

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-06479

OVERSEAS SHIPHOLDING GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

302 Knights Run Avenue, Tampa, Florida
(Address of principal executive office)

13-2637623
(I.R.S. Employer
Identification No.)

33602
(Zip Code)

(813) 209-0600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock (par value \$0.01 per share)	OSG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☒
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares outstanding of the issuer's Class A common stock, par value \$0.01, as of August 2, 2023: 76,689,778 shares. Excluded from this amount are warrants outstanding as of August 2, 2023 for the purchase of 3,490,468 shares of Class A common stock for nominal consideration.

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
DOLLARS IN THOUSANDS

	<u>June 30, 2023</u> (unaudited)	<u>December 31, 2022</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 105,950	\$ 78,732
Voyage receivables, including unbilled of \$2,858 and \$11,364, net of reserve for credit losses	10,856	19,698
Income tax receivable	694	1,914
Other receivables	3,509	5,334
Inventories, prepaid expenses and other current assets	4,268	2,668
Total Current Assets	125,277	108,346
Vessels and other property, less accumulated depreciation	705,380	726,179
Deferred drydock expenditures, net	38,406	38,976
Total Vessels, Other Property and Deferred Drydock	743,786	765,155
Intangible assets, less accumulated amortization	15,717	18,017
Operating lease right-of-use assets, net	184,211	206,797
Investment security to be held to maturity	14,851	14,803
Other assets	25,274	25,945
Total Assets	\$ 1,109,116	\$ 1,139,063
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	\$ 49,155	\$ 54,906
Current portion of operating lease liabilities	63,639	63,288
Current portion of finance lease liabilities	4,012	4,000
Current installments of long-term debt	24,918	23,733
Total Current Liabilities	141,724	145,927
Reserve for uncertain tax positions	210	175
Noncurrent operating lease liabilities	126,251	149,960
Noncurrent finance lease liabilities	15,100	16,456
Long-term debt	387,302	399,630
Deferred income taxes, net	74,803	70,233
Other liabilities	9,336	16,997
Total Liabilities	754,726	799,378
Equity:		
Common stock - Class A (\$0.01 par value; 166,666,666 shares authorized; 89,496,512 and 88,297,439 shares issued; 76,903,374 and 78,297,439 shares outstanding)	895	883
Paid-in additional capital	597,937	597,455
Accumulated deficit	(208,581)	(233,023)
Treasury stock, 12,593,138 and 10,000,000 shares, at cost	(38,887)	(29,040)
	351,364	336,275
Accumulated other comprehensive income	3,026	3,410
Total Equity	354,390	339,685
Total Liabilities and Equity	\$ 1,109,116	\$ 1,139,063

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Shipping Revenues:				
Time and bareboat charter revenues	\$ 87,257	\$ 82,969	\$ 171,397	\$ 140,204
Voyage charter revenues	19,368	35,016	49,019	81,779
	<u>106,625</u>	<u>117,985</u>	<u>220,416</u>	<u>221,983</u>
Operating Expenses:				
Voyage expenses	6,498	14,742	15,555	24,816
Vessel expenses	40,798	44,153	83,368	84,950
Charter hire expenses	16,018	22,350	31,755	44,346
Depreciation and amortization	16,449	16,663	32,497	33,156
General and administrative	6,595	7,435	14,438	14,373
Total operating expenses	<u>86,358</u>	<u>105,343</u>	<u>177,613</u>	<u>201,641</u>
Operating income	20,267	12,642	42,803	20,342
Other income/(expense), net	1,460	(16)	2,540	81
Income before interest expense and income taxes	21,727	12,626	45,343	20,423
Interest expense	(8,085)	(8,275)	(16,241)	(16,640)
Income before income taxes	13,642	4,351	29,102	3,783
Income tax expense	(1,339)	(611)	(4,660)	(552)
Net income	<u>\$ 12,303</u>	<u>\$ 3,740</u>	<u>\$ 24,442</u>	<u>\$ 3,231</u>

Weighted Average Number of Common Shares Outstanding:

Basic - Class A	81,404,635	91,254,864	81,703,990	90,984,407
Diluted - Class A	83,699,619	92,607,727	84,518,602	92,345,481

Per Share Amounts:

Basic net income - Class A	\$ 0.15	\$ 0.04	\$ 0.30	\$ 0.04
Diluted net income - Class A	\$ 0.15	\$ 0.04	\$ 0.29	\$ 0.04

See notes to condensed consolidated financial statements.

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
DOLLARS IN THOUSANDS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	\$ 12,303	\$ 3,740	\$ 24,442	\$ 3,231
Other comprehensive loss, net of tax:				
Defined benefit pension and other postretirement benefit plans:				
Net change in unrecognized prior service costs	(181)	(181)	(361)	(361)
Net change in unrecognized actuarial losses	(11)	—	(23)	—
Other comprehensive loss	<u>(192)</u>	<u>(181)</u>	<u>(384)</u>	<u>(361)</u>
Comprehensive income	<u>\$ 12,111</u>	<u>\$ 3,559</u>	<u>\$ 24,058</u>	<u>\$ 2,870</u>

See notes to condensed consolidated financial statements.

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
DOLLARS IN THOUSANDS
(UNAUDITED)

	Six Months Ended June 30,	
	2023	2022
Cash Flows from Operating Activities:		
Net income	\$ 24,442	\$ 3,231
Items included in net income not affecting cash flows:		
Depreciation and amortization	32,497	33,156
Amortization of debt discount and other deferred financing costs	567	554
Compensation relating to restricted stock awards and stock option grants	1,662	2,391
Deferred income tax expense	4,606	519

Interest on finance lease liabilities	731	826
Non-cash operating lease expense	31,932	44,874
Payments for drydocking	(5,319)	(7,386)
Operating lease liabilities	(32,786)	(45,935)
Changes in operating assets and liabilities, net	(4,922)	(15,061)
Net cash provided by operating activities	53,410	17,169
Cash Flows from Investing Activities:		
Expenditures for vessels and vessel improvements	(1,404)	(2,046)
Net cash used in investing activities	(1,404)	(2,046)
Cash Flows from Financing Activities:		
Payments on debt	(11,670)	(10,930)
Tax withholding on share-based awards	(1,168)	(371)
Payments on principal portion of finance lease liabilities	(2,063)	(2,063)
Deferred financing costs paid for debt amendments	(40)	(261)
Purchases of treasury stock	(9,847)	(310)
Net cash used in financing activities	(24,788)	(13,935)
Net increase in cash and cash equivalents	27,218	1,188
Cash and cash equivalents at beginning of period	78,732	83,253
Cash and cash equivalents at end of period	\$ 105,950	\$ 84,441

See notes to condensed consolidated financial statements.

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
DOLLARS IN THOUSANDS
(UNAUDITED)

	Common Stock (1)	Paid-in Additional Capital (2)	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (3)	Total
Balance at December 31, 2021	\$ 872	\$ 594,386	\$ (259,587)	\$ —	\$ 2,943	\$ 338,614
Net loss	—	—	(509)	—	—	(509)
Other comprehensive loss	—	—	—	—	(180)	(180)
Forfeitures, cancellations, issuance and vesting of restricted stock awards, net	5	(375)	—	—	—	(370)
Compensation related to Class A restricted stock awards	—	656	—	—	—	656
Balance at March 31, 2022	877	594,667	(260,096)	—	2,763	338,211
Net income	—	—	3,740	—	—	3,740
Other comprehensive loss	—	—	—	—	(181)	(181)
Forfeitures, cancellations, issuance and vesting of restricted stock awards, net	3	(3)	—	—	—	—
Compensation related to Class A restricted stock awards	—	1,735	—	—	—	1,735
Purchases under the stock repurchase program	—	—	—	(310)	—	(310)
Balance at June 30, 2022	\$ 880	\$ 596,399	\$ (256,356)	\$ (310)	\$ 2,582	\$ 343,195
Balance at December 31, 2022	\$ 883	\$ 597,455	\$ (233,023)	\$ (29,040)	\$ 3,410	\$ 339,685
Net income	—	—	12,139	—	—	12,139
Other comprehensive loss	—	—	—	—	(192)	(192)
Forfeitures, cancellations, issuance and vesting of restricted stock awards, net	8	(1,176)	—	—	—	(1,168)
Compensation related to Class A restricted stock awards	—	800	—	—	—	800
Conversion of Class A warrants to Class A common stock	1	(1)	—	—	—	—
Purchases of treasury stock	—	—	—	(1,862)	—	(1,862)
Balance at March 31, 2023	892	597,078	(220,884)	(30,902)	3,218	349,402
Net income	—	—	12,303	—	—	12,303
Other comprehensive loss	—	—	—	—	(192)	(192)
Forfeitures, cancellations, issuance and vesting of restricted stock awards, net	3	(3)	—	—	—	—
Compensation related to Class A restricted stock awards	—	862	—	—	—	862
Conversion of Class A warrants to Class A common stock	—	—	—	—	—	—
Purchases of treasury stock	—	—	—	(7,985)	—	(7,985)
Balance at June 30, 2023	\$ 895	\$ 597,937	\$ (208,581)	\$ (38,887)	\$ 3,026	\$ 354,390

(1) Par value \$0.01 per share; 166,666,666 Class A shares authorized; 89,496,512 and 87,974,424 Class A shares issued as of June 30, 2023 and 2022, respectively, and 76,903,374 and 87,828,683 Class A shares outstanding as of June 30, 2023 and 2022, respectively.

(2) Includes 18,370,886 and 19,051,778 outstanding Class A warrants as of June 30, 2023 and 2022, respectively.

(3) Amounts are net of tax.

See notes to condensed consolidated financial statements.

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

Note 1 — Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Overseas Shipholding Group, Inc., a Delaware corporation (the "Parent Company"), and its wholly owned subsidiaries (collectively, the "Company" or "OSG", "we", "us" or "our"). The Company owns and operates a fleet of oceangoing vessels engaged primarily in the transportation of crude oil and refined petroleum products in the U.S. Flag trade.

These financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. They do not include all of the information and notes required by generally accepted accounting principles in the United States ("GAAP"). In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of the results have been included. Operating results for the three and six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 or for any other period.

The condensed consolidated balance sheet as of December 31, 2022 has been derived from the audited financial statements at that date but does not include all of the information and notes required by GAAP for complete financial statements. For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 (the "Form 10-K").

Note 2 — Recently Issued Accounting Standards

In November 2019, the Financial Accounting Standards Board issued ASU 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842): Effective Dates*, which allows a two-bucket approach for determining the effective dates of these accounting standards. Under this approach, the buckets would be defined as follows:

Bucket 1— All public business entities ("PBEs") that are SEC filers (as defined in GAAP), excluding smaller reporting companies ("SRCs") (as defined by the Securities and Exchange Commission ("SEC")). This standard became effective January 1, 2020.

Bucket 2— All other entities, including SRCs, other PBEs that are not SEC filers, private companies, not-for-profit organizations, and employee benefit plans. This standard became effective January 1, 2023.

At June 30, 2019, the evaluation date for purposes of determining the applicability of the Bucket 2 credit losses standard, the Company met the SEC definition of a smaller reporting company. The Company adopted that standard on January 1, 2023. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

Note 3 - Revenue Recognition

Disaggregated Revenue

The Company has disaggregated revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Consequently, the disaggregation below is based on contract type. Since the terms within these contract types are generally standard in nature, the Company does not believe that further disaggregation would result in increased insight into the economic factors impacting revenue and cash flows.

The following table shows the Company's shipping revenues disaggregated by nature of the charter arrangement for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Time and bareboat charter revenues	\$ 87,257	\$ 82,969	\$ 171,397	\$ 140,204
Voyage charter revenues ⁽¹⁾	5,630	19,476	20,443	55,371
Contracts of affreightment ("COA") revenues	13,738	15,540	28,576	26,408
Total shipping revenues	<u>\$ 106,625</u>	<u>\$ 117,985</u>	<u>\$ 220,416</u>	<u>\$ 221,983</u>

(1) For the three months ended June 30, 2023 and 2022, the Company did not have any revenue related to short-term time charter contracts, which are time charter contracts for periods of less than 90 days, included in voyage charter revenues. For the six months ended June 30, 2023 and 2022, voyage charter revenues include revenue related to short-term time charter contracts of \$119 and \$16,599, respectively.

Voyage Receivables

As of June 30, 2023 and December 31, 2022, contract balances from contracts with customers consisted of voyage receivables of \$ 8,964 and \$9,258, respectively, net of reserves for credit losses for voyage charters and lightering contracts, which were not material.

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

Transaction Price Allocated to the Remaining Performance Obligations

As of June 30, 2023, the Company expects to recognize revenue of approximately \$ 23,546 for the remainder of 2023, \$29,216 for 2024, and \$14,608 for 2025 under COAs. These estimated amounts relate to the fixed consideration of contractual minimums within the contracts based on the Company's estimate of future services.

Note 4 — Earnings per Common Share

Basic earnings per common share is computed by dividing earnings by the weighted average number of common shares outstanding during the period. As management deems the exercise price for the Class A warrants of \$0.01 per share to be nominal, warrant proceeds are ignored, and the shares issuable upon exercises of Class A warrants are included in the calculation of basic weighted average common shares outstanding for all periods.

The computation of diluted earnings per share assumes the issuance of common stock for all potentially dilutive stock options and restricted stock units. Participating securities are defined by ASC 260, *Earnings Per Share*, as unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents and are included in the computation of earnings per share pursuant to the two-class method.

Class A

As of June 30, 2023, there were 3,198,604 shares of Class A common stock issuable under outstanding restricted stock units and 1,478,756 shares of Class A common stock issuable under outstanding options, both of which are considered to be potentially dilutive securities. As of June 30, 2022, there were 4,268,193 shares of Class A common stock issuable under outstanding restricted stock units and 1,478,756 shares of Class A common stock issuable under outstanding options, both of which are considered to be potentially dilutive securities.

The components of the calculation of basic earnings per share and diluted earnings per share are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	\$ 12,303	\$ 3,740	\$ 24,442	\$ 3,231
Weighted average common shares outstanding:				
Class A common stock - basic	81,404,635	91,254,864	81,703,990	90,984,407
Class A common stock - diluted	83,699,619	92,607,727	84,518,602	92,345,481

For the three and six months ended June 30, 2023, there were dilutive equity awards outstanding covering 2,294,984 and 2,814,612 shares, respectively. Awards of 371,893 and 334,856 shares (related to stock options) were not included in the computation of diluted earnings per share because inclusion of these awards would be anti-dilutive for the three and six months ended June 30, 2023. For the three and six months ended June 30, 2022, there were dilutive equity awards outstanding covering 1,352,863 and 1,361,074 shares, respectively. Awards of 495,832 and 728,988 shares (related to restricted stock units and stock options) were not included in the computation of diluted earnings per share because inclusion of these awards would be anti-dilutive for the three and six months ended June 30, 2022, respectively.

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

Note 5 — Investment in Security to be Held to Maturity

In July 2022, the Company purchased a \$15,000 U.S. Treasury Note for \$14,794, with a maturity date of August 15, 2024. The U.S. Treasury Note is classified as investment in security to be held to maturity and is carried at amortized cost on the condensed consolidated balance sheets, as the Company has the intent and ability to hold until maturity. The amortized cost, gross unrealized loss, and fair value of the U.S. Treasury Note at June 30, 2023 and December 31, 2022 was as follows:

	Amortized Cost	Gross Unrealized Loss	Fair Value
June 30, 2023			
U.S. Treasury Note	\$ 14,851	\$ (336)	\$ 14,515
	<u>\$ 14,851</u>	<u>\$ (336)</u>	<u>\$ 14,515</u>
	Amortized Cost	Gross Unrealized Loss	Fair Value
December 31, 2022			
U.S. Treasury Note	\$ 14,803	\$ (328)	\$ 14,475
	<u>\$ 14,803</u>	<u>\$ (328)</u>	<u>\$ 14,475</u>

Other-Than-Temporarily Impaired ("OTTI")

The Company performed a quarterly review of the U.S. Treasury Note in order to determine whether the decline in fair value below the amortized cost basis was considered other-than-temporary in accordance with applicable guidance. At June 30, 2023, the Company determined that the unrealized loss on the U.S. Treasury Note was primarily due to increases in interest rates. Therefore, there was no OTTI loss recognized during the three and six months ended June 30, 2023.

Note 6 — Fair Value Measurements and Fair Value Disclosures

The following methods and assumptions are used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents and restricted cash— The carrying amounts reported in the condensed consolidated balance sheet for interest-bearing deposits approximate fair value. Investments in trading securities consist of equity securities and were measured using quoted market prices at the reporting date.

U.S. Treasury Note — The fair value of the U.S. Treasury Note is based on a quoted market price in an active market.

Debt— The fair values of the publicly traded and non-public debt held by the Company are estimated based on similar instruments.

ASC 820, *Fair Value Measurements and Disclosures*, relating to fair value measurements, defines fair value and establishes a framework for measuring fair value. The ASC 820 fair value hierarchy distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions, based on the available information deemed best in the circumstances. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In addition, the fair value of assets and liabilities should include consideration of non-performance risk, which for the liabilities described below includes the Company's own credit risk.

The levels of the fair value hierarchy established by ASC 820 are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities

Level 2 - Quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

Financial Instruments that are not Measured at Fair Value on a Recurring Basis

The estimated fair values of the Company's financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

	Carrying Value	Fair Value	
		Level 1	Level 2
June 30, 2023:			
Assets			
Cash and cash equivalents	\$ 105,950	\$ 105,950	\$ —
U.S. Treasury Note	14,851	14,515	—
Total	<u>\$ 120,801</u>	<u>\$ 120,465</u>	<u>\$ —</u>
Liabilities			
Term loan, due 2024, net	\$ 19,634	\$ —	\$ 18,872
Alaska tankers term loan, due 2025, net	22,720	—	21,185
OSG 204 LLC term loan, due 2025, net	24,362	—	23,071
OSG 205 LLC and OSG Courageous II LLC term loan, due 2027, net	43,270	—	39,467
Term loan, due 2028, net	301,844	—	288,497
Unsecured senior notes, net	390	—	387
Total	<u>\$ 412,220</u>	<u>\$ —</u>	<u>\$ 391,479</u>

	Carrying Value	Fair Value	
		Level 1	Level 2
December 31, 2022:			
Assets			
Cash and cash equivalents	\$ 78,732	\$ 78,732	\$ —
U.S. Treasury Note	14,803	14,475	—
Total	<u>\$ 93,535</u>	<u>\$ 93,207</u>	<u>\$ —</u>
Liabilities			
Term loan, due 2024, net	\$ 20,330	\$ —	\$ 19,296
Alaska tankers term loan, due 2025, net	25,289	—	23,195
OSG 204 LLC term loan, due 2025, net	25,006	—	23,448
OSG 205 LLC and OSG Courageous II LLC term loan, due 2027, net	44,342	—	40,331
Term loan, due 2028, net	308,006	—	295,320
Unsecured senior notes, net	390	—	385
Total	<u>\$ 423,363</u>	<u>\$ —</u>	<u>\$ 401,975</u>

Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis

Vessel and Intangible Assets Impairments

During the second quarter of 2023, the Company considered whether events or changes in circumstances had occurred since December 31, 2022 that could indicate whether the carrying amounts of the vessels, including operating right-of-use assets, in the Company's fleet, and whether the carrying value of the Company's intangible assets, may not be recoverable as of June 30, 2023. The Company concluded that no such events or changes in circumstances had occurred.

Note 7 — Taxes

For the three months ended June 30, 2023 and 2022, the Company recorded income tax expense of \$ 1,339 and \$611, respectively, which represented effective tax rates of 9.8% and 13.9%, respectively. The decrease in the effective tax rate for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 was substantially due to a favorable Louisiana law change. For the six months ended June 30, 2023 and 2022, the Company recorded income tax expense of \$4,660 and \$552, respectively, which represented effective tax rates of 16.0% and 14.5%, respectively. There was no material difference for the effective tax rate for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The effective tax rate for the six months ended June 30, 2023 was less than the statutory rate due to the favorable Louisiana law change. The effective tax rate for the six months ended June 30, 2022 was less than the statutory rate due to the tonnage tax exclusion.

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

Note 8 — Capital Stock and Stock Compensation

Share Repurchases

On March 17, 2023, the Company's Board of Directors (the "Board") authorized a program (the "program") to purchase up to \$ 10,000 of the Company's common stock. In June 2023, the Board authorized the repurchase of an additional \$10,000 of common stock, raising the total value of the program to \$20,000. Under the program, the Company may repurchase shares from time to time in open market transactions or in privately negotiated transactions. For the three and six months ended June 30, 2023, the Company repurchased 2,095,232 and 2,593,138 shares, respectively, for \$ 7,985 and \$9,847,

respectively, at an average price of \$3.81 and \$3.80 per share, respectively.

Warrant Conversions

During the six months ended June 30, 2023 and 2022, the Company issued 128,943 and 11,179 shares of Class A common stock, respectively, as a result of the exercise of 680,892 and 59,124 Class A warrants, respectively.

Stock Compensation

The Company accounts for stock compensation expense in accordance with the fair value-based method required by ASC 718, *Compensation – Stock Compensation*. This method requires share-based payment transactions to be measured based on the fair value of the equity instruments issued.

Director Compensation — Restricted Stock Units

On June 15, 2023 and June 1, 2022, the Company awarded 195,800 and 305,000 time-based RSUs, respectively, to its non-employee directors. The grant date fair values of these awards were \$3.83 and \$2.09 per RSU, respectively. Each RSU represents a contingent right to receive one share of Class A common stock upon vesting. These RSUs vest in full on the first anniversary of the grant date, subject to each director continuing to provide services to the Company through such date.

Management Compensation — Restricted Stock Units

During the six months ended June 30, 2023 and 2022, the Company granted RSUs to its employees, including senior officers, covering 584,922 and 718,360 shares, respectively. The grant date fair values of these awards were \$ 2.90 and \$2.09 per RSU, respectively. Each RSU represents a contingent right to receive one share of Class A common stock upon vesting. Each award vests in approximately equal installments on each of the first three anniversaries of the grant date.

During the six months ended June 30, 2023 and 2022, the Company awarded performance-based RSUs to its senior officers covering 416,832 and 518,600 shares, respectively (which amounts may be increased up to a maximum of 625,248 and 777,900 shares, respectively, based upon performance). Each performance-based RSU represents a contingent right to receive RSUs based upon continuous employment, subject to the achievement of performance metrics through the end of a three-year performance period. The grant date fair values of the awards, which are subject to performance conditions, were determined to be \$2.90 and \$2.09 per RSU, respectively.

During the six months ended June 30, 2022, the Company awarded RSUs to its senior officers covering 576,981 shares. The grant date fair value of these awards was \$2.09. Each award of RSUs vest as follows: 20% vests on the first anniversary of the grant date, 30% vests on the second anniversary of the grant date, and 50% vests on the third anniversary of the grant date. Each RSU represents a contingent right to receive one share of Class A common stock upon vesting.

During the six months ended June 30, 2023 and 2022, in connection with the vesting of restricted stock units ("RSUs"), the Company withheld 333,085 and 179,040 shares of Class A common stock, respectively, at an average price of \$ 3.51 and \$2.07 per share (based on the market prices on the dates of vesting), respectively, from certain members of management to cover withholding taxes.

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

Note 9 — Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income, net of related taxes, in the condensed consolidated balance sheets follow:

As of	June 30, 2023	December 31, 2022
Items not yet recognized as a component of net periodic benefit cost (pension and other postretirement benefit plans)	\$ 3,026	\$ 3,410
Accumulated other comprehensive income	\$ 3,026	\$ 3,410

The following table presents the changes in the balances of each component of accumulated other comprehensive income, net of related taxes, during the three and six months ended June 30, 2023 and 2022:

	Items not yet recognized as a component of net periodic benefit cost (pension and other postretirement plans)
Balance as of March 31, 2023	\$ 3,218
Current period change, excluding amounts reclassified from accumulated other comprehensive income	—
Amounts reclassified from accumulated other comprehensive income	(192)
Total change in accumulated other comprehensive income	(192)
Balance as of June 30, 2023	\$ 3,026
Balance as of March 31, 2022	\$ 2,763
Current period change, excluding amounts reclassified from accumulated other comprehensive loss	—
Amounts reclassified from accumulated other comprehensive loss	(181)
Total change in accumulated other comprehensive loss	(181)
Balance as of June 30, 2022	\$ 2,582

		Items not yet recognized as a component of net periodic benefit cost (pension and other postretirement plans)
Balance as of December 31, 2022	\$	3,410
Current period change, excluding amounts reclassified from accumulated other comprehensive income		—
Amounts reclassified from accumulated other comprehensive income		(384)
Total change in accumulated other comprehensive income		(384)
Balance as of June 30, 2023	\$	3,026
Balance as of December 31, 2021	\$	2,943
Current period change, excluding amounts reclassified from accumulated other comprehensive loss		—
Amounts reclassified from accumulated other comprehensive loss		(361)
Total change in accumulated other comprehensive loss		(361)
Balance as of June 30, 2022	\$	2,582

The Company includes the service cost component for net periodic benefit cost/(income) in vessel expenses and general and administrative expenses and other components in other (expense)/income, net on the condensed consolidated statements of operations.

Note 10 — Leases

In March 2023, the Company extended its lease on the *Alaskan Frontier* for an additional lease term of three years to March 2026. The lease is accounted for as an operating lease. The future minimum commitments under the lease are \$184 for the remainder of 2023, \$366 in 2024, \$365 in 2025, and \$71 in 2026. For the six months ended June 30, 2023, the Company had non-cash operating activity of approximately \$ 1,000 for obtaining an operating right-of-use asset and liability as a result of the lease extension.

Charters-out

The Company is the lessor under its time charter contracts. Total time charter revenue for the three and six months ended June 30, 2023 was equal to income from lease payments of \$86,853 and \$171,287, respectively, plus straight-line adjustments of \$ 404 and \$110, respectively. For the three and six months ended June 30, 2022, total time charter revenue was equal to income from lease payments of \$82,913 and \$139,821, respectively, plus straight-line adjustments of \$56 and \$383.

Note 11 — Contingencies

The Company is a party, as plaintiff or defendant, to various suits in the ordinary course of business for monetary relief arising principally from personal injuries (including exposure to asbestos and other toxic materials), wrongful death, collision or other casualty and to claims arising under charter parties. A substantial majority of such personal injury, wrongful death, collision or other casualty claims against the Company are covered by insurance (subject to deductibles not material in amount). In the opinion of management, none of these claims, individually or in the aggregate, are expected to be material to the Company's financial position, results of operations and cash flows.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among others, statements about our beliefs, plans, objectives, goals, expectations, estimates and intentions that are subject to significant risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "goal," and similar expressions are intended to identify forward-looking statements.

All forward-looking statements, by their nature, are subject to risks and uncertainties. Our actual future results may differ materially from those set forth in our forward-looking statements. Please see the section titled "Forward-Looking Statements" and Item 1A. Risk Factors of our Form 10-K. Other factors besides those listed in our Form 10-K and in our quarterly reports also could adversely affect our results, and you should not consider any such list of factors to be a complete set of all potential risks or uncertainties. The following highlights some of these risk factors:

- the inability to attract or retain qualified mariners, as a result of labor shortages, competition to hire mariners, and other influences on the labor pool and associated costs;
- volatility in supply and demand in the crude oil and refined product markets worldwide or in the specialized markets in which the Company currently trades, which could also affect the nature and severity of certain factors listed below;
- uncertain economic, political and governmental conditions in the United States or abroad, and conditions in the oil and natural gas industry, such as the Russia/Ukraine war, other geopolitical developments, or otherwise;
- increasing operating costs, unexpected drydock costs, and/or increasing capital expenses as a result of supply chain limitations, lack of availability of materials and of qualified contractors and technical experts, the consolidation of suppliers, and inflation;
- challenges associated with compliance with complex environmental laws and regulations, including those relating to the emission of greenhouse gases and ballast water treatment, and corresponding increases in expenses;
- work stoppages or other labor disruptions by the unionized employees of the Company or other companies in related industries, or the impact of any potential liabilities resulting from withdrawal from participation in multiemployer plans;
- public health threats, such as the COVID-19 pandemic, which can impact the Company in many ways, including increasing operating costs to protect the health and safety of the Company's crew members and others in the industry;
- the inability to clear oil majors' risk assessment processes;
- the effect of the Company's indebtedness on its ability to finance operations, pursue desirable business operations and successfully run its business in the future or to generate sufficient cash to service its indebtedness and to comply with debt covenants, allowing it to maintain capital availability;
- the highly cyclical nature of OSG's industry and significant fluctuations in the market value of our vessels;
- the Company's ability to renew its time charters when they expire or to enter into new time charters, to replace its operating leases on favorable terms, or to compete effectively for charters;

- the loss of or reduction in business with any one of our large customers, changes in credit risk with respect to the Company's counterparties on contracts, or the failure of counterparties to meet their obligations;
- the Company's compliance with 46 U.S.C. sections 50501 and 55101 (commonly known as the "Jones Act") and heightened exposure to Jones Act market fluctuations, as well as stockholder citizenship requirements imposed on us by the Jones Act, which result in restrictions on foreign ownership of the Company's common stock;
- limitations on U.S. coastwise trade, the waiver, modification or repeal of the Jones Act limitations, or changes in international trade agreements; and
- the Company's ability to use its net operating loss carryforwards.

The Company assumes no obligation to update or revise any forward-looking statements, except as may be required by law. Forward-looking statements in this Quarterly Report on Form 10-Q and written and oral forward-looking statements attributable to the Company or its representatives after the date of this Quarterly Report on Form 10-Q are qualified in their entirety by the cautionary statement contained in this paragraph and in other reports filed by the Company with the SEC.

Business Overview

OSG is a publicly traded company providing liquid bulk and energy transportation services for crude oil and petroleum products in the U.S. Flag markets. In January 2023, the *Overseas Sun Coast* was converted to U.S. Flag status, joining the rest of OSG's U.S. Flag fleet. OSG's U.S. Flag fleet consists of Suezmax crude oil tankers doing business in Alaska, conventional and lightering ATBs, shuttle and conventional MR tankers, and non-Jones Act MR tankers that participate in the U.S. Tanker Security Program ("TSP"). OSG is committed to setting high standards of excellence for its quality, safety and environmental programs. OSG is recognized as one of the world's most customer-focused marine transportation companies and is headquartered in Tampa, FL. Our revenues are derived predominantly from time charter agreements for specific periods of time at fixed daily amounts. We also charter-out vessels for specific voyages where we typically earn freight revenue at spot market rates.

The following is a discussion and analysis of our financial condition and results of operations for the three and six months ended June 30, 2023 and 2022. This Quarterly Report on Form 10-Q includes industry data and forecasts that we have prepared based in part on information obtained from industry publications and surveys. Third-party industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. In addition, certain statements regarding our market position in this report are based on information derived from internal market studies and research reports. Unless we state otherwise, statements about the Company's relative competitive position in this report are based on management's beliefs, internal studies and management's knowledge of industry trends.

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All dollar amounts are in thousands, except daily dollar amounts and per share amounts.

Operations and Oil Tanker Markets

Our revenues are highly sensitive to patterns of supply and demand for vessels of the size and design configurations owned and operated by us and the trades in which those vessels operate. Rates for the transportation of crude oil and refined petroleum products are determined by market forces such as the supply and demand for oil, the distance that cargoes must be transported, and the number of vessels expected to be available at the time cargoes need to be transported. In the Jones Act trades within which the substantial majority of our vessels operate, demand factors for transportation are affected almost exclusively by supply and distribution decisions of oil producers, refiners and distributors based in the United States. Further, the demand for U.S. domestic oil shipments is significantly affected by the state of the U.S. and global economies, the level of imports into the U.S. from OPEC and other foreign producers, oil production in the United States, and the relative price differentials of U.S. produced crude oil and refined petroleum products as compared with comparable products sourced from or destined for foreign markets, including the cost of transportation on international flag vessels to or from those markets. The number of vessels is affected by newbuilding deliveries and by the removal of existing vessels from service, principally through storage, layup, deletions, or conversions. Our revenues are also affected by the mix of charters between spot (voyage charters which include short-term time charters) and long-term (time or bareboat charters).

The Russia/Ukraine conflict has resulted in economic sanctions against Russia, including the banning or limitation of oil imports from Russia by certain countries and self-sanctioning by many oil companies and traders. In December 2022, the EU banned waterborne crude oil imports from Russia and the G7 nations implemented a price cap limiting the global price paid for Russian oil. Some countries have taken advantage of the current availability of Russian crude oil sold at a discount to world prices. These circumstances have resulted in the redirection of oil (crude and refined product) trade flows, which are apt to continue, reflecting the needs of countries that were large consumers of Russian oil to obtain other supply sources. Although the United States was not a major importer of Russian oil, it is impacted by these global events. Crude and refined products that were previously imported into the United States from non-Russian sources may not be available in prior quantities. Another potential impact is more movement from domestic producing locations via pipeline and marine assets, which would increase vessel demand. An increase in demand could result in higher utilization levels and potentially higher rates for Jones Act vessels.

Renewable diesel produces less carbon dioxide and nitrogen oxide than conventional diesel. As it is chemically identical to regular diesel, it can be used on its own or blended with conventional diesel. Production of renewable diesel increased in 2022 and is expected to grow significantly by 2025 as governments implement policies to encourage further growth of this fuel, including California's Low Carbon Fuel Standard. The U.S. Gulf Coast currently produces a significant proportion of U.S. renewable diesel, and California has been a large consumer of renewable diesel. Marine transportation provides the most cost-effective solution to move finished product to the West Coast. The length of the trip to California creates a significant increase in ton mile demand, creating a large new market for Jones Act shipping.

Having our vessels committed on time charters is a fundamental objective of our chartering strategy. We seek to have a majority of available vessel operating days covered with time charters or contracts of affreightment, but if such charters are not remunerative, or prove unachievable under certain market conditions, some of our vessels may operate in the spot market, which is more volatile and less predictable. Because shipping revenues and voyage expenses are significantly affected by the mix between voyage charters and time charters, we manage our vessels based on TCE revenues and rates, which are non-GAAP measures.

Continued lack of available tonnage throughout the second quarter of 2023 contributed to minimal spot activity for Jones Act tankers and ATBs. Charterers are increasing the duration of some new time charter contracts to secure tonnage for multi-year periods. There are few vessels available in the spot market, and spot activity decreased from 49 spot fixtures in the first half of 2022 to 21 in the first half of 2023. For the 21 spot fixtures, four were performed by tankers and the others were performed by ATBs.

Our vessels were employed for 100% of available days during the second quarter of 2023, with a total of 1,588 available days (excluding 46 days for vessels that were off-hire due to drydock requirements) seeing no vessels idle without employment. Industry-wide, there were no firm Jones Act vessel orders as of June 30, 2023.

Delaware Bay lightering volumes averaged 72,000 b/d in the second quarter of 2023 compared with 71,000 b/d in the second quarter of 2022. We have contract minimums with our refinery customers that compensate us for barrels not lightered below minimum amounts.

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Critical Accounting Policies

The Company's consolidated financial statements are prepared in accordance with GAAP, which requires the Company to make estimates in the application of its accounting policies based on the best assumptions, judgments and opinions of management. There have been no changes to the Company's critical accounting estimates disclosed in Note 2, "Summary of Significant Accounting Policies," to the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K for 2022.

Results of Vessel Operations

During the three months ended June 30, 2023, shipping revenues decreased by \$11,360, or 9.6%, compared to the same period in 2022. The decrease primarily resulted from (a) fewer vessels in our fleet as we redelivered three conventional tankers leased from American Shipping Company in December 2022; (b) a 14-day increase in drydock days; (c) one less Government of Israel voyage during the second quarter of 2023 compared to the second quarter of 2022; and (d) no Military Sealift Command ("MSC") voyages during the second quarter of 2023 compared to one full MSC voyage and one partial MSC voyage that began during the second quarter of 2022 and overlapped into the third quarter, both of which were longer international voyages. The decrease was partially offset by an 82-day decrease in layup days. We had no vessels in layup during the second quarter of 2023. During the second quarter of 2022, we had two vessels in layup until May 2022, when they returned to service. Additionally, the decrease in shipping revenues was partially offset by (a) an increase in average daily rates earned by our fleet, (b) an increase in Delaware Bay lightering volumes and (c) a 10-day decrease in repair days.

For the six months ended June 30, 2023, shipping revenues decreased by \$1,567, or 0.7%, compared to the six months ended June 30, 2022. The decrease primarily resulted from (a) fewer vessels in our fleet as we redelivered three conventional tankers leased from American Shipping Company in December 2022, (b) one MSC voyage during the first six months of 2023 compared to six full MSC voyages and one partial MSC voyage that began during the second quarter of 2022 and overlapped into the third quarter, both of which were longer international voyages, and (c) three full Government of Israel voyages during the first six months of 2023 compared to three full Government of Israel voyages and one partial Government of Israel voyage that began during the first six months of 2022 and overlapped into the third quarter. The decrease in shipping revenues was partially offset by a 337-day decrease in layup days. We had no vessels in layup during the first six months of 2023. During the first quarter of 2022, we had two vessels in layup for the full quarter and two additional vessels that came out of layup in January 2022 and late February 2022. Our remaining two vessels in layup returned to service in May 2022. Additionally, the decrease was partially offset by (a) an increase in average daily rates earned by our fleet, (b) an increase in Delaware Bay lightering volumes, (c) a 13-day decrease in drydock days, and (d) a 7-day decrease in repair days.

Reconciliation of TCE revenues, a non-GAAP measure, to shipping revenues as reported in the consolidated statements of operations follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Time charter equivalent revenues	\$ 100,127	103,243	\$ 204,861	\$ 197,167
Add: Voyage expenses	6,498	14,742	15,555	24,816
Shipping revenues	<u>\$ 106,625</u>	<u>\$ 117,985</u>	<u>\$ 220,416</u>	<u>\$ 221,983</u>

The following tables provide a breakdown of TCE rates achieved for the three and six months ended June 30, 2023 and 2022 between spot and fixed earnings and the related revenue days. Prior period amounts have been updated to conform to current period presentation.

Three Months Ended June 30,	2023		2022	
	Spot Earnings	Fixed Earnings	Spot Earnings	Fixed Earnings
Jones Act Handysize Product Carriers:				
Average rate	\$ —	\$ 65,447	\$ 40,189	\$ 61,324
Revenue days	—	908	126	935
Non-Jones Act Handysize Product Carriers:				
Average rate	\$ 26,562	\$ —	\$ 42,264	\$ 32,286
Revenue days	243	—	182	91
ATBs:				
Average rate	\$ —	\$ 43,758	\$ 40,462	\$ 35,004
Revenue days	—	225	47	181
Lightering:				
Average rate	\$ 82,164	\$ —	\$ 62,411	\$ —
Revenue days	91	—	91	—
Alaska (a):				
Average rate	\$ —	\$ 59,977	\$ —	\$ 60,010
Revenue days	—	273	—	266

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Six Months Ended June 30,	2023		2022	
	Spot Earnings	Fixed Earnings	Spot Earnings	Fixed Earnings
Jones Act Handysize Product Carriers:				
Average rate	\$ 58,845	\$ 64,874	\$ 54,218	\$ 59,864
Revenue days	40	1,755	537	1,480
Non-Jones Act Handysize Product Carriers:				
Average rate	\$ 33,836	\$ 39,677	\$ 43,164	\$ 24,909
Revenue days	488	14	362	181
ATBs:				
Average rate	\$ —	\$ 43,086	\$ 40,123	\$ 34,913
Revenue days	—	490	47	359
Lightering:				
Average rate	\$ 93,276	\$ —	\$ 68,449	\$ —
Revenue days	181	—	181	—
Alaska (a):				
Average rate	\$ —	\$ 60,046	\$ —	\$ 59,500
Revenue days	—	543	—	535

a) Excludes one Alaska vessel currently in layup.

During the second quarter of 2023, TCE revenues decreased by \$3,116, or 3.0%, to \$100,127 from \$103,243 in the second quarter of 2022. The decrease in TCE revenues was primarily driven by the decrease in shipping revenues explained above.

Voyage expenses decreased by \$8,244, or 55.9%, in the second quarter of 2023 to \$6,498 compared to \$14,742 in the second quarter of 2022, primarily due to decreases in fuel and port expenses, as our vessels performed fewer voyage charters during the second quarter of 2023 compared to the second quarter of 2022.

Vessel expenses decreased by \$3,355, or 7.6%, in the second quarter of 2023 to \$40,798 compared to \$44,153 in the second quarter of 2022, primarily due to a decrease in crewing costs related to fewer vessels in our fleet, as we redelivered three conventional tankers leased from American Shipping Company in December 2022.

Charter hire expenses decreased by \$6,332, or 28.3%, to \$16,018 in 2023 from \$22,350 in 2022. The decrease primarily resulted from the redelivery of three conventional tankers leased from American Shipping Company in December 2022.

Depreciation and amortization decreased by \$214, or 1.3%, to \$16,449 in the second quarter of 2023 compared to \$16,663 in the second quarter of 2022. The decrease primarily resulted from a decrease in amortization of drydock costs.

During the first six months of 2023, TCE revenues increased \$7,694, or 3.9%, to 204,861 from \$197,167 in the first six months of 2022. The increase primarily resulted from the decrease in shipping revenues explained above offset by the decrease in voyage expenses explained below.

Voyage expenses decreased by \$9,261, or 37.3%, in the first six months of 2023 to \$15,555 compared to \$24,816 in the first six months of 2022, primarily due to decreases in fuel and port expenses, as our vessels performed fewer voyage charters during the six months ended June 30, 2023 compared to the six months ended June 30, 2022.

Vessel expenses decreased by \$1,582, or 1.9%, for the six months ended June 30, 2023 to \$83,368 compared to \$84,950 for the six months ended June 30, 2022, primarily due to a decrease in crewing costs related to fewer vessels in our fleet as we redelivered three conventional tankers leased from American Shipping Company in December 2022.

Depreciation and amortization decreased by \$659, or 2.0%, to \$32,497 in the first six months of 2023 compared to \$33,156 in the first six months of 2022. The decrease primarily resulted from a decrease in amortization of drydock costs.

In April 2023, three of our vessels were accepted into the TSP. The program is designed to ensure that militarily useful U.S. Flag tank vessels are available to the U.S. Department of Defense in the event of war or national emergency. The initial program calls for 10 tankers to participate. Under the TSP, participants receive an annual stipend designed to reduce vessel expenses to a level that will allow them to compete for international business. We transferred the two non-Jones Act U.S. Flag Product Carriers participating in the U.S. Maritime Security Program to the TSP and added the *Overseas Sun Coast*, which was converted to U.S. Flag status in January 2023, to participate in the program. We expect to receive an annual stipend of \$6,000 for each vessel under the TSP.

In June 2023, the MSC awarded one of our vessels, the *Overseas Mykonos*, a time charter contract to provide ongoing fuel transportation services to MSC in support of our nation's defense. The time charter awarded is for a one-year base period with the MSC holding additional option periods to extend the contract out to a maximum period of five- and one-half years. The *Overseas Mykonos* will be transferred out of the TSP and delivered to MSC in August 2023.

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General and Administrative Expenses

General and administrative expenses decreased by \$840, or 11.3%, to \$6,595 during the three months ended June 30, 2023 compared to \$7,435 for the three months ended June 30, 2022. The decrease was primarily driven by lower compensation and benefits costs related to a decrease in stock compensation costs. During the second quarter of 2022, stock compensation costs were recognized at the end of the quarter for performance-based RSUs as at June 30, 2022 it became probable that some of the operational and financial goals were met.

For the six months ended June 30, 2023, general and administrative expenses remained consistent at \$14,438 compared to \$14,373 for the six months ended June 30, 2022.

Interest Expense

Interest expense was \$8,085 and \$16,241 for the three and six months ended June 30, 2023, respectively, compared with \$8,275 and \$16,640 for the three and six months ended June 30, 2022. The decrease in interest expense was primarily due to a lower average balance of debt outstanding during the three and six months ended June 30, 2023 compared to the same periods in 2022.

Income Taxes

For the three months ended June 30, 2023 and 2022, the Company recorded income tax expense of \$1,339 and \$611, respectively, which represented effective tax rates of 9.8% and 13.9%, respectively. The decrease in the effective tax rate for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 was substantially due to a favorable Louisiana law change. For the six months ended June 30, 2023 and 2022, the Company recorded income tax expense of \$4,660 and \$552, respectively, which represented effective tax rates of 16.0% and 14.5%, respectively. There was no material difference for the effective tax rate for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The effective tax rate for the six months ended June 30, 2023 was less than the statutory rate due to the favorable Louisiana law change. The effective tax rate for the six months ended June 30, 2022 was less than the statutory rate due to the tonnage tax exclusion.

Liquidity and Sources of Capital

Our business is capital intensive. Our ability to successfully implement our strategy is dependent on the continued availability of capital on attractive terms. In addition, our ability to successfully operate our business to meet near-term and long-term debt repayment obligations is dependent on maintaining sufficient liquidity.

Liquidity

Working capital at June 30, 2023 was approximately \$(16,000) compared with approximately \$(38,000) at December 31, 2022. Excluding the current portion of operating and finance lease liabilities, working capital was approximately \$51,000 at June 30, 2023 compared to \$30,000 at December 31, 2022. The increase in working capital was primarily due to an increase in cash and cash equivalents, as the Company generated cash flow from operations during the current year, and a decrease in accounts payable, accrued expenses and other current liabilities as a result of timing of accounts

payable payments made through June 30, 2023 compared to December 31, 2022. The increase in working capital was partially offset by a decrease in receivables related to the timing of collections from our customers.

As of June 30, 2023, we had total liquidity on a consolidated basis comprised of \$105,950 of cash and cash equivalents. We manage our cash in accordance with our intercompany cash management system. Our cash and cash equivalents, as well as our restricted cash balances, generally exceed Federal Deposit Insurance Corporation insurance limits. We place our cash, cash equivalents and restricted cash in what we believe to be credit-worthy financial institutions. In addition, certain of our money market accounts invest in U.S. Treasury securities or other obligations issued or guaranteed by the U.S. government or its agencies.

As of June 30, 2023, we had total debt outstanding (net of deferred financing costs) of \$412,220 and a total debt to total capitalization of 53.8%, compared to \$423,363 and 55.5%, respectively, at December 31, 2022.

Sources, Uses and Management of Capital

We generate significant cash flows through our complementary mix of time charters, voyage charters and contracts of affreightment. Net cash provided by operating activities during the six months ended June 30, 2023 was \$53,410. In addition to operating cash flows, our other current potential sources of funds are proceeds from additional issuances of equity securities, additional borrowings, and proceeds from the opportunistic sales of our vessels. In the past, we have also obtained funds from the issuance of long-term debt securities. However, we can give no assurance as to whether or the terms on which we may be able to issue equity or debt securities, obtain additional borrowings, or sell vessels.

We use capital to fund working capital requirements, maintain the quality of our vessels, comply with U.S. and international shipping standards, and repay our outstanding loan facilities. We also use capital to comply with environmental laws and regulations, and we expect that the costs of such compliance will continue to increase; while it is not possible to determine the amounts of such costs for any future period, we believe that they are likely to be substantial. We may also use cash generated by operations to finance capital expenditures to modernize and grow our fleet.

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For the three and six months ended June 30, 2023, we used \$7,985 and \$9,847, respectively, of available cash to repurchase 2,095,232 and 2,593,138 shares, respectively, of our common stock at an average price of \$3.81 and \$3.80, respectively.

Item 3: Quantitative and Qualitative Disclosures about Market Risk

Not applicable due to the Company's status as a smaller reporting company.

Item 4: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's current disclosure controls and procedures were effective as of June 30, 2023 to ensure that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are party to lawsuits and claims arising out of the normal course of business. In management's opinion, there are no known pending claims or litigation, the outcome of which would, individually or in the aggregate, have a material effect on our consolidated results of operations, financial position, or cash flows.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" in our 2022 Form 10-K, and as may be updated in our subsequent quarterly reports. The risks described in our 2022 Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results. There have been no material changes in our risk factors from those disclosed in our 2022 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On March 17, 2023, the Company's Board of Directors (the "Board") authorized a program (the "program") to purchase up to \$10,000 of the Company's common stock. In June 2023, the Board authorized the repurchase of an additional \$10,000 of common stock, raising the total value of the program to \$20,000. Under the program, the Company may repurchase shares from time to time in open market transactions or in privately negotiated transactions.

During the three months ended June 30, 2023, purchases of our common stock under the program were as follows:

Period	Total Number Shares of Class A Purchased	Average Price Paid per Share of Class A
April 1, 2023 through April 30, 2023	433,885	\$ 3.59
May 1, 2023 through May 31, 2023	864,432	\$ 3.82
June 1, 2023 through June 30, 2023	796,915	\$ 3.92

Item 3. Defaults upon senior securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other information*(c). Rule 10b5-1 Trading Plans*

Samuel H. Norton is the Company's President and Chief Executive Officer. On May 11, 2023, The Samuel H. Norton Trust - 1996, of which Mr. Norton is the sole trustee, entered into a plan providing for the sale of shares of the Company's common stock (the "Plan") that is intended to satisfy the affirmative defense conditions of Securities Exchange Act Rule 10b5-1(c). The Plan, which has a term expiring in November 2024, provides for the sale of up to 750,000 shares of common stock pursuant to the terms of the Plan.

Item 6. Exhibits

10.1	Amended and Restated Certificate of Incorporation of Overseas Shipholding Group, Inc.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a), as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a), as amended.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Schema.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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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.

OVERSEAS SHIPHOLDING GROUP, INC.
(Registrant)

Date: August 7, 2023

/s/ Samuel H. Norton

Samuel H. Norton
Chief Executive Officer

Date: August 7, 2023

/s/ Richard Trueblood

Richard Trueblood
Chief Financial Officer
(Mr. Trueblood is the Principal Financial Officer and has been duly authorized to sign on behalf of the Registrant)

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AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF

OVERSEAS SHIPHOLDING GROUP, INC.

Overseas Shipholding Group, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation") hereby certifies as follows:

- A. The name of the Corporation is Overseas Shipholding Group, Inc. The Corporation's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on August 5, 2014 (the "Original Amended and Restated Certificate of Incorporation") in accordance with Sections 245 and 303 of the General Corporation Law of the State of Delaware in furtherance of (and required by) that certain order of the United States Bankruptcy Court for the District of Delaware dated July 18, 2014 (the "Order").
- B. The Corporation filed a Certificate of Amendment of the Original Amended and Restated Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware on June 7, 2016.
- C. The Original Amended and Restated Certificate of Incorporation is hereby further amended and restated to read in its entirety as set forth below:

FIRST: The name of the Corporation is OVERSEAS SHIPHOLDING GROUP, INC.

SECOND: The address of the Corporation's registered office in the State of Delaware is 160 Greentree Drive, Suite 101, City of Dover, County of Kent, Delaware 19904. The name of the Corporation's registered agent at such address is National Registered Agents, Inc.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended or supplemented from time to time (the "DGCL").

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 227,987,800 consisting of the following classes: (a) 166,666,666 shares of Class A Common Stock, par value \$0.01 per share (the "Class A Common Stock"), (b) 1,321,134 shares of Class B Common Stock, par value \$0.01 per share (the "Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock") and (c) 60,000,000 shares of preferred stock, par value \$0.01 per share, which may be issued in one or more series as the Board of Directors may determine from time to time by resolution as provided in DGCL Section 151(g) and in accordance with Section C of this Article FOURTH (the "Preferred Stock"; and together with the Common Stock and with any other class of stock the Corporation may hereafter authorize, the "Capital Stock").

Capitalized terms used in this Article FOURTH that have not been previously defined have the meanings ascribed thereto in Section G of this Article FOURTH.

A. Common Stock.

1. Rights and Restrictions. Subject to the provisions of applicable law and this Article FOURTH, shares of Common Stock shall be identical in all respects and shall entitle the holders thereof to the same relative rights, powers, preferences and privileges.

2. Voting. Subject to the provisions of applicable law and this Article FOURTH, the holders of shares of Common Stock shall vote on all matters submitted to a vote of the Corporation's stockholders as a single class and be entitled to one vote per share.

3. Dividend; Changes in Common Stock.

(a) Holders of shares of Common Stock shall be entitled to receive dividends and other distributions of cash, stock or property of the Corporation as may be declared by the Board of Directors from time to time out of funds legally available therefor; provided that such dividends and distributions shall, other than as provided in Section B of this Article FOURTH, be declared on a proportionate basis per share of Common Stock and, in the case of a stock dividend, in accordance with clause (b) below; and provided further, such dividends and distributions shall not, in the reasonable judgment of the Board of Directors when declaring such dividend or distribution, impair the ability of the Corporation to distribute the Aggregate Available Distribution.

(b) In the case of dividends payable in Common Stock or rights to subscribe for Common Stock, only shares of Class A Common Stock or rights to subscribe for shares of Class A Common Stock shall be distributed with respect to Class A Common Stock and Class B Common Stock.

(c) The Corporation shall not in any manner combine (by reverse stock split, reclassification, recapitalization or otherwise) the outstanding shares of one class of Common Stock, unless the outstanding shares of all classes of Common Stock shall be proportionately combined.

(d) The Corporation shall not in any manner subdivide (by any stock split, stock dividend, reclassification, recapitalization or otherwise) the outstanding shares of one class of Common Stock, unless the outstanding shares of all classes of Common Stock shall be proportionately subdivided; provided that in the event the Common Stock is subdivided, only shares of Class A Common Stock shall be distributed with respect to the subdivision of Class A Common Stock and Class B Common Stock.

4. Rights upon Liquidation. Upon the liquidation, dissolution or winding up of the Corporation, holders of Common Stock shall be entitled to share equally on a per-share basis in the assets of the Corporation available for distribution to the holders of Common Stock; provided, that, to the extent permitted by applicable law, if at the time of commencement of any such proceeding, either the Professional Liability Action is continuing or the Net Litigation Recovery has been received by the Corporation but the Aggregate Available Distribution has not been distributed to the holders of the Class B Common Stock, then the plan, order or other action relating to such proceeding will provide that the holders of the Class B Common Stock, in connection with such proceeding shall receive the right to the participate in any eventual Net Litigation Recovery to the same extent that they would otherwise have been entitled pursuant to this Amended and Restated Certificate of Incorporation.

5. Conversion of Class B Common Stock.

(a) Mandatory Conversion. Each share of Class B Common Stock shall be automatically converted into a share of Class A Common Stock on the 10th business day (the "Mandatory Conversion Date") after both a final order entering judgment for or against the defendants in the Professional Liability Action and the distribution of the Aggregate Available Distribution to the holders of Class B Securities. The Corporation shall provide notice of such automatic conversion of Class B Common Stock to Class A Common Stock on the Net Litigation Recovery Announcement Date. Such notice shall be provided by any means then permitted by the DGCL; provided, however, that no failure to give such notice nor any defect therein shall affect the validity of the automatic conversion of any shares of Class B Common Stock. Such notice shall, as appropriate, (A) state the Mandatory Conversion Date; (B) specify that all outstanding shares of Class B Common Stock will be automatically converted; and (C) identify the place or places where certificates if any, for such shares may be surrendered in exchange for certificates, if any, representing Class A Common Stock, or the method by which book-entry interest in the Class A Common Stock may be obtained in exchange for such certificates in respect of shares of Class B Common Stock; provided that any failure to make such exchange on the Mandatory Conversion Date shall not affect the validity of the automatic conversion of such shares.

(b) Optional Conversion. Prior to the Mandatory Conversion Date, each record holder of outstanding Class B Common Stock may convert any or all of such shares into an equal number of shares of Class A Common Stock by complying with the requirements of any transfer agent and depository for the Common Stock appointed by the Corporation for such conversion and sending a written notice by such record holder to the Corporation and any such transfer agent and depository stating that such record holder desires to convert such shares of Class B Common Stock into the same number of shares of Class A Common Stock (including, but not limited to, for the purpose of the sale or other disposition of such shares of Class A Common Stock), and requesting that the Corporation issue all of such shares of Class A Common Stock to the person or persons named in such notice. To the extent permitted by law, such voluntary conversion shall be deemed to have been effected at the close of business on the date of such surrender.

B. Class B Common Stock Net Litigation Recovery. Holders of record of outstanding Class B Common Stock on the Net Litigation Recovery Record Date will receive from the Corporation a percentage (set forth in the following sentence) of the proceeds of the Professional Liability Action net of (i) all related out-of-pocket expenses of the Corporation, including legal fees, and (ii) all reasonable and documented costs and expenses incurred and all payments made or to be made by the Corporation in respect of counter-claims by Proskauer Rose, LLP and /or its employees, whether by direct payment by the Corporation to a plaintiff to such counter-claims or pursuant to any indemnification obligations, as determined by the Board of Directors in good faith (such net amount, the "Net Litigation Recovery"). The aggregate amount of the Net Litigation Recovery which will be distributed to holders of the Class B New Securities (the "Aggregate Available Distribution") will be an amount equal to the product of the Net Litigation Recovery multiplied by 0.1. The holders of record on the Net Litigation Recovery Record Date of each outstanding share of Class B Common Stock shall be entitled to receive, in respect of each share of Class B Common Stock held by such holder, a pro rata portion of the Aggregate Available Distribution calculated as a fraction thereof, the numerator of which shall be one (1) and the denominator of which shall be 7,926,805, provided that, for the avoidance of doubt, no distribution shall be made in respect of Class B Common Stock that has been converted into Class A Common Stock prior to the Net Litigation Recovery Record Date. In the event of any combination in the number of outstanding shares of Class B Common Stock pursuant to Section A.3. of this Article FOURTH, the per-share pro rata portion of the Aggregate Available Distribution to be distributed to shares of the Class B Common Stock as described in the preceding sentence shall be increased proportionately on a per-share basis. Any portion of the Aggregate Available Distribution that is not distributed to holders of Class B Common Stock as a result of shares of Class B Common Stock being converted to Class A Common Stock prior to the Net Litigation Recovery Record Date shall be property of the Corporation.

The Corporation shall publicly announce the Net Litigation Recovery Record Date at least 10 days in advance of the Net Litigation Recovery Record Date (the date of such announcement being the "Net Litigation Recovery Announcement Date") by issuing a press release for publication on a newswire service and publishing such press release on the website of the Corporation.

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The provisions of this Section B of this Article FOURTH may not be amended without the affirmative vote of the holders of at least a majority of the outstanding Class B Common Stock, nor may any corporate action which would alter or effect the rights of the holders of Class B Common Stock to receive the Aggregate Available Distribution as set forth in this Section B of this Article FOURTH be taken without the affirmative vote of the holders of at least a majority of the outstanding Class B Common Stock. Except as otherwise contemplated herein, any amendment to the provisions of this Article FOURTH shall not adversely affect the rights of the holders of the Class B Common Stock in any manner that is unique to the Class B Common Stock, unless agreed to by a majority of the holders of the Class B Common Stock voting as a class.

C. Preferred Stock. The Board of Directors is hereby expressly vested with the full authority provided for in DGCL Section 151 to issue the Preferred Stock with such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof as shall be specified in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors. Notwithstanding the foregoing, the Board of Directors will not, without the affirmative vote of at least a majority of the total voting power of the outstanding shares of Capital Stock entitled to vote on such matters (voting as a class), issue any Preferred Stock for any defensive or anti-takeover purpose, for the purpose of implementing any shareholder rights plan or with features specifically intended to make any attempted acquisition of the Corporation more difficult or costly.

D. Restrictions on Ownership of Capital Stock. The provisions of this Section D of this Article FOURTH and the authorities provided herein are intended to protect the Corporation's license to engage in the coastwise trade (as hereinafter defined in Section G of this Article FOURTH) as provided in DGCL Section 151(b)(2) and shall govern and be effective so long as the business of the Corporation is subject to the Citizenship Rules, as hereinafter defined in Section G of this Article FOURTH.

1. Citizenship Policies. The Board of Directors shall from time to time establish or adopt by resolution and publicly disclose with respect to any class, classes, or series of Capital Stock any (a) ownership presumption or fair inference rule, (b) minimum ownership or safe harbor percentage or rule (including any limitation on the percentage of shares of Capital Stock that may be held through any depository), (c) rule relating to the determination of which Persons are Beneficial Owners or the determination of a Person's address or status as a U.S. Citizen, (d) dual share certificate system under which different forms of share certificates representing outstanding shares of Capital Stock are issued to U.S. Citizens and Non-U.S. Citizens, or (e) other comparable policy or procedure that the Board of Directors determines in good faith is necessary or advisable for the Corporation to adopt in order to satisfy and demonstrate compliance with the Citizenship Rules (collectively, the "Citizenship Policies"). Such policies may be revised by the Board of Directors from time to time, and any such revisions shall also be publicly disclosed. The Board of Directors shall also from time to time by resolution establish and implement appropriate and timely monitoring, counting and related procedures and protocols to evidence compliance with the Citizenship Rules and the Citizenship Policies. The Citizenship Policies, as amended, restated or supplemented from time to time, will be maintained at the executive offices of the Corporation and copies thereof will be made available to holders of the Capital Stock free of charge upon request.

2. Owners Required to Provide Information. In furtherance of the Citizenship Policies and in order to facilitate compliance with the Citizenship Rules, but without limiting the generality of the authority of the Board of Directors under Section D(1) of this Article FOURTH, every Person, as a

condition to acquiring and holding title to or Beneficial Ownership of Capital Stock, must comply with the following provisions:

(a) Every Person acquiring or holding title to or Beneficial Ownership of 5% or more of the outstanding shares of Capital Stock must provide to the Corporation, promptly upon acquisition of shares of Capital Stock resulting in such Beneficial Ownership threshold, and at such other times as the Board of Directors may determine, a written statement or affidavit, as the Corporation may determine, duly signed, stating the name and address of such Beneficial Owner, the number of shares of Capital Stock Beneficially Owned by such Beneficial Owner as of a recent date, the legal structure of such Beneficial Owner, and a statement as to whether such Beneficial Owner is a U.S. Citizen; and

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(b) Every Beneficial Owner of Capital Stock must provide, or authorize such Beneficial Owner's broker, dealer, custodian, depository, nominee or similar agent to provide to the Corporation whether such Beneficial Owner's address is or is not in the United States.

3. Legends. For so long as the restrictions set forth in this Section D of this Article FOURTH are in effect, each certificate representing shares of Capital Stock shall bear a legend in substantially the following form:

THE SHARES OF CAPITAL STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO OWNERSHIP, VOTING AND TRANSFER RESTRICTIONS AS SET FORTH IN THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF OVERSEAS SHIPHOLDING GROUP, INC. (THE "CORPORATION"), AS THE SAME MAY BE AMENDED FROM TIME TO TIME (THE "CERTIFICATE OF INCORPORATION"), AND ARE SUBJECT TO REDEMPTION IN CERTAIN INSTANCES DESCRIBED THEREIN. A COPY OF SUCH CERTIFICATE OF INCORPORATION MAY BE OBTAINED FROM THE EXECUTIVE OFFICES OF THE CORPORATION.

E. Remedies for Non-Complying Shares.

1. No Continuing Interest.

(a) If, notwithstanding the other provisions contained in this Article FOURTH, there is a purported Transfer of shares of Capital Stock to any Person that if given effect would result in such shares becoming Non-Complying Shares, such purported Transfer shall be of no effect and void ab initio as to those shares that would otherwise become Non-Complying Shares, and the intended transferee shall be a " Prohibited Owner" with respect to the Non-Complying Shares and, to the fullest extent permitted by applicable law, shall acquire no right or interest (except as set forth in this Section E) in such Non-Complying Shares.

(b) If, notwithstanding the other provisions of this Article FOURTH, and for so long as, any Person who is a Beneficial Owner of shares of Capital Stock fails to provide or cause to be provided to the Corporation the written statements, affidavits or other information contemplated by Section E(2) of this Article FOURTH, all of the shares Beneficially Owned by such Person will become Non-Complying Shares, such Person shall be a " Prohibited Owner" and, to the fullest extent permitted by applicable law, shall cease to own any right or interest (except as set forth in this Section E) in all shares of Capital Stock Beneficially Owned by such Person at the time of such noncompliance unless and until such failure to so comply has been cured prior to any Transfer or redemption of Non-Complying Shares provided for under Section E(4) or Section E(5) of this Article FOURTH.

(c) Neither the Corporation nor its transfer agent shall be required to recognize any Prohibited Owner as a stockholder of the Corporation with respect to any Non-Complying Shares purportedly Transferred to or held by such Prohibited Owner except to the extent necessary to effect the provisions of this Section E.

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2. Notice. The Corporation will notify any Person (such notice, a " Noncompliance Notice"), some or all of whose shares of Capital Stock are or have become Non-Complying Shares, as soon as practicable after the Corporation determines to exercise any of the remedies with respect to such Non-Complying Shares available to it under this Section E of this Article FOURTH or otherwise under applicable law. The Noncompliance Notice shall be sent by first-class mail to such Person's last address known to the Corporation and to the Person's last known broker, dealer, custodian, depository, nominee or similar agent, if any, and will be deemed to have been duly delivered and received five days following the date when so mailed. The failure of the Corporation to deliver a Noncompliance Notice, or any deficiency therein, shall not, to the fullest extent permitted by applicable law, affect the ability of the Corporation to implement the provisions of this Section E. If any Capital Stock is represented by one or more global certificates deposited with, or is held in electronic form and is registered in the name of, the Depository Trust Company or its nominees, agents, or successors (the " Depository"), then any Noncompliance Notice to the Beneficial Owners of such global certificate or shares registered in the name of the Depository shall be delivered in accordance with the applicable procedures of the Depository.

3. Corporate Authority. If the Corporation shall at any time determine that a purported Transfer of a nature described in Section E(1)(a) of this Article FOURTH has taken place, is attempted or intended to take place, the Corporation may take such action as it deems advisable to refuse to give effect to or to prevent or void such Transfer, including, but not limited to, (i) refusing to give effect to such Transfer on the stock transfer books of the Corporation, (ii) instituting proceedings to enjoin such Transfer or acquisition, and (iii) pursuing the remedies provided for under Section E(4) or Section E(5) of this Article FOURTH or under applicable law, but the failure to take any such action shall not affect the Corporation's other rights or any Beneficial Owner's other obligations under this Article FOURTH.

4. Transfer of Non-Complying Shares to a Permitted Transferee. Notwithstanding any provision of this Article FOURTH, the Corporation shall have the power (but not the obligation), by action of the Board of Directors, in its sole discretion, and in the manner provided in this Section E(4) of this Article FOURTH, to require that the Prohibited Owner Transfer the Non-Complying Shares to a Permitted Transferee.

(a) As soon as practicable following the mailing of a Noncompliance Notice, but in any event within 30 days following such date or on such later date as the Board of Directors may determine, the Prohibited Owner shall Transfer the Non-Complying Shares to a Permitted Transferee. Prior to any Transfer by a Prohibited Owner of Non-Complying Shares to a purported Permitted Transferee, such Prohibited Owner shall give not less than five days' prior written notice to the Corporation of such intended Transfer.

(b) If some or all of the Non-Complying Shares would continue to be Non-Complying Shares in the hands of the intended transferee, such Transfer shall be void ab initio as to that number of Non-Complying Shares that continue to be Non-Complying Shares, and the purported Permitted Transferee shall be deemed to be a Prohibited Owner and, to the fullest extent permitted by applicable law, shall acquire no rights in such shares of Capital Stock, and the Corporation shall have the right to redeem such Non-Complying Shares immediately as provided in Section E(5) of this Article FOURTH.

(c) If for any reason the Prohibited Owner fails to Transfer Non-Complying Shares as provided herein, the Corporation may (but shall not be required to) cause the Transfer of all or any portion of the Non-Complying Shares to any Person, all without any action on the part of the Prohibited Owner.

5. Redemption of Non-Complying Shares. Notwithstanding any provision of this Article FOURTH, the Corporation shall have the power (but not the obligation), by action of the Board of Directors, in its sole discretion, and in the manner provided in Section E(6) of this Article FOURTH, to redeem Non-Complying Shares from a Prohibited Owner for a redemption price (which may consist of cash, property or rights, including securities of the Corporation or another corporation, as authorized by DGCL Section 151(b)(2) or any other applicable law) as the Board of Directors may determine, in its reasonable discretion.

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6. Redemption Procedures.

(a) In order to redeem Non-Complying Shares, the Corporation shall send a notice of redemption in writing to the applicable Prohibited Owner of record in the same manner as the Noncompliance Notice. Such notice shall set forth (i) the event requiring such redemption, (ii) the number of Non-Complying Shares to be redeemed, and the aggregate redemption price to be paid to such holder or Prohibited Owner, (iii) the date fixed for such redemption (to be a date not earlier than 15 days after the date of such notice) and (iv) the manner in which and the address to which the Prohibited Owner is to surrender to the Corporation the certificate or certificates (if any) representing the shares of Non-Complying Shares to be redeemed. Notwithstanding anything to the contrary contained herein, no failure to deliver a notice of redemption nor any deficiency therein shall, to the fullest extent permitted by applicable law, affect the validity of the procedure for the redemption of any shares of Non-Complying Shares to be redeemed except as to the Prohibited Owner(s) to whom the Corporation has failed to give said notice or except as to the Prohibited Owner(s) whose notice was defective.

(b) Each Prohibited Owner of Non-Complying Shares shall surrender the certificate or certificates (if any) representing, or other instrument of transfer with respect to, the shares to be redeemed to the Corporation, duly endorsed (or otherwise in proper form for transfer, as determined by the Corporation), in the manner and at the place designated in the notice of redemption. On the redemption date, the full redemption price for such shares shall be payable to the Person whose name appears on such certificate or certificates as the owner thereof, or to his nominees, if any, and each surrendered certificate shall be canceled and retired as of the date specified in the notice provided for in clause (a) above. Notwithstanding anything to the contrary contained herein, no failure by any Prohibited Owner to deliver to the Corporation duly executed certificates representing, or other instruments of transfer with respect to, the shares to be redeemed hereunder shall, to the fullest extent permitted by applicable law, affect the validity of such redemption as of such date. Redemption of any Non-Complying Shares represented by a global certificate shall be carried out in accordance with the procedures of the Depository, if any.

(c) Redemptions in cash pursuant to this Section E(6) shall be made to the extent of funds legally available therefor. If on any date fixed for redemption in cash funds of the Corporation legally available therefor shall be insufficient to redeem all of the shares of Non-Complying Shares to be redeemed, funds to the extent legally available shall be used for such purpose and the Corporation shall effect such redemption pro rata according to the number of shares of Non-Complying Shares held by the applicable Prohibited Owner. The redemption requirements provided hereby shall be continuous, so that if on any redemption date such requirements shall not be fully discharged, without further action by any Prohibited Owner, funds legally available shall be applied therefor until such requirements are fully discharged. Alternatively, the Corporation may redeem for cash on a pro rata basis as aforesaid only those Non-Complying Shares for which funds are legally available and redeem the balance with property or rights, including securities of the Corporation or another corporation.

7. Dividends and Distributions. Any dividends or distributions that are or become payable with respect to any Non-Complying Shares Beneficially Owned by such Person shall be placed in a segregated account and shall not be paid to such Person on the applicable payment date. The amounts and property held in the segregated account shall be held for the benefit of any Permitted Transferee of such Non-Complying Shares or the Corporation. Such amounts and property shall be released to any Permitted Transferee upon the completion of a Transfer of such Non-Complying Shares in accordance with Section E(4) of this Article FOURTH, or to the Corporation upon the completion of a redemption of such Non-Complying Shares in accordance with Sections E(5) and E(6) of this Article FOURTH.

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8. Distributions Upon Liquidation, Dissolution or Winding-Up. A Prohibited Owner shall not be entitled to receive distributions in respect of Non-Complying Shares in the event of any voluntary or involuntary liquidation, dissolution or winding up of or any distribution of the assets of the Corporation. That portion of the assets of the Corporation available for distribution in respect of Non-Complying Shares in such event shall be distributed as determined by the Board of Directors, and may, if so determined by the Board of Directors, be shared ratably with each other holder of Capital Stock entitled to receive such a distribution (determined based upon the ratio that the number of Non-Complying Shares of Capital Stock bears to the total number of shares of Capital Stock entitled to receive such a distribution then outstanding).

9. Voting. A Prohibited Owner shall have no voting rights with respect to Non-Complying Shares. Any vote by a Prohibited Owner with respect to Non-Complying Shares prior to the discovery by the Corporation that such shares of Capital Stock are Non-Complying Shares shall, to the full extent permitted by applicable law, be deemed rescinded and shall be void ab initio with respect to such Non-Complying Shares. However, in the event that the Corporation has already taken irreversible corporate action, including but not limited to effecting a merger, the creation and issuance of shares of Capital Stock, an amendment to this Amended and Restated Certificate of Incorporation, a sale of assets, or dissolution of the Corporation, then such vote by the Prohibited Owner with respect to Non-Complying Shares shall not be deemed rescinded.

10. Principal Market Transactions. Notwithstanding any provision contained herein to the contrary, nothing in this Amended and Restated Certificate of Incorporation shall preclude the settlement of any transaction entered into through the facilities of the Principal Market. The fact that the settlement of any transaction occurs or takes place shall not, to the fullest extent permitted by applicable law, negate the effect of any other provision of this Article FOURTH, and any transferee in such a transaction shall, to the fullest extent permitted by applicable law, be subject to all of the provisions and limitations set forth in this Article FOURTH.

F. Non-Voting Equity Securities. Notwithstanding anything to the contrary herein, the Corporation shall in no event issue any non-voting equity securities in violation of chapter 11 of title 11 of the United States Code; provided, however, that the foregoing prohibition (i) will have no further force and effect beyond that required under Section 1123(a)(6) of the Bankruptcy Code, (ii) will have such force and effect, if any, only for so long as such Section 1123(a)(6) of the Bankruptcy Code is in effect and (iii) may be amended or eliminated in accordance with applicable law. The prohibition on the issuance of nonvoting equity securities is included in this Amended and Restated Certificate of Incorporation in compliance with Section 1123(a)(6) of the Bankruptcy Code (11 U.S.C. § 1123(a)(6)).

G. Definitions. In this Article FOURTH, the following terms are used with the meanings set forth below:

"Aggregate Available Distribution" shall have the meaning ascribed to it in the Section B of this Article FOURTH.

"Bankruptcy Code" shall mean the United States Bankruptcy Code.

"Beneficial Ownership" shall mean with respect to Capital Stock, direct or indirect beneficial ownership thereof, by any Person determined in accordance with Rule 13d-3 under the Exchange Act, as amended, and as amended, restated or supplemented by the Citizenship Policies. The terms

"Beneficial Owner," "Beneficially Owns," "Beneficially Owned" and "Beneficially Owning" shall have the correlative meanings.

"Board of Directors" shall mean the Board of Directors of the Corporation.

"Capital Stock" shall have the meaning ascribed to it in the first paragraph of this Article FOURTH.

"Citizenship Policies" shall have the meaning ascribed to it in Section D(1) of this Article FOURTH.

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"Citizenship Rules" shall mean all provisions of United States law regulating the citizenship of the chief executive officer of, a director in, or the ownership, voting, and control of, any Person who owns, documents, or operates any vessel engaged in the coastwise trade as provided in 46 U.S.C. Ch. 551, 46 U.S.C. Ch. 505, 46 U.S.C. Ch. 121, and other applicable laws, and the regulations issued by the United States Secretary of Transportation and the Department of Homeland Security, or any successor agency thereto, pursuant thereto, in each case as now in effect and as the same may be from time to time amended.

"coastwise trade" shall have the meaning given to it in 46 U.S.C. Ch. 551, as now in effect and as the same may be from time to time amended.

"Common Stock" shall have the meaning ascribed to it in the first paragraph of this Article FOURTH.

"Depository" shall have the meaning ascribed to it in Section E(2) of this Article FOURTH.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Net Litigation Recovery" shall have the meaning ascribed to it in the Section B of this Article FOURTH.

"Net Litigation Recovery Record Date" shall mean the record date for distribution of the Net Litigation Recovery, which shall be no more than 20 days after the final determination of the amount of Net Litigation Recovery, as determined by the Board of Directors.

"Noncompliance Notice" shall have the meaning ascribed to it in Section E(2) of this Article FOURTH.

"Non-Complying Shares" shall mean, at any time, any shares of Capital Stock Beneficially Owned by any Person (a) the ownership of which, either individually or when taken together with the Beneficial Ownership by any other Person or Persons of shares of Capital Stock that were acquired before the date that the subject shares were acquired, does not comply with the Citizenship Rules or the Citizenship Policies or (b) which Person has failed to provide to the Corporation any written statement or affidavit required pursuant to Section D(2) of this Article FOURTH.

"Non-U.S. Citizen" means a Person who does not meet the definition of a U.S. Citizen set forth herein.

"Permitted Transferee" shall mean any Person to whom a Prohibited Owner Transfers Non-Complying Shares if such shares would no longer be Non-Complying Shares if Beneficially Owned by such Permitted Transferee.

"Person" shall mean an individual, limited liability company, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture or other entity, or a government, state or political subdivision thereof or any agency of such government, state or political subdivision.

"Principal Market" for any class or series of Capital Stock shall mean (a) the New York Stock Exchange, the American Stock Exchange or the NASDAQ if the relevant class or series of Capital Stock is listed or admitted to trading on any of the foregoing, or (b) if such Capital Stock is not listed or admitted to trading on any of the foregoing, then such other securities exchange or over-the-counter market in the United States, or national quotations system in the United States, on or over which such Capital Stock trades, as the Board of Directors or stockholders may determine.

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"Professional Liability Action" means any claims asserted against Proskauer Rose LLP and certain individual defendants in connection with certain credit agreements and the tax consequences of those agreements under Section 956 of the Internal Revenue Code that are the subject of adversary proceeding 13-52492 (Bankr. D. Del.) and the action captioned Overseas Shipholding Group, Inc. v. Proskauer Rose, LLP, et al., Index No. 650765/2014 (N.Y. Sup. Ct.) and any such claim which may be asserted in any other proceeding against Proskauer Rose LLP or its current or former partners or members by the Debtors (as defined in the Order).

"Prohibited Owner" shall have the meaning ascribed to it in Section E(1) of this Article FOURTH.

"Transfer" (as a noun) shall mean any issuance, sale, transfer, gift, assignment, devise or other disposition of shares (or of Beneficial Ownership of shares) of Capital Stock to any Person whether voluntary or involuntary, whether of record, constructively or beneficially and whether by operation of law or otherwise. "Transfer" (as a verb) shall have the correlative meaning. "Transfer" includes any arrangement whereby (i) a Person holds title through any trust or with a fiduciary obligation towards another Person, (ii) a Person may exercise voting power, directly or indirectly, through any contract or understanding, on behalf of another Person, and (iii) a Person may exercise control over another Person by any other means.

"U.S. Citizen" shall mean a Person that is permitted by the Citizenship Rules to engage in the coastwise trade.

H. Reverse Stock Split. As of 12:01 a.m. on June 13, 2016 (the "Effective Time"), (x) each 6 shares of Class A Common Stock, par value \$0.01 per share, issued and outstanding immediately prior thereto (the "Old Class A Common Stock") shall, automatically and without further action on the part of the Corporation or any holder of such Old Class A Common Stock, be reclassified and combined into one validly issued, fully paid and nonassessable share of Class A Common Stock and (y) each 6 shares of Class B Common Stock, par value \$0.01 per share, issued and outstanding immediately prior thereto (the "Old Class B Common Stock") shall, automatically and without further action on the part of the Corporation or any holder of such Old Class B Common Stock, be reclassified and combined into one validly issued, fully paid and nonassessable share of Class B Common Stock. From and after the Effective Time, certificates previously representing shares of Old Class A Common Stock (if such shares are held in certificated form) and Old Class B Common Stock (if such shares are held in certificated form) will, until such shares are surrendered to the Corporation in exchange for certificates representing such new number of shares of Class A Common Stock and Class B Common Stock, as applicable, represent the number of shares of Class A Common Stock and Class B Common Stock, as applicable, into which such shares of Old Class A Common Stock and Old Class B Common Stock shall have been reclassified and combined pursuant to this paragraph. In any case in which the reclassification of shares of Old Class A Common Stock and Old Class B Common Stock into shares of Class A Common Stock and Class B Common Stock, as applicable, would otherwise result in any holder of Class A Common Stock or Class B Common Stock holding a fractional share, such holder shall be entitled to receive from the Corporation, in lieu of such fractional share, an amount in cash equal to the fair value of such fractional interest as of the Effective Time.

FIFTH: The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation and for the purpose of creating, defining, limiting and regulating the powers of the Corporation and its directors and stockholders:

(a) The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by this Amended and Restated Certificate of Incorporation directed or required to be exercised or done by the stockholders.

(b) The number of directors constituting the Board of Directors shall not be less than seven or more than eleven, but shall initially equal nine.

(c) The directors of the Corporation shall be elected each year at the annual meeting of stockholders. Each elected director shall serve until the next annual meeting of stockholders.

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(d) Vacancies in the Board of Directors and newly-created directorships resulting from any increase in the authorized number of directors may be filled as provided in the By-Laws.

(e) Any director or the entire Board of Directors may be removed from office by the affirmative vote of at least a majority of the total voting power of the outstanding shares of Capital Stock entitled to vote in any annual election of directors or class of directors, voting together as a single class.

(f) Advance notice of nominations by stockholders for the election of directors, and of stockholder proposals regarding action to be taken at any meeting of stockholders, shall be given in the manner and to the extent provided in the By-Laws of the Corporation.

(g) Except as expressly provided in the By-Laws of the Corporation, the Board of Directors of the Corporation shall have the power without the assent or vote of the stockholders to adopt, amend, alter or repeal the By-Laws of the Corporation. Notwithstanding the foregoing, the Board of Directors shall not amend Article XIV of the By-Laws without the affirmative vote of at least a majority of the total voting power of the outstanding shares of Capital Stock entitled to vote on such matters (voting as a class).

(h) No director or officer of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of his or her fiduciary duty as a director, officer, or both, as applicable, provided that nothing contained in this Second Amended and Restated Certificate of Incorporation shall eliminate or limit the liability of (i) a director or officer for any breach of his or her duty of loyalty to the Corporation or its stockholders, (ii) a director or officer for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) a director under Section 174 of the DGCL; (iv) a director or officer for any transaction from which he or she derived an improper personal benefit; (v) an officer in any action by or in the right of the Corporation or (vi) a director or officer to the extent that such an elimination from or limitation of liability is prohibited under the DGCL. If the DGCL is amended after the filing of this Amended and Restated Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors and/or officers, then the liability of a director and/or officer of the Corporation, as applicable, shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. Any repeal or modification of Section 102(b)(7) of the DGCL or of this paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation existing in respect of any act or omission occurring prior to the time of such repeal or modification. All references in this paragraph to an "officer" shall mean only a person who, at the time of an act or omission as to which liability is asserted, falls within the meaning of the term "officer," as defined in Section 102(b)(7) of the DGCL.

(i) (i) The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended to increase the scope of such permitted indemnification, any person (a "Covered Person") who was or is made or is threatened to be made a party to or a witness in or is otherwise involved in any action, suit, claim, inquiry or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of the Corporation) and whether formal or informal (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, trustee or agent of another corporation or of a partnership, joint venture, trust, nonprofit entity or other entity, including service with respect to employee benefit plans, against all liability and loss suffered, and expenses (including attorneys' fees) actually and reasonably incurred, by such Covered Person in connection with such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in subparagraph (iii), the Corporation shall be required to indemnify or advance expenses to a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person (and not by way of defense) against the Corporation only if the commencement of such Proceeding (or part thereof) by the Covered Person (A) was authorized in the specific case by the Board of Directors, or (B) was brought to establish or enforce a right to indemnification under this Amended and Restated Certificate of Incorporation, the By-Laws, any agreement, the DGCL or otherwise.

(ii) The Corporation shall, to the fullest extent not prohibited by applicable law as it presently exists or may hereafter be amended to be more permissive, pay the expenses (including attorneys' fees) actually and reasonably incurred by a Covered Person who was or is made or is threatened to be made a party to or a witness in or is otherwise involved in any Proceeding, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, trustee or agent of another corporation or of a partnership, joint venture, trust, nonprofit entity or other entity, including service with respect to employee benefit plans in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this paragraph (i) or otherwise.

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(iii) If a claim for indemnification (following the final disposition of such action, suit or proceeding) or advancement of expenses under this paragraph (i) is not paid in full within thirty days after a written claim therefor by the Covered Person has been presented to the Corporation, the Covered Person may file suit against the Corporation to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In addition, the Covered Person may file suit against the Corporation to establish a right to indemnification or advancement of expenses. In any such action the Corporation shall have the burden of proving by clear and convincing evidence that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

(iv) The rights conferred on any Covered Person by this paragraph (i) shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of this Amended and Restated Certificate of Incorporation, the By-Laws, agreement, any insurance policy, vote of stockholders or disinterested directors or otherwise.

(v) The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is an officer or director of the Corporation or was or is serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced to the extent such Covered Person has otherwise actually received payment (under any insurance policy or otherwise) of the amounts otherwise payable by the Corporation.

(vi) Any repeal or modification of the provisions of this paragraph (i) shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such repeal or modification.

SIXTH: The Corporation reserves the right to amend or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights herein conferred upon stockholders or directors are granted subject to this reservation. Notwithstanding the foregoing, in addition to any vote required by law, (x) any amendment or repeal of any provision of Article FOURTH must be approved as provided therein, (y) any amendment or repeal of the provisions of this Article SIXTH, Article SEVENTH and Article EIGHTH must be approved at any regular or special meeting of the stockholders of the Corporation upon the affirmative vote of the holders of two-thirds (2/3) or more of the combined voting power of the outstanding shares of Capital Stock and (z) any amendment or repeal of the provisions of Article FIFTH must be approved at any regular or special meeting of the stockholders of the Corporation upon the affirmative vote of the holders of a majority of the combined voting power of the outstanding shares of Capital Stock, together with any required approval otherwise set forth in this Amended and Restated Certificate of Incorporation, as amended from time to time.

SEVENTH: Any action required or permitted to be taken by the holders of Common Stock must be effected at an annual or special meeting of the stockholders of the Corporation duly called in accordance with the By-Laws, or as otherwise provided by the By-Laws.

EIGHTH: The Corporation elects not to be governed by Section 203 of the DGCL.

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IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 11th day of July, 2023.

OVERSEAS SHIPHOLDING GROUP, INC.

By: /s/ SUSAN ALLAN

Name: Susan Allan

Title: Vice President, General Counsel and Corporate Secretary

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED

I, Samuel H. Norton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Overseas Shipholding Group, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 7, 2023

/s/ Samuel H. Norton

Samuel H. Norton
Chief Executive Officer

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED

I, Richard Trueblood, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Overseas Shipholding Group, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 7, 2023

/s/ Richard Trueblood

Richard Trueblood
Chief Financial Officer

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned, the Chief Executive Officer and the Chief Financial Officer of Overseas Shipholding Group, Inc. (the "Company"), hereby certifies, to the best of his knowledge and belief, that the Form 10-Q of the Company for the quarterly period ended June 30, 2023 (the "Periodic Report") accompanying this certification fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Periodic Report. This certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose.

Date: August 7, 2023

/s/ Samuel H. Norton

Samuel H. Norton
Chief Executive Officer

Date: August 7, 2023

/s/ Richard Trueblood

Richard Trueblood
Chief Financial Officer
