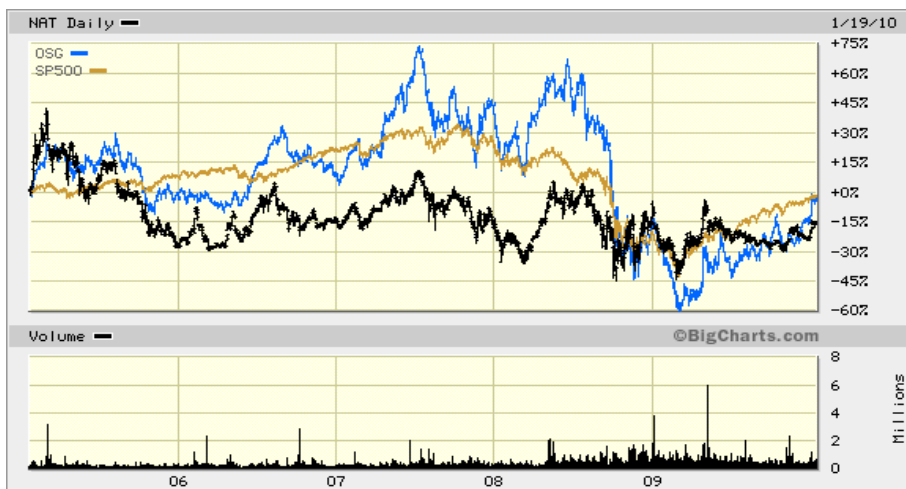


Nordic American Tanker Shipping Ltd. (NAT) 1/19/10

NAT operates as a crude oil shipping company for worldwide delivery. NAT currently has 12 suezmax vessels with plans to bring on 4 more. The company is headquartered in Hamilton, Bermuda and was founded in 1995.

Current Price	\$34.00
52 Week High	\$38.10
52 Week Low	\$22.25
One Yr Target	n/a
Market Cap (in billions)	\$1.43
P/E (Trailing)	58.32
P/E(1 Yr Forward)	n/a
P/E/G	n/a
ROA	-0.38%
ROE	-0.61%
EPS	\$0.58
Beta	0.83
Annualized Dividend	\$0.40
Dividend Yield	1.18%
Analyst Consensus	n/a
Debt to Equity	0.02



Annual EPS

2006	\$2.78	
2007	\$2.50	-10.04%
2008	\$1.47	-41.11%
2009	\$3.46	134.47%
ttm	\$0.58	-83.14%

Annual Revenue (in millions)

2006	\$117.11	
2007	\$175.52	49.88%
2008	\$186.99	6.53%
2009	\$228.00	21.93%

Annual Net Income (in millions)

2006	\$46.32	
2007	\$67.39	45.49%
2008	\$44.21	-34.40%
2009	\$118.84	168.81%

Free Cash Flows (in millions)

2006	-\$243.10	
2007	-\$211.19	13.13%
2008	\$75.23	135.62%
2009	\$117.85	56.65%

Required Rate of Return

9.59%

Dividend Growth Model

Present Value of 2015 Price	\$3.58
Holding Period Return (5 years)	-19.72%

Expected Annualized Return Model

Present Value of 2015 Price	\$11.67
Holding Period Return (5 years)	-16.45%

Residual Income Model

Intrinsic Stock Price	\$55.11
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Analysis

Positives

Very low Debt/Equity ratio shows a fiscally sound company

Negatives

High P/E multiple with no accompanying growth suggest the stock price is expensive

Financial Statements

Fantastic Income Statement, great growth rates in Revenue and Net Income over years

Balance Sheet is good, very little Debt but some existing Accumulated Defecit

Cash Flows are ok, Capital Expenditures are a big concern

Industry Analysis

NAT has some of the best margins in its industry

Shipping industry is volatile and dependant upon a global recovery

Summary

NAT is a money machine within an industry that would look to rebound on global commerce and increased oil prices. NAT operates as a very sound and responsible company, as evidence by its solid financial ratios and financial statements. Capital Expenditures are a concern and also a lingering deficit of Retained Earnings, but both should be fine with a few more years of nice earnings, helped by the fact that they don't pay much in taxes. NAT has been increasing its fleet size lately, preparing for a boom in its industry and has double-hull ships that can enter all ports, unlike some single hull vessels. NAT is very adamant about increasing shareholder wealth through increasing dividends, yet the DG valuation model says the stock price is overvalued, as well as the EAR model. The main concern is with the very high P/E ratio and an ambiguous projected growth rate. As good of a company as NAT is the market seems to have already caught on and pushed the stock price higher, most likely having reduced any near-term gains. Still NAT is a great company and earns a hold, with further possible consideration of oil and global economic expansion possibly pushing it to a buy.