol	13 Account number(s)					
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Se Part II	e Attached Organizati	ional Action Attac	ch additiona	OSG	ee back of form for additional ques	ations				
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	action ► See At		тррпсавіс, тіс	date of the action of the da	ate against which shareholders owners	nip is measured for				
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16 Des	scribe the calculat uation dates ► <u>Se</u>	tion of the change in lee Attached.	pasis and the	data that supports the calcu	ulation, such as the market values of se	curities and the				
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Pa	rt II		Organizational Action (continued)				
17	List		applicable Internal Revenue Code section(s) and subsection(s) upon which the tax trea	atmen	t is based ▶	See Attac	ched.
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18	Car	n any	resulting loss be recognized? See Attached.				
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19	Pro	vide	any other information necessary to implement the adjustment, such as the reportable	tax ye	ar ▶ <u>See A</u>	ttached.	
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		Under	r penalties of perjury, I declare that I have examined this return, including accompanying schedul	les and	statements,	and to the bes	t of my knowledge and
		belief,	, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information	ation of	f which prepa	rer has any kno	owledge.
Sign			MAN		10/	19/16	
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		Print	your name ► Rick F. Oricchio	itle ►	SVP & CF	0	
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Pre		er	P. O'Grady	1	2/17/16	self-employed	Del Personal
Use		U. [	Firm's name ▶ Deloitte Tax LLP			Firm's EIN ▶	86-1055772
			Firm's address ► 695 East Main Street, Stamford, CT 06902	200	8 SV 1000	Phone no.	(203) 708-4536
Send	i For	m 89:	37 (including accompanying statements) to: Department of the Treasury, Internal Reve	enue S	Service, Ogo	len, UT 8420°	1-0054

Form 8937 (Rev. 12-2011)

### OVERSEAS SHIPHOLDING GROUP, INC.

### Distribution of International Seaways, Inc. Common Stock

### Part I

#### 10. CUSIP number

Class A Common Stock - 69036R806, 69036R889, and 69036R863

Class A Warrants - 69036R129, 69036R137, and 69036R145

#### Part II

# 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 November 30, 2016, OSG Shipholding Group, Inc. ("OSG") distributed 100 percent of the shares of International Seaways, Inc. ("INSW") to shareholders and warrant holders (collectively, "equityholders"). OSG shareholders received 0.3333 shares of INSW common stock for every one share of OSG common stock held at 5:00 p.m. on November 18, 2016, the record date for the spin-off. OSG warrant holders received 0.3333 shares of INSW common stock for every one share of OSG common stock they would have received if they exercised those warrants immediately prior to the distribution date (or approximately 0.06332 INSW shares per warrant). OSG shareholders and warrant holders received cash in lieu of any fractional shares.

# 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 distribution was in excess of OSG's current and accumulated earnings and profits and will not be treated as a dividend. Rather, the distribution will reduce the adjusted basis of the holder's OSG equity (but not below zero).

# 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

The distribution of INSW stock has been valued at \$12.72 per INSW share based upon the average trading price of INSW for the seven-day period subsequent to the distribution. The adjusted basis of the equityholders' OSG stock and/or warrants is decreased (but not below zero) by the amount of the distribution.

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

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

Internal Revenue Code Section 301 and 316.

### 18. Can any resulting loss be recognized?

No loss should be recognized from the distribution.

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

The information provided above will be included on the equityholder's 2016 Form 1099-DIV in Box 3. For further information, see Form 10 filed with the SEC on November 9, 2016.