Docket #3683 Date Filed: 7/18/2014

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
Overseas Shipholding Group, Inc., *et al.*,	:	Case No. 12-20000 (PJW)
Debtors.[1]	:	Jointly Administered
	:	**Re: D.I. 3653**

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING FIRST AMENDED JOINT PLAN OF REORGANIZATION OF OVERSEAS SHIPHOLDING GROUP, INC., ET AL., UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

Overseas Shipholding Group, Inc. and certain of its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors") having, in each case on the terms and to the extent set forth in the applicable pleadings and orders:[2]

[1] The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's tax identification number, are: Overseas Shipholding Group, Inc. (7623); OSG International, Inc. (7117); OSG Bulk Ships, Inc. (2600); 1372 Tanker Corporation (4526); Africa Tanker Corporation (9119); Alcesmar Limited (5306); Alcmar Limited (5307); Alpha Suezmax Corporation (1684); Alpha Tanker Corporation (6063); Amalia Product Corporation (3808); Ambermar Product Carrier Corporation (8898); Ambermar Tanker Corporation (7100); Andromar Limited (5312); Antigmar Limited (5303); Aqua Tanker Corporation (7408); Aquarius Tanker Corporation (9161); Ariadmar Limited (5301); Aspro Tanker Corporation (4152); Atalmar Limited (5314); Athens Product Tanker Corporation (9565); Atlas Chartering Corporation (8720); Aurora Shipping Corporation (5649); Avila Tanker Corporation (4155); Batangas Tanker Corporation (8208); Beta Aframax Corporation (9893); Brooklyn Product Tanker Corporation (2097); Cabo Hellas Limited (5299); Cabo Sounion Limited (5296); Caribbean Tanker Corporation (6614); Carina Tanker Corporation (9568); Carl Product Corporation (3807); Concept Tanker Corporation (9150); Crown Tanker Corporation (6059); Delphina Tanker Corporation (3859); Delta Aframax Corporation (9892); DHT Ania Aframax Corp. (9134); DHT Ann VLCC Corp. (9120); DHT Cathy Aframax Corp. (9142); DHT Chris VLCC Corp. (9122); DHT Rebecca Aframax Corp. (9143); DHT Regal Unity VLCC Corp. (9127); DHT Sophie Aframax Corp. (9138); Dignity Chartering Corporation (6961); Edindun Shipping Corporation (6412); Eighth Aframax Tanker Corporation (8100); Epsilon Aframax Corporation (9895); First Chemical Carrier Corporation (2955); First LPG Tanker Corporation (9757); First Union Tanker Corporation (4555); Fourth Aframax Tanker Corporation (3887); Front President Inc. (1687); Goldmar Limited (0772); GPC Aframax Corporation (6064); Grace Chartering Corporation (2876); International Seaways, Inc. (5624); Jademar Limited (7939); Joyce Car Carrier Corporation (1737); Juneau Tanker Corporation (2863); Kimolos Tanker Corporation (3005); Kythnos Chartering Corporation (3263); Leo Tanker Corporation (9159); Leyte Product Tanker Corporation (9564); Limar Charter Corporation (9567); Luxmar Product Tanker Corporation (3136); Luxmar Tanker LLC (4675); Majestic Tankers Corporation (6635); Maple Tanker Corporation (5229); Maremar Product Tanker Corporation (3097); Maremar Tanker LLC (4702); Marilyn Vessel Corporation (9927); Maritrans General Partner Inc. (8169); Maritrans Operating Company L.P. (0496); Milos Product Tanker Corporation (9563); Mindanao Tanker Corporation (8192); Mykonos Tanker LLC (8649); Nedimar Charter Corporation (9566); Oak Tanker Corporation (5234); Ocean Bulk Ships, Inc. (6064); Oceania Tanker Corporation (9164); OSG 192 LLC

i. filed voluntary petitions for relief (the "Chapter 11 Cases") under chapter 11 of the Bankruptcy Code on November 14, 2012 (the "Petition Date");

ii. continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, and no trustee or examiner having been appointed in the Chapter 11 Cases;

iii. obtained approval of the Debtors' Motion for Interim and Final Orders (A) Approving the Continued Use of the Cash Management System, Bank Accounts and Business Forms; (B) Permitting Continued Intercompany Loans and Other Transactions and Granting Liens, Claims and Other Relief in Connection Therewith, (C) Authorizing Banks to Honor Certain Transfers and Charge Certain Fees and Other Amounts; and (D) Granting Interim Waiver of the Requirements of § 345(b), (D.I. 16) (the "Cash Management Motion"), in that certain Final Order Pursuant to 11 U.S.C. § 105(a), 345, 363(c)(1),

---

(7638); OSG 209 LLC (7521); OSG 214 LLC (7645); OSG 215 Corporation (7807); OSG 242 LLC (8002); OSG 243 LLC (7647); OSG 244 LLC (3601); OSG 252 LLC (7501); OSG 254 LLC (7495); OSG 300 LLC (3602); OSG 400 LLC (7499); OSG America LLC (2935); OSG America L.P. (2936); OSG America Operating Company LLC (5493); OSG Car Carriers, Inc. (1608); OSG Clean Products International, Inc. (6056); OSG Columbia LLC (7528); OSG Constitution LLC (8003); OSG Courageous LLC (2871); OSG Delaware Bay Lightering LLC (4998); OSG Discovery LLC (8902); OSG Endeavor LLC (5138); OSG Endurance LLC (2876); OSG Enterprise LLC (3604); OSG Financial Corp. (8639); OSG Freedom LLC (3599); OSG Honour LLC (7641); OSG Independence LLC (7296); OSG Intrepid LLC (7294); OSG Liberty LLC (7530); OSG Lightering Acquisition Corporation (N/A); OSG Lightering LLC (0553); OSG Lightering Solutions LLC (5698); OSG Mariner LLC (0509); OSG Maritrans Parent LLC (3903); OSG Navigator LLC (7524); OSG New York, Inc. (4493); OSG Product Tankers AVTC, LLC (0001); OSG Product Tankers I, LLC (8236); OSG Product Tankers II, LLC (8114); OSG Product Tankers, LLC (8347); OSG Product Tankers Member LLC (4705); OSG Quest LLC (1964); OSG Seafarer LLC (7498); OSG Ship Management, Inc. (9004); OSG Valour Inc. (7765); Overseas Allegiance Corporation (7820); Overseas Anacortes LLC (5515); Overseas Boston LLC (3665); Overseas Diligence LLC (6681); Overseas Galena Bay LLC (6676); Overseas Houston LLC (3662); Overseas Integrity LLC (6682); Overseas Long Beach LLC (0724); Overseas Los Angeles LLC (5448); Overseas Martinez LLC (0729); Overseas New Orleans LLC (6680); Overseas New York LLC (0728); Overseas Nikiski LLC (5519); Overseas Perseverance Corporation (7817); Overseas Philadelphia LLC (7993); Overseas Puget Sound LLC (7998); Overseas Sea Swift Corporation (2868); Overseas Shipping (GR) Ltd. (5454); Overseas ST Holding LLC (0011); Overseas Tampa LLC (3656); Overseas Texas City LLC (5520); Pearlmar Limited (7140); Petromar Limited (7138); Pisces Tanker Corporation (6060); Polaris Tanker Corporation (6062); Queens Product Tanker Corporation (2093); Reymar Limited (7131); Rich Tanker Corporation (9147); Rimar Chartering Corporation (9346); Rosalyn Tanker Corporation (4557); Rosemar Limited (7974); Rubymar Limited (0767); Sakura Transport Corp. (5625); Samar Product Tanker Corporation (9570); Santorini Tanker LLC (0791); Serifos Tanker Corporation (3004); Seventh Aframax Tanker Corporation (4558); Shirley Tanker SRL (3551); Sifnos Tanker Corporation (3006); Silvermar Limited (0766); Sixth Aframax Tanker Corporation (4523); Skopelos Product Tanker Corporation (9762); Star Chartering Corporation (2877); Suezmax International Agencies, Inc. (4053); Talara Chartering Corporation (3744); Third United Shipping Corporation (5622); Tokyo Transport Corp. (5626); Transbulk Carriers, Inc. (6070); Troy Chartering Corporation (3742); Troy Product Corporation (6969); Urban Tanker Corporation (9153); Vega Tanker Corporation (3860); View Tanker Corporation (9156); Vivian Tankships Corporation (7542); Vulpecula Chartering Corporation (8718); Wind Aframax Tanker Corporation (9562). The mailing address of the Debtors is: 1301 Avenue of the Americas, 42nd Floor, New York, NY 10019.

[2] Unless otherwise noted, capitalized terms not defined in this order (the "Confirmation Order") shall have the meanings ascribed to them in the Plan, as defined herein. The rules of interpretation set forth in Section 1.3 of the Plan shall apply to the Confirmation Order.

364(c) and 503(b)(1), and Fed. R. Bankr. P. 6003: Approving the Continued Use of the Cash Management System, Bank Accounts and Business Forms; (B) Permitting Continued Intercompany Loans and Other Transactions and Granting Liens, Claims and Other Relief in Connection Therewith, (C) Authorizing Banks to Honor Certain Transfers and Charge Certain Fees and Other Amounts; and (D) Approving Limited Waiver of Section 345 (D.I. 396) (the "Cash Management Order"), on January 24, 2013;

iv. obtained entry of that certain Interim Order Pursuant to Debtors' Motion for Interim and Final Orders Under 11 U.S.C. §§ 105, 361, 363 and Fed. R. Bankr. P. 4001, (I) Authorizing Debtors to Use Cash Collateral (II) Granting Adequate Protection, and (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(b) (D.I. 0062) (the "CEXIM Interim DIP Order"), on November 20, 2012;

v. obtained entry of the Final Order Pursuant to Debtors' Motion for Interim and Final Orders Under 11 U.S.C. §§ 105, 361, 363 and Fed. R. Bankr. P. 4001 (I) Authorizing Debtors to Use Cash Collateral, and (II) Granting Adequate Protection (D.I. 0459) (the "CEXIM Cash Collateral Final Order"), on February 5, 2013;

vi. obtained entry of the Order (1) Approving Post-Petition Financing, (2) Granting Liens and Providing Superpriority Administrative Expense Claim Status Pursuant to 11 U.S.C. §§ 363 and 364, and (3) Modifying the Automatic Stay Pursuant to 11 U.S.C. § 362 (D.I. 0461) (the "CEXIM Financing Order"), also on February 5, 2013;

vii. obtained entry of the Order Pursuant to Debtors' Motion for an Order Under 11 U.S.C. §§ 105, 361, 363 and Fed. R. Bankr. P. 4001 (I) Authorizing Debtors to Use Prepetition Collateral, And (II) Granting Adequate Protection (D.I. 0460) ("DSF Adequate Protection Order"), also on February 5, 2013;

viii. obtained entry of the Order (1) Approving Post-Petition Financing, (2) Granting Liens and Providing Superpriority Administrative Expense Claim Status Pursuant to 11 U.S.C. §§ 363 and 364, and (3) Modifying the Automatic Stay Pursuant to 11 U.S.C. § 362 ("DSF Financing Order"; the DSF Financing Order together with the CEXIM Interim DIP Order, the CEXIM Cash Collateral Final Order, the CEXIM Financing Order and the DSF Adequate Protection Order, the "International Financing Orders"), also on February 5, 2013;

ix. filed the Joint Plan of Reorganization of Overseas Shipholding Group, Inc., *et al.*, Under Chapter 11 of the Bankruptcy Code (D.I. 2593), on March 7, 2014;

x. filed the Disclosure Statement With Respect to the Joint Plan of Reorganization of Overseas Shipholding Group, *et al.*, Under Chapter 11 of the Bankruptcy Code (D.I. 2595), also on March 7, 2014;

xi. filed the Debtors' Motion for an Order (I) Approving Adequacy of Information Contained in Disclosure Statement; (II) Establishing Record Date in Connection With Proposed Plan of Reorganization; (III) Approving Solicitation Procedures;

(IV) Approving Forms of Ballots; (V) Approving Temporary Allowance Procedures; (VI) Approving Vote Tabulation Procedures; (VII) Approving Notice and Objection Procedures for the Assumption, Assignment and Rejection of Executory Contracts and Unexpired Leases, Including Relevant Bar Dates; and (VIII) Scheduling Hearing on Confirmation of Debtors' Plan of Reorganization (the "Solicitation Procedures Motion") (D.I. 2596), also on March 7, 2014;

xii. filed the First Amended Joint Plan of Reorganization of Overseas Shipholding Group, Inc., *et al.*, Under Chapter 11 of the Bankruptcy Code (the "Plan") (D.I. 3107, as later amended by D.I. 3663), on May 2, 2014;

xiii. filed the First Amended Disclosure Statement With Respect to the Joint Plan of Reorganization of Overseas Shipholding Group, *et al.*, Under Chapter 11 of the Bankruptcy Code (the "Disclosure Statement") (D.I. 3109), also on May 2, 2014;

xiv. filed the Debtors' Motion for an Order Authorizing the Debtors to Enter into an Exit Financing Commitment Letter and Related Fee Letter with Jefferies Finance LLC, and Incur and Pay Certain Fees, Indemnities Costs and Expenses In Connection Therewith (the "Exit Financing Motion") (D.I. 3103), also on May 2, 2014;

xv. filed the Motion for an Order (I) Authorizing the Debtors to (A) Enter Into and Perform Under an Equity Commitment Agreement Pursuant to a Proposed Plan of Reorganization, (B) Commence a Rights Offering, and (C) Pay Certain Related Fees and Expenses; and (II) Approving the Rights Offering Procedures (the "Equity Commitment Agreement Motion") (D.I. 3105, as later amended by D.I. 3216-1 and D.I. 3268), also on May 2, 2014;

xvi. filed a revised proposed order to the Solicitations Procedures Motion (D.I. 3111), also on May 2, 2014;

xvii. filed the Certification of Counsel Regarding Proposed Order Approving Stipulation Governing Inclusion of SEC Reserve (the "SEC Stipulation") (D.I. 3116), on May 5, 2014;

xviii. obtained approval of the SEC Stipulation Certification in that certain Order Approving Stipulation Governing Inclusion of SEC Reserve (the "SEC Stipulation Order") (D.I. 3129), on May 7, 2014;

xix. filed the Debtors' Motion for Entry of an Order Establishing Amended Discovery Schedule and Other Procedures for Confirmation of First Amended Plan of Reorganization (the "Discovery Procedures Motion") (D.I. 3141), on May 8, 2014;

xx. filed the Certification of Counsel Regarding Proposed Order Approving Stipulation Resolving Anticipated Objections to the Debtors' Proposed Plan of Reorganization, in respect of the Subordinated Class Plaintiff Claims (the "Subordinated Class Plaintiff Stipulation") (D.I. 3214), on May 20, 2014;

xxi. filed the Certification of Counsel Regarding Proposed Order Approving Stipulation Resolving Anticipated Objections to the Debtors' Proposed Plan of Reorganization, in respect of the CEXIM Claims (the "CEXIM Stipulation") (D.I. 3227), on May 21, 2014;

xxii. filed the Certification of Counsel Regarding Proposed Order Approving Stipulation Resolving Anticipated Objections to the Debtors' Proposed Plan of Reorganization, in respect of the DSF Claims (the "DSF Stipulation") (D.I. 3228), also on May 21, 2014;

xxiii. obtained approval of the Subordinated Class Plaintiff Stipulation in the Order Approving Stipulation Resolving Anticipated Objections to the Debtors' Proposed Plan of Reorganization (the "Subordinated Class Plaintiff Stipulation Order") (D.I. 3253), on May 23, 2014;

xxiv. obtained approval of the CEXIM Stipulation in the Order Approving Stipulation Resolving Anticipated Objections to the Debtors' Proposed Plan of Reorganization (the "CEXIM Stipulation Order") (D.I. 3254), also on May 23, 2014;

xxv. obtained approval of the DSF Stipulation in the Order Approving Stipulation Resolving Anticipated Objections to the Debtors' Proposed Plan of Reorganization (the "DSF Stipulation Order") (D.I. 3255), also on May 23, 2014;

xxvi. obtained approval of the Exit Financing Motion by that certain Order Authorizing the Debtors to Enter into an Exit Financing Commitment Letter and Related Fee Letter With Jefferies Finance LLC, and Incur and Pay Certain Fees, Indemnities, Costs and Expenses in Connection Therewith (the "Exit Financing Approval Order") (D.I.3280), on May 27, 2014;

xxvii. obtained approval of the Equity Commitment Agreement Motion by that certain Order (I) Authorizing the Debtors to (A) Enter Into and Perform Under an Equity Commitment Agreement Pursuant to a Proposed Plan of Reorganization, (B) Commence a Rights Offering, and (C) Pay Certain Related Fees and Expenses; and (II) Approving the Rights Offering Procedures (the "Equity Commitment Agreement Approval Order") (D.I. 3281), also on May 27, 2014;

xxviii. obtained approval of the Disclosure Statement and the Solicitation Procedures Motion and preliminary approval of the Subordinated Class Plaintiff Settlement (as defined below) by that certain Order (I) Approving Adequacy of Information Contained in Disclosure Statement; (II) Establishing Record Date in Connection With Proposed Plan of Reorganization; (III) Approving Solicitation Procedures; (IV) Approving Forms of Ballots; (V) Approving Temporary Allowance Procedures; (VI) Approving Vote Tabulation Procedures; (VII) Approving Notice and Objection Procedures for the Assumption, Assignment and Rejection of Executory Contracts and Unexpired Leases, Including Relevant Bar Dates; and (VIII) Scheduling Hearing on Confirmation of Debtors' Plan of Reorganization (the "Disclosure Statement Approval Order") (D.I. 3286), on May 28, 2014;

xxix. obtained approval of the Discovery Procedures Motion by that certain Order Establishing Amended Discovery Schedule and Other Procedures for Confirmation of First Amended Plan of Reorganization (the "Discovery Procedures Order") (D.I. 3294), on May 28, 2014;

xxx. published notice of the Subordinated Class Plaintiff Settlement in the *Wall Street Journal* and *USA Today*, as evidenced by the Affidavit of Publication re: Notice of Proposed Settlement of Class Claims and Certification of Class for Settlement Purposes and Deadline to Object in the Wall Street Journal and USA Today (D.I. 3365), on June 9, 2014;

xxxi. filed the amended, solicitation versions of the Plan (D.I. 3337) and Disclosure Statement (D.I. 3339) and respective blacklines (D.I. 3338, 3340), on June 4, 2014;

xxxii. filed the Notice of Cure Amounts for Executory Contracts or Unexpired Leases to be Assumed or Assumed and Assigned in Connection With Plan (D.I. 3371), on June 9, 2014;

xxxiii. received, in response to the Subordinated Class Plaintiff Stipulation and after entry of the Subordinated Class Plaintiff Stipulation Order, a Response to the Motion to Intervene as Creditors Under Fed. R. Bankruptcy Procedure (the "Subordinated Class Intervention Motion") (D.I. 3437), on June 12, 2014;

xxxiv. caused notices to be published, including a notice regarding the Confirmation Hearing, in the *Tampa Bay Times*, *Financial Times* and *TradeWinds*, as evidenced by the Affidavit of Publication re: Notice of (A) Hearing to Confirm First Amended Joint Plan of Reorganization of Overseas Shipholding Group, Inc., *et al.*, Under Chapter 11 of the Bankruptcy Code, (B) Objection and Voting Deadlines, (C) Solicitation and Voting Procedures, (D) Procedures Relating to the Assumption, Assignment and Rejection of Executory Contracts, Including Relevant Bar Dates, (E) Rights Offering and Election Procedures, (F) Information Relating to Post-Petition Interest Payable to Holders of Certain Claims, (G) Information Relating to Exculpation, Injunction and Releases Under the Plan and (H) Certain Other Information in the *Tampa Bay Times*, *Financial Times*, and *TradeWinds* (the "Publication Affidavit") (D.I. 3463), on June 17, 2014;

xxxv. filed the various documents comprising the Plan Supplement (D.I. 3372, 3449, 3478, 3497, 3560, 3599, 3604, 3652, 3665) on June 9, 2014, June 16, 2014, June 18, 2014, June 20, 2014, June 27, 2014, July 9, 2014, July 10, 2014 and July 16, 2014, respectively, (as may be further amended from time to time prior to the Effective Date in accordance with the Plan);

xxxvi. completed, through the Claims Agent, distribution of the rights offering Subscription Materials (as defined below), as evidenced by the Affidavit of Service of David Hartie (D.I. 3518) (the "Hartie Subscription Affidavit"), filed on June 23, 2014;

xxxvii. completed, through the Claims Agent, distribution of the Solicitation Materials (as defined below), consistent with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Approval Order and the Solicitations Procedures Motion approved by the Disclosure Statement Approval Order and filed the Declaration of David Hartie of Kurtzman Carson Consultants LLC Regarding the Mailing, Voting and Tabulation of Ballots Accepting and Rejecting the First Amended Joint Plan of Reorganization of Overseas Shipholding Group, Inc., *et al.*, Under Chapter 11 of the Bankruptcy Code (the "Solicitation and Voting Report") (D.I. 3607), on July 10, 2014;

xxxviii. received objections to the Plan on July 11, 2014 (collectively, the "Plan Objections") (D.I.3600, 3612, 3613, 3614, 3615);

xxxix. filed the Certification of Counsel Regarding Order Approving Stipulation Resolving Anticipated Objections to the Debtors' Proposed Plan of Reorganization (the "7.500 Notes Stipulation") (D.I.3625), on July 14, 2014;

xl. filed the Notice of Filing of Certification of Counsel Regarding Order Approving Stipulation Resolving Anticipated Objections to the Debtors' Proposed Plan of Reorganization (the "7.500% Notes Election Notice") (D.I. 3628), on July 14, 2014;

xli. filed a revised Plan (D.I. 3663) and corresponding blackline (D.I. 3664), on July 16, 2014;

xlii. filed the Memorandum of Law in Support of Confirmation and Omnibus Reply to Objections to Confirmation of the First Amended Joint Plan of Reorganization of Overseas Shipholding Group, Inc., *et al.*, Under Chapter 11 of the Bankruptcy Code (the "Confirmation Brief") (D.I. 3653), on July 16, 2014;

xliii. filed the Declaration of John J. Ray III of in Support of Confirmation and Omnibus Reply to Objections to Confirmation of the First Amended Joint Plan of Reorganization of Overseas Shipholding Group, Inc., *et al.*, Under Chapter 11 of the Bankruptcy Code (the "Ray Declaration"), as Exhibit A to the Confirmation Brief;

xliv. filed the Declaration of Ian T. Blackley in Support of Confirmation of First Amended Joint Plan of Reorganization of Overseas Shipholding Group, Inc., *et al.*, Under Chapter 11 of the Bankruptcy Code (the "Blackley Declaration"), as Exhibit B to the Confirmation Brief;

xlv. filed the Declaration of Daniel Kamensky in Support of Confirmation of the First Amended Joint Plan of Reorganization of Overseas Shipholding Group, Inc., *et al.*, Under Chapter 11 of the Bankruptcy Code (the "Kamensky Declaration"), as Exhibit C to the Confirmation Brief;

xlvi. filed the Declaration of Chad Valerio in Support of Confirmation of the First Amended Joint Plan of Reorganization of Overseas Shipholding Group, Inc., *et al.*, Under Chapter

11 of the Bankruptcy Code (the "Valerio Declaration"), as Exhibit D to the Confirmation Brief; and

This Court having:

i. entered the Disclosure Statement Approval Order on May 28, 2014 (D.I. 3286);

ii. held a hearing to consider the Confirmation of the Plan on July 18, 2014 (the "Confirmation Hearing");

iii. reviewed the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Brief, the Solicitation and Voting Report, the Ray Declaration, the Blackley Declaration, the Kamensky Declaration, and the Valerio Declaration (together, the "Declarations"), and all other pleadings, evidence, exhibits, statements, documents and filings regarding confirmation of the Plan; and

iv. heard and considered the statements of counsel and all other testimony and evidence proffered and/or adduced at the Confirmation Hearing and in respect of confirmation of the Plan.

NOW THEREFORE, it appearing to this Court that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation have been adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby, and the legal and factual bases set forth in the documents filed in support of Confirmation and presented at the Confirmation Hearing establish just cause for the relief granted herein; and after due deliberation thereon and good cause appearing therefor, this Court hereby makes and issues the following Findings of Fact, Conclusions of Law, and orders:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED, AND ORDERED THAT:

A. Jurisdiction and Venue

1. On the Petition Date, the Debtors commenced the Chapter 11 Cases. Venue in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") was

proper as of the Petition Date pursuant to 28 U.S.C. §§ 1408 and 1409 and continues to be proper during the Chapter 11 Cases. Confirmation of the Plan ("Confirmation") is a core proceeding under 28 U.S.C. § 157(b)(2). The Bankruptcy Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of Title 11 of the United States Code (the "Bankruptcy Code") and should be confirmed.

B. Eligibility for Relief

2. The Debtors were and are entities eligible for relief under the Bankruptcy Code.

C. Commencement and Joint Administration of the Chapter 11 Cases

3. Beginning on the Petition Date, each of the above-captioned Debtors commenced a case under Chapter 11 of the Bankruptcy Code. By prior order of the Bankruptcy Court, the Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Federal Rule of Bankruptcy Procedure 1015 (the "Bankruptcy Rules"). The Debtors have operated their businesses and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

D. Judicial Notice

4. The Bankruptcy Court takes judicial notice of (and deems admitted into evidence for Confirmation) the docket of the Chapter 11 Cases and all related adversary proceedings and appeals maintained by the clerk of the applicable court or its duly appointed agent, including all pleadings and other documents on file, all orders entered, all hearing transcripts, and all evidence and arguments made, proffered, or adduced at the hearings before the applicable court during the pendency of the Chapter 11 Cases. Any resolutions of objections to Confirmation explained on

the record at the Confirmation Hearing are incorporated by reference. All unresolved objections, statements, and reservations of rights are overruled on the merits.

E. Estate Representative

5. The Debtors' Chief Reorganization Officer, John J. Ray III, is the authorized representative of the Debtors and their Estates for all matters relating to consummation and implementation of the Plan, including, without limitation, for the purposes of obtaining recognition and enforcement of this Order outside of the United States, including, without limitation, in the High Court of South Africa and the High Court of Justice of England and Wales.

F. Burden of Proof

6. Based on its review of the evidence submitted in support of Confirmation, including, without limitation, the Declarations proffered as testimony, the Debtors have met their burden of proving the elements of Section 1129 of the Bankruptcy Code by a preponderance of the evidence. This Court also finds that the Debtors have satisfied the elements of Section 1129 of the Bankruptcy Code by clear and convincing evidence.

G. Service of Solicitation Materials; Notice; Solicitation and Voting Report

7. As evidenced in the Solicitation and Voting Affidavit, the Debtors complied with the notice and service requirements and procedures with respect to solicitation of votes, and distribution of notices of non-voting status or other notices as approved in the Disclosure Statement Approval Order. No objections were filed with respect to the Solicitation and Voting Affidavit.

8. All procedures used to (a) provide notice and distribute the materials necessary to vote on the Plan (the "Solicitation Materials") to the applicable voting holders of Equity Interests

and (b) tabulate the Ballots and Master Ballots (as defined in the Solicitation Procedures Motion) were fair and conducted in accordance with the Disclosure Statement Approval Order, the Bankruptcy Code, the Bankruptcy Rules, the local rules of this Court, and all other applicable orders, and federal, state, and local laws, rules and regulations (collectively, the "Applicable Laws").

9. As evidenced by the Solicitation and Voting Report, all Ballots were properly tabulated, and votes for acceptance and rejection of the Plan were solicited in good faith and complied with sections 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 3017 and 3018, the Disclosure Statement Approval Order and all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and all other Applicable Laws.

10. Each of the Debtors and, to the extent applicable, their respective affiliates, agents, directors, members, partners, officers, employees, advisors and attorneys have solicited votes on the Plan in good faith and in compliance with the applicable provisions of the Disclosure Statement Approval Order, the Bankruptcy Code, the Bankruptcy Rules and all other Applicable Laws.

H. Service of Subscription Materials; Notice

11. As evidenced by the Hartie Subscription Affidavit, the Debtors complied with the service requirements and procedures with respect to distribution of all necessary subscription forms and notices ("Subscription Materials") with respect to the Rights Offering as approved in the Disclosure Statement Approval Order.

12. All Subscription Materials were properly served, and Eligible Participants' participation in the Rights Offering was sought in good faith and in compliance with the

Disclosure Statement Approval Order, the Bankruptcy Code, the Bankruptcy Rules and all other Applicable Laws.

I. Service of the 7.500% Notes Election Form

13. The form and notice of the Election Form and the Master Election Form, for each of the Election 1 Note and the Election 2 Notes (including all waivers and instructions contained therein) and the delivery and notice periods relating thereto are proper, consistent with the terms of the 7.500% Notes Indenture and the proposed terms of the Election Notes, and in compliance with the Disclosure Statement Approval Order, the Bankruptcy Code (including section 1125(e) thereof), the Bankruptcy Rules and all other Applicable Laws.

14. The notice provisions of the 7.500 Notes Stipulation (including, without limitation, the filing of the 7.500% Notes Election Notice) provides all Holders of 7.500% Notes Claims with adequate, fair and reasonable notice, and are approved. No other or further notice of the opportunity to elect the Election 2 Notes shall be required.

J. Service of the Notice of Class Settlement

15. The notice of the Court's consideration of the Subordinated Class Plaintiff Settlement and the Subordinated Class Plaintiff Stipulation Order was performed in accordance with the Subordinated Class Plaintiff Stipulation and constituted good and adequate notice for all purposes to members of the Putative Class (as defined in the Subordinated Class Plaintiff Stipulation).

K. Bankruptcy Rule 3016

16. The Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the clerk of the Bankruptcy Court satisfied Bankruptcy Rule 3016(b).

L. Confirmation Hearing Notice

17. As evidenced in the Publication Affidavit, the Debtors published a notice of the Confirmation Hearing in the *Financial Times*, the *Tampa Bay Times* and *TradeWinds* on June 5, 2014 and June 6, 2014, as applicable. The Debtors also served a notice of the Confirmation Hearing in accordance with the procedures approved in the Disclosure Statement Approval Order, as evidenced in the Subscription Affidavit.

M. Voting Results

18. Classes E1 and E2 are Impaired under the Plan and therefore eligible to vote on the Plan. As evidenced by the Solicitation and Voting Report, which is incorporated herein by reference, 100% of the Holders of Class E1 Claims voted to accept the Plan, and 98.98% of the holders of Class E2 Old OSG Equity Interests, and 99.99% in amount of such Interests voted to accept the Plan.

N. Classes Deemed to Have Accepted the Plan

19. Classes A1, A2, B1, B2, C1, D1, D2, D3, D4 and D5 are unimpaired under the Plan and the Holders of Claims in such classes are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

O. Plan Supplement

20. The documents identified in the Plan Supplement were filed as required and were modified and supplemented in accordance with the Plan and Applicable Laws. Notice of such

documents was good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Approval Order and Applicable Laws, and no other or further notice is or shall be required. Subject to the terms of the Plan and the Equity Commitment Agreement, the Debtors are authorized to modify and amend the Plan Supplement through and including the Effective Date, and to take all actions necessary and appropriate to effect the transactions contemplated therein through, including and following the Effective Date.

P. Compliance with the Requirements of Section 1129 of the Bankruptcy Code

a. Section 1129(a)(1)—Compliance of the Plan with Applicable Provisions of the Bankruptcy Code

21. The Plan complies with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(l) of the Bankruptcy Code, including, without limitation, sections 1122 and 1123 of the Bankruptcy Code.

b. Sections 1122 and 1123(a)(1)—Proper Classification

22. Article II of the Plan designates Classes of Claims and Equity Interests other than Administrative Expense Claims and Priority Tax Claims (which are not required to be designated pursuant to section 1123(a)(l) of the Bankruptcy Code). As required by section 1122(a) of the Bankruptcy Code, each Class of Claims and Equity Interests contains only Claims or Equity Interests that are substantially similar to the other Claims or Equity Interests within that Class. Valid reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan. The Plan, therefore, satisfies sections 1122 and 1123(a)(l) of the Bankruptcy Code.

c. Sections 1123(a)(2) and 1123(a)(3)—Specific Unimpaired and Impaired Classes

23. Article II of the Plan specifies that Claims in Classes A1, A2, B1, B2, C1, D1, D2, D3, D4 and D5 are Unimpaired. Administrative Expense Claims and Priority Tax Claims,

which are not classified under the Plan, also are Unimpaired. Article III of the Plan further specifies the treatment of each Impaired Class under the Plan, which are Classes E1 and E2. The Plan, therefore, satisfies sections 1123(a)(2) and 1123(a)(3) of the Bankruptcy Code.

d. Section 1123(a)(4)—No Discrimination

24. Article III of the Plan provides the same treatment for each Claim or Equity Interest within a particular Class unless the Holder of a particular Claim or Equity Interest has agreed to a less favorable treatment with respect to such Claim or Equity Interest. The Plan, therefore, satisfies the requirements of section 1123(a)(4) of the Bankruptcy Code.

25. Consummation of the Equity Commitment Agreement pursuant to the Plan and the provision of consideration in the form of Class A New Securities to each of the Commitment Parties does not violate the requirements of the Bankruptcy Code, including section 1123(a)(4). Consideration to each Commitment Party under the Equity Commitment Agreement is provided in exchange for such Commitment Party's financial commitment to purchase Class A New Securities thereunder, including by backstopping the Debtors' Rights Offering. Further, consideration and participation under the Equity Commitment Agreement is unrelated to treatment of the Claims or Equity Interests under the Plan and as such does not constitute a distribution on account of any Claim or Equity Interest. Holders of Claims or Equity Interests in the same class as the Claims or Equity Interests of one or more Commitment Parties receive the same treatment under the Plan as the Claims or Equity Interests of each Commitment Party in their capacity as Holders of such Claims or Equity Interests.

e. Section 1123(a)(5)—Adequate Means for Implementation of the Plan

26. The Plan, the various documents and agreements set forth in the Plan Supplement and other related documents provide adequate and proper means for the Plan's implementation

and the Debtors will have sufficient Cash to make all payments prescribed pursuant to the Plan. Moreover, the Plan provides adequate means for its implementation, including, without limitation: (a) the formation and corporate governance of the Reorganized Debtors; (b) the issuance of the Plan Securities; (c) the entry into the Exit Financing; (d) the execution of the Rights Offering; (e) the reinstatement of the Reinstated Noteholder Claims; (f) the authorization of corporate and limited liability action, including the Restructuring Transactions; (g) the authorization to effectuate documents and further transactions; (h) the exemption from certain transfer taxes and recording fees; (i) the establishment of the Disputed Claims Reserves; and (j) to the extent provided in the Plan, the cancellation of certain Claims and Equity Interests and the securities or indentures related thereto. The Plan, therefore, satisfies the requirements of section 1123(a)(5) of the Bankruptcy Code.

f. Section 1123(a)(6)—Non-Voting Equity Securities

27. The New Shares to be issued under the Plan shall constitute voting securities. Additionally, Section 5.18 of the Plan provides that the certificates or articles of incorporation and by-laws of Reorganized OSG shall comply with the provisions of the Plan and the Bankruptcy Code and include a provision prohibiting the issuance of nonvoting equity securities. The Plan, therefore, satisfies the requirements of section 1123(a)(6) of the Bankruptcy Code.

g. Section 1123(a)(7)—Designation of Directors and Officers

28. Section 5.18 of the Plan describes the manner of selection of directors and officers of Reorganized OSG. The identity and affiliations of any person proposed to serve as a director or officer of Reorganized OSG have been disclosed in Exhibit B to the Plan. The Debtors have properly and adequately disclosed or otherwise identified the procedures for determining the identity and affiliations of all individuals proposed to serve on or after the Effective Date as

officers or directors of the Reorganized Debtors. The selection of each such director, manager or officer is consistent with the interests of creditors, equity security holders, Applicable Law and public policy. The Plan, therefore satisfies the requirements of section 1123(a)(7) of the Bankruptcy Code.

h. Section 1123(b)—Discretionary Contents of the Plan

29. The other provisions of the Plan, including, without limitation, those relating to the allowance of the DSF Claims, CEXIM Claims, the Charter Rejection Claims, the Subordinated Class Plaintiff Claims, the Disputed Claims and the Disputed Claims Reserve, the Released Parties and the Plan's releases, the Exculpated Parties and the Plan's exculpation provisions, the Equity Commitment Agreement, the Registration Rights Agreement, the Rights Offering, the Exit Financing, the 7.500% Notes Alternative Distribution and the indenture or supplemental indenture governing the Election Notes, and all of the Restructuring Transactions are appropriate and consistent with the applicable provisions of the Bankruptcy Code. Therefore, the Plan satisfies the requirements of section 1123(b) of the Bankruptcy Code.

i. Section 1123(d)—Curing Defaults

30. The Plan satisfies section 1123(d)'s requirement that any amounts necessary to cure any defaults have been determined in accordance with the relevant underlying agreement and any applicable nonbankruptcy law.

j. Section 1129(a)(2)—the Debtors' Compliance with Applicable Provisions of the Bankruptcy Code

31. The Debtors, as Plan proponents, have complied with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(2) of the Bankruptcy Code, including, without limitation, sections 1125 and 1126 of the Bankruptcy Code and Bankruptcy Rules 3017, 3018 and 3019. In particular, the Debtors are eligible debtors under section 109 of the

Bankruptcy Code and proper Plan proponents under section 1121 (a) of the Bankruptcy Code. Furthermore, the solicitation of acceptances or rejections of the Plan and solicitation of participation in the Rights Offering: (a) complied with the Disclosure Statement Approval Order; (b) complied with all Applicable Laws governing the adequacy of disclosure in connection with such solicitation; and (c) occurred only after disclosing "adequate information," as section 1125(a) of the Bankruptcy Code defines that term, to holders of Claims and Equity Interests. The Debtors and each Commitment Party, and their respective affiliates, agents, directors, members, partners, officers, employees, advisors, and attorneys, each in their capacities as such, have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code. The Plan, therefore, satisfies the requirements of section 1129(a)(2) of the Bankruptcy Code.

k. Section 1129(a)(3)—Proposal of the Plan in Good Faith

32. Based on the record before this Court, including all testimony and evidence proffered or adduced at or prior to the Confirmation Hearing, the Debtors have proposed the Plan in good faith and not by any means forbidden by law. Consistent with the overriding purpose of Chapter 11 of the Bankruptcy Code, the Rights Offering and the Plan leave creditors (except for Holders of Claims in Class E1, in their capacities as such) Unimpaired and maximize recoveries to Holders of Old OSG Equity Interests through the Debtors' reorganization, with a capital structure and sufficient liquidity necessary to effectuate the Plan and otherwise conduct their business in the ordinary course. The Rights Offering to be performed under or in connection with the Plan is an essential element of the Plan, and the terms of the various agreements evidencing such Rights Offering (including the equity purchases of each Commitment Party thereunder and the Registration Rights Agreement) are in the best interests of the Reorganized

Debtors, the Debtors, their Estates, creditors and Equity Interest Holders and were negotiated and obtained in good faith. In so determining, this Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases, the Plan itself, the process leading to the formulation of the Plan and Confirmation, and the Plan Objections. The Chapter 11 Cases were filed, and the Plan (including, without limitation, the allowance of the DSF Claims, the CEXIM Claims, the Subordinated Class Plaintiff Claims and the Charter Rejection Claims, reinstatement of the Reinstated Noteholder Claims and the 7.500% Notes Alternative Distribution) was proposed, with the legitimate purpose of allowing the Debtors to reorganize and emerge from bankruptcy with a capital structure that will allow them to satisfy their obligations with sufficient liquidity and capital resources to operate their businesses after the Effective Date. The Plan, therefore, satisfies the requirements of section 1129(a)(3) of the Bankruptcy Code.

1. Section1129(a)(4)—Bankruptcy Court Approval of Certain Payments as Reasonable

33. Payments made or to be made by the Debtors for services or for costs and expenses in connection with the Chapter 11 Cases prior to confirmation, or in connection with the Plan and incidental to the Chapter 11 Cases, including Professional Fees Claims, ECA Professional Expenses, Trustee Fees and Expenses and Noteholder Counsel Fees (as defined in Section 3.2(h)(iii) of the Plan), have been approved by, or are subject to the approval of, this Court as reasonable. After the Effective Date, the Court will retain jurisdiction with respect to applications for allowance of Professional Fee Claims and expenses incurred up to and through the Effective Date. Payment of ECA Professional Expenses remains subject to the Equity Commitment Agreement Approval Order. The Plan, therefore, satisfies the requirements of section 1129(a)(4) of the Bankruptcy Code.

m. Section 1129(a)(5)—Disclosure of Identity of Proposed Management and Compensation of Insiders and Consistency of Management Proposals with the Interests of Creditors and Public Policy

34. In Exhibit B to the Plan, the Debtors have provided the necessary disclosures regarding proposed directors and officers of the Reorganized Debtors following emergence from chapter 11, as required by section 1129(a)(5)(A) of the Bankruptcy Code, and have also disclosed the nature of compensation of insiders (as section 101 of the Bankruptcy Code defines that term) who will be employed or retained by the Reorganized Debtors, as required by section 1129(a)(5)(B) of the Bankruptcy Code. The Plan, therefore, satisfies the requirements of section 1129(a)(5) of the Bankruptcy Code.

n. Section 1129(a)(6)—Approval of Rate Changes

35. The Plan does not contain any rate changes subject to jurisdiction of any governmental regulatory commission and will not require governmental regulatory approval. Therefore, section 1129(a)(6) of the Bankruptcy Code does not apply to the Chapter 11 Cases.

o. Section 1129(a)(7)—Best Interests of Creditors and Interest Holders

36. The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis attached as Appendix C to the Disclosure Statement (the "Liquidation Analysis") and the other evidence related thereto, as supplemented by the evidence proffered or adduced at or prior to the Confirmation Hearing, including the methodology used and assumptions made in the Liquidation Analysis, (a) are persuasive and credible as of the dates such evidence was prepared, presented or proffered, (b) have not been controverted by other persuasive evidence and have not been challenged, (c) are based upon reasonable and sound assumptions, and (d) provide a reasonable estimate of the liquidation value of the Debtors' Estates upon a conversion to a Chapter 7 proceeding.

37. With respect to Classes E1 and E2, the Impaired Classes under the Plan, each Holder of a Subordinated Claim or Old OSG Equity Interest has accepted the Plan or will receive under the Plan on account of its respective Subordinated Claim or Old OSG Equity Interest property of a value, as of the Effective Date, that is not less than the amount that each such holder would have received if the Debtors were to have liquidated on the Effective Date under Chapter 7 of the Bankruptcy Code. The Plan, therefore, satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

p. Section 1129(a)(8)—Acceptance of the Plan by Each Impaired Class

38. Classes A1, A2, B1, B2, C1, D1, D2, D3, D4, and D5 are deemed to accept the Plan. Impaired Classes E1 and E2 voted to accept the Plan. Additionally, in accordance with Section 4.4 of the Plan, all vacant Classes of Claims with respect to each of the Debtors are deemed eliminated for purposes of voting to Accept or reject the Plan. Therefore, the Plan satisfies section 1129(a)(8) of the Bankruptcy Code.

q. Section 1129(a)(9)—Treatment of Claims Entitled to Priority Pursuant to Section 507(a) of the Bankruptcy Code

39. The treatment of (i) Administrative Expense Claims, as set forth in Section 3.1(a) of the Plan, (ii) Priority Tax Claims, as set forth in Section 3.1(b) of the Plan, and (iii) any Allowed Other Priority Claim, as set forth in Section 3.1(c) of the Plan, is in accordance with the requirements of section 1129(a)(9) of the Bankruptcy Code. The Plan, therefore, satisfies section 1129(a)(9) of the Bankruptcy Code.

r. Section 1129(a)(10)—Acceptance By at Least One Impaired Class

40. As set forth in the Solicitation and Voting Report and herein, Class E1 for each Debtor has voted or is deemed to have voted to accept the Plan. As such, there is at least one

Class of Claims that is Impaired under the Plan that has accepted the Plan, thus satisfying section 1129(a)(10) of the Bankruptcy Code.

s. Section 1129(a)(11)—Feasibility of the Plan

41. The Plan is feasible and satisfies the requirements of section 1129(a)(11) of the Bankruptcy Code. The Disclosure Statement and the Projections attached as Appendix D thereto and the Sources and Uses of Cash Contemplated by the Plan attached as Appendix E-2 thereto establish that the Reorganized Debtors will have sufficient funds available to meet their obligations under the Plan. The Reorganized Debtors will have the ability to service their debt obligations. Further evidence proffered or adduced at or prior to the Confirmation Hearing – which evidence is reasonable, persuasive and credible, and which has not been controverted by other evidence – including but not limited to (a) the $1.356 billion exit financing the Debtors have secured, (b) the $1.510 billion fully backstopped rights offering the Debtors have also secured, (c) the stable bond ratings issued by Moody's Investors Service, Inc., and (d) the continuing strength of the market prices for the Debtors' Reinstated Notes establishes the Plan is feasible and Confirmation of the Plan is not likely to be followed by the Reorganized Debtors, Debtors or any successor to the Reorganized Debtors under the Plan, liquidating or requiring further financial reorganization.

t. Section 1129(a)(12)—Payment of Statutory Bankruptcy Fees

42. Section 13.7 of the Plan provides that all fees payable by the Debtors under 28 U.S.C. § 1930(a) shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or closed, whichever occurs first. The Plan, therefore, satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

u. Section 1129(a)(13)—Retiree Benefits

43. Section 8.5 of the Plan provides that the Pension Plans will continue to be paid in accordance with Applicable Law on and after the Effective Date. The Plan, therefore, satisfies section 1129(a)(13) of the Bankruptcy Code .

v. Section 1129(a)(14), 1129(a)(15), and 1129(a)(16)

44. The Debtors do not owe any domestic support obligations, are not individuals, and are not nonprofit corporations. Therefore, none of sections 1129(a)(l4), 1129(a)(l5) or 1129(a)(16) of the Bankruptcy Code apply to the Chapter 11 Cases.

w. Section 1129(b)—Classification of Claims and Interests and Confirmation of Plan Over Rejecting Classes

45. The classification and treatment of Claims and Equity Interests in the Plan is proper, fair and equitable and in accordance with section 1122 of the Bankruptcy Code and does not discriminate unfairly in accordance with section 1129(b)(l) of the Bankruptcy Code.

x. Section 1129(c)—Only One Plan

46. Other than the Plan (including previous versions thereof), no other plan has been filed for the Debtors in the Chapter 11 Cases. The Plan, therefore, satisfies the requirements of section 1129(c) of the Bankruptcy Code.

y. Section 1129(d)—Principal Purpose of Plan is Not Avoidance of Taxes

47. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act (15 U.S.C. § 77e). The Plan, therefore, satisfies the requirements of section 1129(d) of the Bankruptcy Code.

Q. Satisfaction of Confirmation Requirements

48. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

R. Good Faith

49. Based upon the record before the Court in the Chapter 11 Cases, including all testimony and evidence proffered or adduced at or prior to the Confirmation Hearing, the Debtors, the Unsecured Creditors' Committee, the Equity Committee, Jefferies Finance LLC, Barclays Bank PLC, UBS AG, Stamford Branch, UBS Securities LLC and the other agents or lenders in the Exit Financing (including, without limitation, Wells Fargo Bank, National Association) and their respective affiliates, each in their respective capacities in connection with the Exit Financing, and any other banking or lending firm acting in connection with the Exit Financing, each of the Commitment Parties, CEXIM, DSF, and the respective affiliates, agents, directors, members, partners, officers, employees, advisors, attorneys and other professionals retained by all of the foregoing Persons, have acted in good faith (including, without limitation, within the meaning of sections 1125(e) and 1126(e) of the Bankruptcy Code), in respect of the Plan itself and the arm's length negotiations among the parties with respect to the formulation thereof and will continue to act in good faith if they proceed to: (a) consummate the Plan and the agreements, settlements, transactions and transfers contemplated thereby; and (b) take the actions authorized and directed by this Confirmation Order and the Plan. For the avoidance of doubt, this paragraph only applies to the Debtors' officers, directors and employees in their capacities as such.

S. **Rights Offering**

50. Without limiting, impairing or modifying any previous order of this Court approving or governing the Rights Offering, the Equity Commitment Agreement, the Registration Rights Agreement or the rights of each of the Commitment Parties (which orders are hereby reaffirmed and ratified), the proposed terms and conditions of the Rights Offering, Equity Commitment Agreement and the Registration Rights Agreement (and the registration statement

to be filed pursuant thereto) and any amendments thereto (subject to the terms thereof), as set forth in the Rights Offering, the Equity Commitment Agreement and the Registration Rights Agreement any amendments thereto, are fair and reasonable. The Rights Offering, including the Equity Commitment Agreement and the Registration Rights Agreement (and the registration statement to be filed pursuant thereto), has been an essential element of the Plan, is in the best interests of the Debtors, the Estates and Holders of Claims and Equity Interests, and does not conflict with Applicable Laws. The Debtors and each Commitment Party have acted in good faith and exercised reasonable business judgment in connection with the Rights Offering, the Equity Commitment Agreement and the Registration Rights Agreement (and the registration statement to be filed pursuant thereto). To the extent required, the Debtors or the Reorganized Debtors, as applicable, are authorized to prepare and file the Registration Statement in accordance with the Registration Rights Agreement.

T. Exit Financing

51. The proposed terms and conditions of the Exit Financing, as set forth in the definitive documentation to be entered into substantially on the terms and conditions set forth in the Exit Financing commitment letter provided by Jefferies Finance LLC, Barclays Bank PLC, UBS AG, Stamford Branch, UBS Securities LLC to the Debtors and their affiliates party thereto, which was approved by the Court in the Exit Financing Approval Order and are otherwise acceptable to the Exit Lenders and the Debtors and their affiliates party thereto (the "Definitive Documentation"), are fair and reasonable and approved. The Exit Financing, including the New OBS Exit Facility, the New OIN Exit Facility, the New OBS Exit Revolver and the New OIN Exit Revolver, is an essential element of the Plan and entry into and consummation of the transactions contemplated by the Exit Financing Documents (as defined in the Exit Financing

Approval Motion and for purposes of this Order, including the Definitive Documentation) is in the best interest of the Debtors, the Estates, the Holders of Claims and Equity Interests, and is approved. The Debtors have exercised reasonable business judgment in connection with the Exit Financing and have provided sufficient and adequate notice thereof, and all of the Debtors' obligations under the Exit Financing Documents, to the extent incurred prior to the Effective Date, are actual, necessary costs and expenses of preserving these Estates. The proposed terms thereunder have been negotiated in good faith and at arm's length, are supported by reasonably equivalent value and fair consideration and are fair and reasonable.

U. Liquidation of Certain Debtors; Restructuring Transactions

52. The liquidation of certain Debtors in accordance with Section 5.11 of the Plan, and the Restructuring Transactions contemplated in Section 5.12 of the Plan, including, without limitation, the intercompany transfers of vessels; the formation of the new limited liability corporations; the intercompany transfer of shares; the intercompany transfer of equity of OSG International, Inc. held by OSG Bulk Ships, Inc., OSG Ship Management, Inc. and Edindun Shipping Corporation; the transfer of OSG Ship Management, Inc. from OSG to OSG Bulk Ships, Inc.; the amendment of the corporate cost agreement between OSG International Inc. and OSG Bulk Ships, Inc.; the transfer of OSG Ship Management (London) Limited from OSG Ship Management, Inc. to OSG International, Inc.; and OSG International Inc. or OSG Bulk Ships, Inc.'s payment of the costs of OSG Ship Management, Inc. are necessary and appropriate for consummation of the Plan and the success and feasibility thereof, and are in the best interests of the Debtors, the Reorganized Debtors, their Estates and creditors.

V. Disclosure of Agreements and Other Documents

53. The Debtors have disclosed all material facts about the Plan, including without limitation, regarding: (a) the adoption of the Amended and Restated Certificate of Incorporation and By-Laws of Reorganized OSG; (b) the selection of directors and officers for the Reorganized Debtors; (c) the Rights Offering, the Equity Commitment Agreement and the Registration Rights Agreement and any fees or payments due thereunder (including, without limitation, the payment of the Expense Reimbursement (as defined in the Equity Commitment Agreement)); (d) the issuance of New Securities and the Election Notes; (e) the Exit Financing and the incurrence of new debt thereunder (including, without limitation, the payment of the Pre-Emergence Exit Facility Obligations, the Ticking Fee and the Alternate Transaction Fee (each as defined in the Exit Financing Motion)); (f) the adoption, execution and implementation of the other matters provided for under the Plan involving corporate action to be taken by or required of the Debtors or the Reorganized Debtors, including the Restructuring Transactions; (g) securities registration exemptions for the New Securities; (h) the exemption under section 1146(a) of the Bankruptcy Code; (i) the Management and Director Incentive Program, and other employment-related agreements, plans and programs; (j) the Disputed Claims Reserve; and (k) the adoption, execution and delivery of all other material contracts, leases, instruments, releases, indentures, supplemental indentures and other agreements related to any of the foregoing.

W. Implementation of Other Necessary Documents and Agreements

54. All documents and agreements necessary to implement the Plan, including, without limitation, those contained in the Plan Supplement, which are incorporated into and are a part of the Plan as set forth in Section 1.2 of the Plan, the Exit Financing Documents, and all other relevant and necessary documents and agreements relating to the Plan or the transactions contemplated thereby are in the best interests of the Debtors, the Reorganized Debtors, and the

Holders of Claims and Equity Interests and have been negotiated in good faith and at arm's length. The Debtors have exercised reasonable business judgment in determining to enter into all such documents and agreements and have provided sufficient and adequate notice of such documents and agreements to parties in interest. The Debtors and Reorganized Debtors, as applicable, are authorized, without further notice to, or action, order or approval of this Court or any other Person, to execute and deliver all agreements, documents (including all Exit Financing Documents), instruments and certificates relating to such documents and agreements and to perform their obligations thereunder, including, without limitation, to pay all fees, costs and expenses thereunder in accordance with the Plan. The terms and conditions of such documents and agreements are reaffirmed or approved, as applicable, and shall, upon completion of documentation and execution, be valid, binding and enforceable and shall not conflict with any Applicable Laws.

X. Authorization and Issuance of Securities

55. The issuance of the New Securities, the Election Notes and any other security to be issued under the Plan, including, without limitation, pursuant to the Equity Commitment Agreement, and the registration of securities, pursuant to the Registration Rights Agreement and upon the effectiveness of the registration statement to be filed in connection therewith, is hereby approved and authorized.

Y. Executory Contracts and Unexpired Leases; Adequate Assurance

56. The Debtors have exercised reasonable business judgment in determining whether to assume, assume and assign, or reject each of their executory contracts and unexpired leases as set forth in Article VIII of the Plan, Exhibits C and G to the Plan, or otherwise, and in this Confirmation Order. Each assumption, assumption and assignment, or rejection of an executory

contact or unexpired lease pursuant to this Confirmation Order, in accordance with Article VIII of the Plan, Exhibits C and G to the Plan, or otherwise, shall be legal, valid and binding upon the applicable Debtor or Reorganized Debtor and all non-Debtor Persons party to such executory contract or unexpired lease, all to the same extent as if such assumption, assumption and assignment, or rejection had been authorized and effectuated pursuant to a separate order of this Court that was entered pursuant to section 365 of the Bankruptcy Code prior to the Effective Date.

57. The assumption, assumption and assignment, or rejection of executory contracts and unexpired leases pursuant to this Confirmation Order and in accordance with Article VIII of the Plan is integral to the Plan and is in the best interests of the Debtors and their estates, creditors, Holders of Equity Interests and other parties in interest.

58. The Debtors have provided adequate assurance of future performance for each of the assumed executory contracts and unexpired leases that are being assumed by the Reorganized Debtors, as applicable, pursuant to the Plan. The Debtors have cured or provided adequate assurance that the Reorganized Debtors will cure defaults (if any) under or relating to each of the executory contracts and unexpired leases that are being assumed by the Reorganized Debtors, as applicable, pursuant to the Plan. Except as specifically provided herein, the Cure amounts with respect to assumed contracts, as set forth in Article VIII of the Plan, or Exhibit G to the Plan, are the sole amounts necessary under section 365(b) of the Bankruptcy Code to cure all monetary defaults and losses. By the payment of the Cure amounts, where applicable, the Debtors shall have cured and/or provided adequate assurance of cure of any monetary default existing as of the Effective Date and provided for compensation or adequate assurance of compensation to any party for actual pecuniary loss to such party resulting from a default under such assumed

contracts and leases. The Plan, therefore, satisfies the requirements of section 365 of the Bankruptcy Code.

Z. Reserves

59. The Disputed Claims Reserve is reasonable and appropriate under the circumstances, and adequately protects the interests of Holders of Disputed Claims pending determination of such Claims.

60. The reserve set forth in the SEC Stipulation for claim 1581, filed by the Securities and Exchange Commission (the "SEC"), is reasonable and appropriate under the circumstances, and was negotiated in good-faith and at arms'-length between the Debtors and the SEC. No additional reserves are necessary or appropriate.

AA. Post-Petition Interest

61. Section 7.2 of the Plan fairly and reasonably provides for the payment of post-petition interest on all Allowed Claims in Classes D1 through D5 and on the IRS Claims, including without limitation, the payment of default interest, if any, to the extent expressly and explicitly provided in each of the agreements underlying the respective Allowed Claims.

62. The Presumed Postpetition Interest Rate fairly and reasonably provides the post-petition interest required to be paid to those Holders of Claims in Class D5 or in Class D4 whose relevant agreements do not entitle them to any contractual rate of interest or do not file a Postpetition Interest Rate Objection.

BB. Settlements and Compromises

63. Based upon the Confirmation Brief, the Declarations, the other pleadings and arguments of counsel for the Debtors and all other testimony given or proffered at the Confirmation Hearing or at any prior hearings and the full record of these Chapter 11 Cases, the

findings and conclusions of which are hereby incorporated by reference as if fully set forth herein, the Court hereby finds that, pursuant to sections 1129(a)(3) and 1123(b) of the Bankruptcy Code, Bankruptcy Rule 9019 and Applicable Laws, and in consideration of the distributions and other benefits provided under the Plan, the Plan, including the DSF Stipulation Order and the allowance of the DSF Claims pursuant to its terms (collectively, the "DSF Settlement"), the CEXIM Stipulation Order and the allowance of the CEXIM Claims pursuant to its terms (collectively, the "CEXIM Settlement"), the Subordinated Class Plaintiff Stipulation Order and the allowance of the Subordinated Claims (collectively, the "Subordinated Class Plaintiff Settlement"), the settlement of the IRS Claims (the "IRS Settlement"), the settlement relating to the 7.500% Notes Alternative Distribution (including the use of the Election Notes and the Election Form), the settlements relating to the Presumed Postpetition Interest Rate, each of the injunctions, releases, exculpations, indemnifications and discharges set forth in the Plan, and all other settlements embodied in the treatment of Claims and other provisions of the Plan, constitute a good faith global compromise and settlement of all Claims or controversies relating to the rights that a Holder of a Claim or Equity Interest may have with respect to any Claim or Equity Interest and any distribution to be made pursuant to the Plan on account of any Allowed Claim or Equity Interest. Such compromises and settlements are fair, equitable, reasonable, appropriate in light of the costs, risks, and all relevant facts and circumstances underlying such compromises and settlements, are within the range of litigated outcomes, and are in the best interests of the Debtors and Holders of Claims and Equity Interests. The Subordinated Class Plaintiff Settlement satisfies the requirements of Federal Rule of Civil Procedure 23, made applicable by Federal Rule of Bankruptcy Procedures 7023, and is fair, reasonable and adequate

with respect to the Putative Class. The Subordinated Class Intervention Motion, which the Court interprets as an objection to the Subordinated Class Plaintiff Settlement, is overruled.

64. Nothing in the Plan or the Confirmation Order shall reduce, expand, or otherwise impact the rights, if any, of any non-Debtor defendants against whom a judgment is obtained in the OSG Securities Class Action or any other action (whether in a proceeding now pending or hereafter commenced) asserting a Securities Claim (defined below) to seek a judgment credit in such litigation in accordance with applicable non-bankruptcy law, as determined by the District Court for the Southern District of New York (in the case of the OSG Securities Class Action) or other court of competent jurisdiction presiding over any other such action. The rights of Lead Plaintiffs in the OSG Securities Class Action, and any other plaintiff asserting a Securities Claim, to contest, on any basis, such a request for a judgment credit shall likewise be expressly preserved. For purposes of this paragraph, "Securities Claim" shall mean a claim for damages brought by a plaintiff based upon an alleged misstatement in or omission from any public statements, and/or in the offering materials or Registration Statement for, OSG's 8.125% Notes or Old Equity Interests.

CC. Transfers by Debtors; Vesting of Assets

65. All transfers of property of the Debtors' Estates shall be free and clear of all Liens, charges, Claims, encumbrances and other interests, except as expressly provided herein or in the Plan. On the Effective Date, subject to the Restructuring Transactions and except as otherwise provided herein, all property of the Estates, to the fullest extent provided by section 541 of the Bankruptcy Code, and any and all other rights and assets of the Debtors of every kind and nature, including equity and other interests in non-Debtor affiliates, shall revest in the applicable Reorganized Debtor or its successor free and clear of all Liens, Claims and Equity

Interests, including, without limitation, any and all Liens, Claims or Interests that were granted, described, authorized or perfected pursuant to the Cash Management Order or the International Financing Orders, other than those Liens, Claims and Interests retained or created pursuant to the Plan or any document entered into in connection with the transactions described in the Plan (including under the Exit Financing). Such vesting does not constitute a voidable transfer under the Bankruptcy Code or Applicable Laws.

66. Subject to the Equity Commitment Agreement, all actions taken by the Debtors prior to entry of this Confirmation Order, in accordance with Section 5.12 of the Plan, are hereby approved. Subject to the terms of the Plan and the Equity Commitment Agreement, the Debtors are further authorized, without further notice to or action, order or approval of this Court or any other Person, to enter into and take any additional actions under or in connection with the Restructuring Transactions, including such actions as the Debtors deem necessary or appropriate to facilitate such transactions, upon entry of this Confirmation Order in accordance with the requirements set forth in Section 5.12; provided, that where a surviving, resulting or acquiring corporation in any such Restructuring Transaction is a successor to a Reorganized Debtor, such surviving, resulting or acquiring corporation will perform the obligations of the Reorganized Debtor pursuant to the Plan to pay or otherwise satisfy the Allowed Claims against the Reorganized Debtor, to the extent not already paid or satisfied.

67. On and after the Effective Date, subject to any limitations set forth in the Plan, each Reorganized Debtor may operate its business, may use, acquire and dispose of property, may retain, compensate and pay any professionals or advisors, and compromise or settle any Claims or Equity Interests without supervision of or approval by this Court and free and clear of

any restrictions of the Bankruptcy Code or the Bankruptcy Rules. The continued existence, operation and ownership of the non-Debtor affiliates are a component of the Debtors' businesses.

DD. No Successor Liability

68. The transfer of assets as set forth above shall not result in any of the Reorganized Debtors (a) having any liability or responsibility for any Claim against the Debtors, the Debtors' Estates or against any affiliate or insider of the Debtors, or (b) having any liability or responsibility to the Debtors, except as expressly set forth in the Plan. Without limiting the effect or scope of the foregoing, and to the fullest extent permitted by the Applicable Laws, the transfer of assets contemplated above does not and will not subject the Reorganized Debtors, their respective properties or assets or their respective affiliates, successors, or assigns to any liability for Claims against the Debtors' interests in such assets by reason of such transfer under any Applicable Laws, including, without limitation, any successor or vicarious liability.

EE. Releases, Exculpation and Injunction

69. The release, exculpation, and injunction provisions set forth in the Plan, including, without limitation, the releases, exculpations and injunctions contained in Article XI of the Plan, constitute good faith compromises and settlements of the matters covered thereby. Such compromises and settlements are: (i) made in exchange for good, valuable and adequate consideration provided by the Persons being released or exculpated and represent good faith settlements and compromises of the claims being released; (ii) in the best interests of the Debtors, the Estates, and Holders of Claims and Equity Interests; (iii) fair, necessary, equitable, and reasonable; and (iv) integral elements of the resolution of the Chapter 11 Cases in accordance with the Plan. Proper, timely, adequate and sufficient notice of the release, exculpation and injunction provisions set forth in the Plan, including, without limitation, the

releases, exculpations and injunctions contained in Article XI of the Plan, has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, the orders of this Court and due process. Interested parties have had a sufficient and adequate opportunity to object to such provisions and be heard as to their objections, and no further notice of such provisions is required for entry of this Confirmation Order. Each of the release, exculpation, and injunction provisions set forth in the Plan and this Confirmation Order is: (a) within the jurisdiction of the Court under 28 U.S.C. §§ 1334(a), 1334(b), and 1334(d); (b) an essential means of implementing the Plan pursuant to section 1123(a)(5) of the Bankruptcy Code; (c) an integral element of the transactions incorporated into the Plan; (d) conferring material benefit on, and is in the best interests of, the Debtors, the Estates, and Holders of Claims or Equity Interests; (e) important to the overall objectives of the Plan to finally resolve all Claims among or against the Persons in the Chapter 11 Cases with respect to the Debtors, their organization, capitalization, operation, and reorganization in accordance with the Plan; and (f) consistent with sections 105, 1123 and 1129 of the Bankruptcy Code and other applicable provisions of the Bankruptcy Code.

FF. Conditions to Confirmation; Effective Date; Reinstatement

70. The conditions to confirmation of the Plan set forth in Section 10.1 of the Plan have been satisfied.

71. Each of the conditions precedent to the Effective Date, as set forth in Section 10.2 of the Plan, is reasonably likely to be satisfied or waived in accordance with the Plan.

72. No incurable event of default with respect to the 7.500% Notes Indenture or the 8.125% Notes Indenture occurred prior to the Petition Date and no event has occurred as of the date hereof that, with the passage of time, could result in an event of default under the 7.500% Notes Indenture or the 8.125% Notes Indenture.

73. The consummation of the Plan (including the acquisition of New Securities by the respective Commitment Parties) does not and shall not (with the passage of time or otherwise) create any incurable default under the 7.500% Notes Indenture, any indenture or supplemental indenture relating to the Election Notes or the 8.125% Notes Indenture, nor shall the consummation of the Plan or the Equity Commitment Agreement trigger any note repurchase obligations under the 7.500% Notes Indenture, any indenture or supplemental indenture relating to the Election Notes, the 8.125% Notes Indenture or the 8.500% Notes Indenture (including, without limitation, triggering, causing or creating a "change of control," as such term is defined in either the 7.500% Notes Indenture or the 8.125% Notes Indenture). Accordingly, the Holders of 7.500% Notes Claims are Unimpaired.

74. No Commitment Party has an agreement with any other Commitment Party, nor any other party to the Equity Commitment Agreement, to act together for the purpose of acquiring, holding, voting, or disposing of equity securities of the Debtors or the Reorganized Debtors (either prior to, at or after the Effective Date), and no such persons, or any combination thereof, constitutes a "group" for the purpose of acquiring, holding, voting, or disposing of such equity securities, or otherwise constitute a "group," in each case, as such term is used in Sections 13(d) and 14(d) of the Exchange Act, as provided in the 7.500% Notes Indenture, or under any similar provision of the Securities Act or the Exchange Act. All requirements for Reinstatement of the 7.500% Notes and the 8.125% Notes pursuant to the treatment described in Sections 3.2(h), 5.19 and 7.2(c) of the Plan, and under section 1124(2) of the Bankruptcy Code have been met, and 7.500% Notes Claims and 8.125% Notes Claims, including, without limitation, the Claims of any Electing Noteholder that elects the 7.500% Notes Alternative Distribution, are Unimpaired. Accordingly, on the Effective Date, the 7.500% Notes (to the

extent not timely tendered in exchange for the Election Notes) and 8.125% Notes shall be Reinstated and the related indentures shall be retained by the Reorganized Debtors.

75. All of the elements of certification for settlement purposes of the Putative Class pursuant to Federal Rule of Civil Procedure 23, made applicable by Federal Rule of Bankruptcy Procedure 7023, have been satisfied.

GG. **Retention of Jurisdiction**

76. This Court may properly retain jurisdiction over all matters arising out of or related to the Chapter 11 Cases, the Debtors, the Reorganized Debtors and the Plan after the Effective Date, to the fullest extent permitted by law, in accordance with Article XII of the Plan.

* * * * *

ORDER

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED, DECREED, AND DETERMINED THAT:

A. **Confirmation of Plan**

77. The Plan and each of its provisions, all documents and agreements necessary to implement the Plan, including, without limitation, those contained in the Plan Supplement, which are incorporated into and are a part of the Plan as set forth in Section 1.2 of the Plan, the Exit Financing Documents, and all other relevant and necessary documents and agreements are APPROVED and CONFIRMED pursuant to section 1129 of the Bankruptcy Code. The terms of the Plan, the Plan Supplement, all exhibits and addenda thereto and the Docket are incorporated by reference into, and are an integral part of, this Confirmation Order (subject to any provision

incorporated by such reference being governed by an express and contradictory provision herein).

B. Objections to Plan Overruled

78. To the extent that any objections, reservations of rights, requests, statements, or joinders to Confirmation, including in connection with the designation of votes pursuant to section 1126(e) of the Bankruptcy Code, have not been withdrawn, waived, or settled prior to entry of the Confirmation Order or otherwise resolved or adjourned for later adjudication by the Court as stated on the record of the Confirmation Hearing, they are hereby overruled on the merits.

C. Findings of Fact and Conclusions of Law

79. The findings of fact and conclusions of law stated in the Confirmation Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to the Chapter 11 Cases by Bankruptcy Rule 9014. Any and all findings of fact shall constitute findings of fact even if they are stated as conclusions of law, and any and all conclusions of law shall constitute conclusions of law even if they are stated as findings of fact. Further, any findings of fact and conclusions of law announced on the record in open court are incorporated by reference herein.

D. Terms Binding

80. Subject to the conditions precedent set forth in Section 10.2 of the Plan, the terms of the Plan, the Plan Supplement, and all agreements, documents, instruments and certificates relating thereto, including the Exit Financing Documents, shall be effective and binding as of the Effective Date of the Plan, or as applicable, when executed or adopted thereafter, and shall be binding in accordance with their respective terms upon the Debtors, the Reorganized Debtors, all

Holders of Claims and Equity Interests and all other Persons that are affected in any manner by the Plan.

81. Notwithstanding the foregoing or any other provision herein, if there is any direct conflict between the Plan, the Plan Supplement, all exhibits and addenda thereto (including the terms of the Plan, the Plan Supplement, all exhibits and addenda thereto, incorporated by reference herein), and the terms of this Confirmation Order, the terms of this Confirmation Order shall control.

E. Separate Plans

82. The Plan is a separate Plan for each of the Debtors. Accordingly, the provisions of the Plan, including without limitation the definitions and distributions to creditors and equity interest holders, shall apply to the respective assets of, Claims against, and Equity Interests in, each Debtor's separate Estate.

F. Modifications to Plan

83. The modifications to the Plan (as reflected on the record at the Confirmation Hearing and as incorporated into the Plan attached as Exhibit 1 hereto), meet the requirements of sections 1127(a) and (c) of the Bankruptcy Code. Such amendments do not adversely change the treatment of the Claim of any creditor or Interest of any equity security holder within the meaning of Bankruptcy Rule 3019, and no further solicitation of votes or voting is required.

G. Provisions of the Plan and Confirmation Order Nonseverable and Mutually Dependent

84. The Provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are each nonseverable and mutually dependent.

H. Preparation, Delivery, and Execution of Additional Documents By Third Parties

85. All Holders of Claims and Equity Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time and as requested by the Debtors or Reorganized Debtors, take any reasonable actions as may be necessary or advisable to effectuate the provisions and intent of the Plan and this Confirmation Order.

I. Record Closed

86. The Record of the Confirmation Hearing is closed.

J. Notice

87. Good and sufficient notice has been provided with respect to: (a) the Confirmation Hearing; (b) the deadline for filing and serving objections to the Plan; (c) the proposed Cure amounts and the deadline for filing objections to Cure amounts; (d) settlements, releases, exculpations, injunctions, and related provisions in the Plan; and (e) other hearings described in the Disclosure Statement Approval Order and the Plan. Such notice has been and is hereby approved. No other or further notice is required.

K. Plan Classification Controlling

88. The terms of the Plan alone shall govern the classification of Claims and Equity Interests for purposes of the distributions to be made thereunder. The classifications set forth on the Ballots tendered to or returned by the Equity Interests in connection with voting to accept or reject the Plan: (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification or amounts of such Claims or Equity Interests under the Plan for distribution purposes; (c) may not be relied upon by any Creditor or Holder as representing the actual classification or amounts of such Claims or Equity Interests under the Plan for distribution purposes; and (d) do not bind the Debtors or the Reorganized Debtors.

L. Treatment is Full Satisfaction

89. The treatment of Claims and Equity Interests set forth in Section 3.2 of the Plan is in full and complete satisfaction of the legal, contractual and equitable rights that each Person holding a Claim or an Equity Interest may have against the Debtors, the Estates or their respective property, except as expressly provided in the Plan or this Confirmation Order. The Reorganized Debtors are authorized to use this Confirmation Order (without exhibits attached) as evidence of release of Liens arising under Classes B1 and B2.

M. Matters Relating to Implementation of the Plan

a. Operation of the Debtors Between the Confirmation Date and the Effective Date

90. Upon the entry of this Confirmation Order, the Debtors shall continue to operate as debtors in possession pursuant to the Bankruptcy Code and the Bankruptcy Rules during the period from entry of this Confirmation Order (the "Confirmation Date") through and until the Effective Date; provided, however, that the Debtors' management of their properties, operation of their businesses and use, acquisition or disposition of their assets shall be and shall be effectuated in a manner consistent with the Plan, the Equity Commitment Agreement, the Exit Financing and this Confirmation Order. The Equity Commitment Agreement Approval Order shall remain in full force and effect, including with respect to the Expense Reimbursement.

b. Transfer of Assets; No Successor Liability

91. To the fullest extent permitted by Applicable Laws, neither the Reorganized Debtors, nor their respective successors or assigns, nor their respective properties shall, as a result of Confirmation of the Plan, (a) be or be deemed to be a successor to the Debtors or the Estates; (b) have or be deemed to have, de facto or otherwise, merged or consolidated with, or

into, the Debtors or the Estates; or (c) be or be deemed to be a continuation or substantial continuation of the Debtors, Estates, or any enterprise of the Debtors.

92. To the fullest extent permitted by Applicable Laws, without limiting the effect or scope of the foregoing, except as is expressly set forth in the Plan, as a result of Confirmation of the Plan, no Reorganized Debtor, any of its respective successors or assigns, or its respective properties shall have any successor or vicarious liabilities of any kind or character, including, without limitation, any theory of antitrust, environmental, successor or transferee liability, labor law, de facto merger or substantial continuity, whether known or unknown, now existing or hereafter arising, asserted or unasserted, fixed or contingent, or liquidated or unliquidated with respect to the Debtors, their Estates, any enterprise of the Debtors, or any obligations of the Debtors or their Estates arising prior to the Effective Date; provided, however, that nothing in this Order or the Plan discharges, releases, precludes or enjoins: (i) any environmental liability of the Debtors to a governmental unit as defined in 11 U.S.C. § 101(27) ("Governmental Unit") that is not a Claim; (ii) any environmental Claim of a Governmental Unit against the Debtors arising on or after the Confirmation Date; (iii) any environmental liability of the Debtors to a Governmental Unit on the part of any Entity as the owner or operator of property to the extent that such Entity owns or operates such property on or after the Confirmation Date; or (iv) any environmental liability to a Governmental Unit on the part of any Entity other than the Debtors or Reorganized Debtors. Notwithstanding the foregoing, the Debtors reserve the right (a) to assert that any liability is a Claim that arose on or before the Effective Date and that such Claim has been discharged and/or released under sections 524 and 1141 of the Bankruptcy Code and (b) to assert any claim or defense pursuant to any environmental or other non-bankruptcy law or regulation with respect to such environmental liability. Notwithstanding any other provisions in

the Confirmation Order or the Plan, the Court retains jurisdiction, but not exclusive jurisdiction, to determine whether environmental liabilities asserted by a Governmental Unit are discharged or otherwise barred by the Confirmation Order, the Plan or the Bankruptcy Code.

93. Notwithstanding Articles V, IX, XI, XII and XIII (or any other provision) of the Plan or any other provision of this Confirmation Order, neither the Plan nor this Confirmation Order shall alter, Impair, release, waive, discharge, or in any way preclude or enjoin Entergy Louisiana LLC ("Entergy") from pursuing Entergy's *in personam* and *in rem* Claims and Liens asserted in the civil action styled *Entergy Louisiana LLC versus M/T OVERSEAS ELIANE, her engines, tackle, apparel, bunkers, etc., in rem; Caribbean Tanker Corp., OSG Ship Management GR, Ltd.*, Civil Action No. 13-3939, currently pending in the United States District Court for the Eastern District of Louisiana (the "Louisiana Action") and all Claims and Liens related to the allision alleged in the Louisiana Action (collectively, the "Entergy Allision Claims") against the applicable Reorganized Debtor(s) and/or any other person or entity (other than the Debtors) to the fullest extent permitted by Applicable Laws from and after the Effective Date. The Reorganized Debtors, the other defendants in the Louisiana Action, and all other parties in interest reserve all existing rights, claims and defenses in respect of the Entergy Allision Claims.

c. Corporate Existence; Vesting of Assets in the Reorganized Debtors

94. Except as otherwise provided in the Plan or in this Confirmation Order or as contemplated by the Restructuring Transactions, each Reorganized Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, or other form, as the case may be, with all the powers of a corporation, limited liability company, or other form, as the case may be, pursuant to the Applicable Laws in the jurisdiction in which each applicable Reorganized Debtor is incorporated or formed and pursuant to the respective certificate of

incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended by or in accordance with the Plan, Exhibit A to the Plan or in accordance with their terms and Applicable Law. To the extent such documents are amended (including, with respect to the Amended and Restated Certificate of Incorporation attached as Exhibit A to the Plan, as completed in accordance with the footnotes included in such Amended and Restated Certificate of Incorporation by any officer of Reorganized OSG listed on Exhibit B to the Plan, each of whom is a designated officer for this purpose and each of whom is authorized to file such Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware), such documents are deemed to be amended pursuant to the Plan and the Amended and Restated Certificate of Incorporation attached as Exhibit A to the Plan shall govern from and after the effectiveness of the filing of the Amended and Restated Certificate of Incorporation with the Delaware Secretary of State and the Amended and Restated By-Laws attached as Exhibit A to the Plan shall govern from and after the Effective Date, each in accordance with their terms and Applicable Law, and require no further action or approval. Each of the Reorganized Debtors may freely and without further approval of the Court take any and all actions with respect to their corporate governance in accordance with Applicable Laws. Notwithstanding paragraph 81 hereof, in the event of any conflict between the Plan or the Confirmation Order, on the one hand, and one or more terms of such certificate of incorporation and bylaws (or other formation documents), including, without limitation, indemnification obligations, on the other hand, the terms of the Plan or Confirmation Order, as applicable, shall control.

95. Except as otherwise provided in the Plan, the Restructuring Transactions, or any agreement, instrument, settlement (including the Subordinated Class Plaintiff Stipulation) or other document incorporated therein, including the Exit Financing Documents, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, Equity Interests, charges, or other encumbrances. Except as otherwise provided in the Plan, on and after the Effective Date, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims or Causes of Action without further notice to or action, order, or approval of this Court or any other Person, free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules.

N. **Liquidating Debtors; Restructuring Transactions**

96. Subject to the Plan and the Equity Commitment Agreement, the Debtors and Reorganized Debtors are authorized to liquidate certain Debtors, as set forth in Section 5.11 of the Plan, and enter into one or more Restructuring Transactions, as set forth in Section 5.12 of the Plan, as may be necessary or appropriate to simplify their corporate structure and effect a corporate restructuring. The Debtors are authorized to direct any third parties (excluding any Commitment Party), including without limitation any incorporator or other corporate actor, to take such steps as may be required to effect, document or otherwise evidence any dissolution, merger or amalgamation of entities in accordance with the Restructuring Transactions, including, without limitation, the intercompany transfers of vessels; the formation of the new limited liability corporations; the intercompany transfer of shares; the intercompany transfer of equity of OSG International, Inc. held by OSG Bulk Ships, Inc., OSG Ship Management, Inc. and Edindun Shipping Corporation; the transfer of OSG Ship Management, Inc. from OSG to OSG Bulk

Ships, Inc.; the amendment of the corporate cost agreement between OSG International Inc. and OSG Bulk Ships, Inc.; the transfer of OSG Ship Management (London) Limited from OSG Ship Management, Inc. to OSG International, Inc.; and OSG International Inc. or OSG Bulk Ships, Inc.'s payment of the costs of OSG Ship Management, Inc.

97. All actions taken by the Debtors prior to entry of this Confirmation Order, in accordance with Section 5.12 of the Plan, are hereby approved. To the extent that the Debtors determine that it is necessary or appropriate for any step, transaction or other action in furtherance of, or in preparation for, any Restructuring Transactions to be effectuated on or prior to the Effective Date, the Debtors are authorized to take such actions upon entry of this Confirmation Order. Following the Effective Date, the Debtors and Reorganized Debtors are authorized to effect the Restructuring Transactions and take any and all steps and actions as they deem necessary or appropriate to effect such Restructuring Transactions, including modifications to the same, or otherwise effect a more tax efficient or simpler corporate structure. For the avoidance of doubt, nothing in this Confirmation Order shall constitute an amendment or modification of the Equity Commitment Agreement or a waiver from compliance with its terms.

O. Post-Effective Date Sales; Transfers

98. Any sale by a Debtor pursuant to section 363 of the Bankruptcy Code that is pending as of the entry of this Confirmation Order may be consummated by such Debtor after the entry of this Confirmation Order, or if the sale closes after the Effective Date, by the Reorganized Debtor, on the terms previously approved. Any such sale shall be made pursuant to the Plan for purposes of section 1146(a) of the Bankruptcy Code. To the extent the Debtors or the Reorganized Debtors, as applicable, sell any of their property during the period prior to or including the date that is one year after the Confirmation Date, the Debtors or the Reorganized

Debtors, as applicable, may elect to sell such property pursuant to sections 363, 1123, 1141(c) and 1146(a) of the Bankruptcy Code.

P. Intercompany Interests

99. On the Effective Date, at the option of Reorganized OSG, all Intercompany Claims shall be Reinstated or discharged and satisfied by contributions, distributions or otherwise. As of the Date hereof, the Debtors and the Reorganized Debtors, and their respective affiliates (including non-Debtor affiliates), may transfer funds between and among themselves. Any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the ordinary course intercompany account settlement practices and will not violate the terms of the Plan or this Confirmation Order. Prior to the cancellation and discharge of any Intercompany Claim or Intercompany Equity Interest, as may be elected by the Debtors or the Reorganized Debtors (including non-Debtor affiliates) at their discretion, the Debtors and Reorganized Debtors (including non-Debtor affiliates) shall have the right to retain for the Debtors' and the Reorganized Debtors' (including non-Debtor affiliates') benefit such Intercompany Claims and Allowed Intercompany Interests, or effect transfers and setoffs with respect to such Claims and Interests as they may deem appropriate for accounting, tax and commercial business purposes, to the fullest extent permitted by Applicable Law.

100. Any rights of subrogation, or any similar rights, arising from any payment by Overseas Shipholding Group, Inc. in its capacity as guarantor of any obligations of Overseas International, Inc. and its direct and indirect foreign subsidiaries shall be cancelled as uncollectible.

101. Notwithstanding anything in the Plan or the Confirmation Order to the contrary, on the Effective Date, the Intercompany Equity Interests shall be Reinstated.

Q. Binding Effect; Effectiveness; Successors and Assigns

102. Upon the occurrence of the Effective Date, all provisions of the Plan, including all agreements (including the Registration Rights Agreement), instruments and other documents filed in connection with the Plan or executed by the Debtors or Reorganized Debtors in connection with the Plan, including the Plan Supplement, shall be immediately effective and enforceable and deemed binding in accordance with their respective terms upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Equity Interests (irrespective of whether any such Holders of Claims or Interests failed to vote to accept or reject the Plan, voted to accept or reject the Plan, or are deemed to accept or reject the Plan), all Persons that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Person acquiring property under the Plan, any and all non-Debtor parties to executory contracts and unexpired leases with the Debtors, and any other Persons affected in any matter by the Plan. The Debtors shall comply with all of their obligations under the Registration Rights Agreement, including the obligation under Section 2 with respect to filing the Initial Shelf (as such term is defined in the Registration Rights Agreement).

103. The payments, obligations and benefits of any entity named or referred to in the Plan shall be binding upon and inure to the benefit of such entity's heirs, executors, administrators, successors or assigns, including, with respect to the Debtors, the Reorganized Debtors, any successor to the Debtors or the Reorganized Debtors or any Estate representative appointed or selected pursuant to section 1123 of the Bankruptcy Code, including any trustee subsequently appointed in any of the Chapter 11 Cases or in any superseding chapter 7 case.

R. Issuance of Securities

104. On the Effective Date, Reorganized OSG is authorized to and shall issue and distribute, or cause to be distributed, the Plan Securities, including New Shares and New Warrants (including any New Shares issuable upon exercise of such New Warrants), the Election Notes and any and all other securities, notes, stock, instruments certificates and other documents or agreements required to be issued, executed or delivered pursuant to the Plan and the Equity Commitment Agreement. The issuance of Plan Securities is authorized, as of the Effective Date, without further notice to or order of the Bankruptcy Court, any further corporate action, or any further act or action under the Applicable Laws, or the vote, consent, authorization or approval of any Person. The Plan Securities, the Election Notes, and any other such securities issued on or around the Effective Date are duly authorized, validly issued and, in the case of any equity securities, fully paid and non-assessable.

105. Non-U.S. Citizens shall not own more than 23% of the total number of New Shares outstanding on the Effective Date or following the consummation of the Rights Offering, and subject to Section 6.4 of the Plan and the Rights Offering Procedures, the Debtors shall determine the pro rata allocation of New Shares and New Warrants between U.S. Citizens and non-U.S. Citizens. All the New Shares underlying the New Warrants (upon payment of the exercise price in accordance with the terms of such New Warrants) issued pursuant to the Plan are duly authorized, validly issued, fully paid and non-assessable.

106. Reorganized OSG is authorized to reserve shares representing up to 10% of the New Shares on a fully diluted basis for issuance pursuant to the Management and Director Incentive Program, the terms of which shall be determined by the Reorganized OSG Board.

S. Equity Commitment Agreement and Rights Offering

107. Without limiting, impairing or modifying any previous order of this Court approving or governing the Equity Commitment Agreement or the Registration Rights Agreement (which orders are hereby reaffirmed and ratified), or the rights of any Commitment Party thereunder (or under the Equity Commitment Agreement or Registration Rights Agreement) subject to Sections 10.1 and 10.2 of the Plan, the Debtors are authorized, without further notice to or action, order or approval of the Court or any other Person: (a) to perform any of their obligations under the Equity Commitment Agreement and the Registration Rights Agreement, including the filing of a registration statement by Reorganized OSG under the Securities Act pursuant to the Registration Rights Agreement; and (b) to pay all fees, costs, expenses and other payments (including, without limitation, the payment of the Expense Reimbursement (as defined in the Equity Commitment Agreement) pursuant to the terms of the Equity Commitment Approval Order) required to be paid in connection with the Equity Commitment Agreement. Each Holder of Old OSG Equity Interests as of the Record Date had the opportunity to participate in the Rights Offering on the terms and subject to the conditions set forth in the Rights Offering Procedures. No Holder of a Claim shall participate in the Rights Offering solely in such Holder's capacity as such. On the Effective Date, each Commitment Party shall receive its right to purchase Holdback Securities, subject to the Equity Commitment Agreement.

108. Any and all indemnification, cost reimbursement and fee obligations accruing or payable on or prior to the Effective Date in accordance with the terms of the Equity Commitment Agreement and approved by the Court in connection therewith are hereby approved as allowed administrative expense claims under Sections 503 and 507 of the Bankruptcy Code.

109. The Debtors and Reorganized Debtors continue to be authorized, without further notice to or action, order or approval of this Court or to any other Person, to perform any of their obligations under the Equity Commitment Agreement or the Registration Rights Agreement, and execute and deliver any agreements, documents, instruments and certificates relating to the Equity Commitment Agreement, the Registration Rights Agreement and Rights Offering that may be necessary or appropriate. All Cash proceeds of the Rights Offering shall be used in accordance with the Equity Commitment Agreement. The Debtors together with each Commitment Party are authorized to take any action reasonably necessary or appropriate to consummate the foregoing Rights Offering transactions.

T. Exit Financing

110. Without limiting, impairing or modifying any previous order of this Court approving or governing the Exit Financing or the Exit Financing Documents (which orders are hereby reaffirmed and ratified), the Exit Financing Documents, and all transactions contemplated therein, are approved and, upon execution and delivery of the agreements and documents relating thereto by the applicable parties, and the satisfaction or waiver of all conditions precedent to the effectiveness thereof the Exit Financing shall be in full force and effect and valid, binding, and enforceable immediately in accordance with their terms without further notice to or action, order, or approval of the Court or any other Person or other act or action under Applicable Laws. The Debtors or the Reorganized Debtors, as applicable, are authorized, without further notice to or action, order, or approval of the Court or any other Person, to: (a) enter into and perform under the Exit Financing Documents consistent with the Exit Financing Documents; (b) execute and deliver all agreements, documents, instruments, notices and certificates relating to the Exit Financing and the Exit Financing Documents (including, without limitation, all security

agreements, mortgages, and financing statements); (c) to incur and pay all fees and expenses and all other obligations required to be paid in connection with the Exit Financing and the Exit Financing Documents as and when they become due under the terms of the Exit Financing Documents; and (d) perform all obligations under the Exit Financing and the Exit Financing Documents, including the indemnity obligations set forth therein.

111. The loans and other extensions of credit contemplated by the proposed terms of the Exit Financing and the Exit Financing Documents, and the granting of Liens to secure such Exit Financing are approved and authorized. The Debtors and the Reorganized Debtors and their affiliates, shall execute and deliver to the Exit Lenders all such agreements, financing statements, instruments, notices and other documents the Exit Lenders may reasonably request to more fully evidence, confirm, validate, perfect, preserve and enforce the Exit Financing and the security interests arising thereunder or related thereto. All such documents (other than any such documents required or permitted by the terms of the applicable Exit Financing Documents to be delivered, recorded or filed after the Effective Date) will be deemed to have been recorded and filed as of the Effective Date. Such Liens shall be valid, binding, perfected and enforceable Liens and security interests in the property described in the Exit Financing Documents and shall be of the priority required by such Exit Financing Documents, and the granting of such Liens, the making of such loans and other extensions of credit, and the execution and consummation of the Exit Financing shall not be subject to avoidance, recharacterization, recovery, subordination, attack, offset, counterclaim, defense or "claim" (as such term is defined in the Bankruptcy Code) of any kind under the Bankruptcy Code or any Applicable Laws as of the Effective Date and shall not subject the Exit Lenders to any liability by reason of incurrence of such obligation or grant of such Liens, guarantees or security interests under applicable federal or state law,

including, but not limited to, successor or transferee liability. The Reorganized Debtors, the Exit Lenders, any indenture trustee or collateral agent for, or anyone else acting on behalf of the Exit Lenders pursuant to the terms of the Exit Financing Documents, and any other parties granting Liens and security interests related to the Exit Financing and Exit Financing Documents are hereby authorized to file or record financing statements, trademark filings, copyright filings, mortgages, notices of Lien or similar instruments in any jurisdiction, or take possession of or control over, or take any action in order to validate and perfect the Liens and security interests granted hereunder or under the Exit Financing Documents, as contemplated therein.

112. The guarantees, mortgages, pledges, Liens and other security interests, and all other consideration granted pursuant to or in connection with the Exit Financing are or will be (as the case may be) hereby deemed to be granted in good faith, for good and valuable consideration and for legitimate business purposes as an inducement to the Exit Lenders to extend credit thereunder and shall be, and hereby are, deemed not to constitute a fraudulent conveyance or fraudulent transfer under the Bankruptcy Code or any Applicable Laws and shall not otherwise be subject to avoidance, subordination or recharacterization and shall not subject the Exit Lenders or any agents, arrangers or bookrunners in connection with the Exit Financing to any liability by reason of the incurrence of such obligation or grant of such Liens, guarantees or security interests under applicable federal or state law, including, but not limited to, successor or transferee liability. To implement the Exit Financing, pursuant to the terms of the CEXIM Stipulation and the DSF Stipulation, approved by the CEXIM Stipulation Order and the DSF Stipulation Order, respectively, CEXIM and DSF shall each cooperate with the Debtors and Exit Lenders to execute and deliver all instruments, notices, agreements and other documents

necessary to release the liens and security interests of CEXIM and DSF required by the Exit Financing Documents.

113. The Debtors or the Reorganized Debtors, as applicable, are authorized to furnish the indemnities expressly set forth in, and pursuant to the terms and conditions of, the Exit Financing Documents and make all payments that may be due in connection therewith as allowed administrative expense claims under sections 503 and 507(a)(2) of the Bankruptcy Code without further notice, hearing or order of the Court.

114. Any and all indemnification, cost reimbursement and fee obligations accruing or payable on or prior to the Effective Date in accordance with the terms of the Exit Financing Documents or any engagement or commitment letters executed and approved by the Court in connection therewith are hereby approved as allowed administrative expense claims under Sections 503 and 507(a)(2) of the Bankruptcy Code, and shall not be subject to disgorgement.

115. If, after the Effective Date, this Confirmation Order is modified, vacated or reversed, in whole or in part, and the Exit Financing is in effect at the time this Confirmation Order is modified, vacated or reversed, then, as applicable: (a) the modification, vacatur or reversal of this Confirmation Order shall not adversely affect the validity or priority of any obligations incurred by the Reorganized Debtors arising in connection with the Exit Financing or any Liens, guarantees or claims granted by any party pursuant to the Exit Financing or Exit Financing Documents; (b) the terms and conditions of the Exit Financing Documents, as in effect at the time of the modification, vacatur or reversal of this Confirmation Order, shall be binding on the Reorganized Debtors, and the parties to the Exit Financing Documents shall enjoy the same priority of Liens and rights granted to them under the Exit Financing and the Exit Financing Documents; and (c) any Liens, guarantees or claims granted to any party pursuant to

the Exit Financing and the Exit Financing Documents shall be deemed to have been granted by, and shall become the obligations of, the predecessors in interest of the Reorganized Debtors.

U. Employee Benefits and Compensation Provisions

116. As of the Effective Date, the Reorganized Debtors shall continue (and shall continue their obligations with respect to) the Pension Plans in accordance with, and subject to, their terms, ERISA, the Internal Revenue Code, and Applicable Law, and all of the Debtors' rights thereunder shall be preserved.

V. Corporate Actions, Documents and Further Transactions

117. In accordance with section 1142 of the Bankruptcy Code, the implementation and consummation of the Plan in accordance with its terms shall be, and hereby is, authorized and approved, and the Debtors and the Reorganized Debtors, or any other Person designated pursuant to the Plan shall be, and hereby are, authorized, empowered, and directed to issue, execute, deliver, file, and record any document whether or not such document is specifically referred to in the Plan, the Plan Supplement, the Disclosure Statement, or any exhibit thereto, and to take any action necessary or appropriate to consummate the Plan and all transactions and agreements therein in accordance with its terms, without the need for any further notice to, or action, order or approval of this Court, or other act or action under Applicable Laws, except in either case, those expressly required pursuant to the Plan or the Equity Commitment Agreement. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in

or contemplated by the Plan, the Plan Supplement, the Disclosure Statement, and any documents, instruments, or agreements, and any amendments or modifications thereto.

118. Each of the Debtors and Reorganized Debtors, as applicable, and any of their respective officers and designees, is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents (including, without limitation, any documents relating to the Exit Financing, the Equity Commitment Agreement, the Registration Rights Agreement (including the registration statement to be filed with the Securities and Exchange Commission pursuant thereto), the Plan Securities or the Election Notes), and take such actions or seek such orders, judgments, injunctions and rulings as the Debtors or Reorganized Debtors deem necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, and this Confirmation Order, or any notes or securities issued pursuant to the Plan, or to otherwise comply with Applicable Law.

119. Each of the matters provided for by the Plan, including those that would otherwise require approval of the shareholders, directors, or members of the Debtors or Reorganized Debtors, shall, as of the Effective Date, be deemed to have occurred and be effective as provided in the Plan, and shall be authorized, approved, and, to the extent taken prior to the Effective Date, ratified, in each case without any requirement of further action by Holders of Claims or Equity Interests, directors or managers of the Debtors, or any other Person.

W. Officers and Boards of Directors of Reorganized Debtors

120. The initial board of directors and officers of Reorganized OSG shall consist of the persons identified in Exhibit B to the Plan. On the Effective Date and effective as of the Effective Date, the new directors and officers of Reorganized OSG shall be deemed appointed,

without the need for any further notice to or action, order or approval of this Court, or other act or action under Applicable Laws.

121. Unless otherwise provided in Exhibit B to the Plan in accordance with Section 5.18 of the Plan and section 1129(a)(5) of the Bankruptcy Code, on and effective as of the Effective Date in accordance with the governing documents of each of the respective Reorganized Debtors, subject to any Restructuring Transactions, the officers and directors of each Debtor (other than Reorganized OSG) shall continue to serve in their current capacities on and after the Effective Date, subject to changes effectuated by the Reorganized Debtors pursuant to and in accordance with the governing documents of Reorganized OSG and Applicable Laws, without the need for any further notice to or action, order, or approval of this Court, or other act or action under Applicable Laws. The next election of directors of Reorganized OSG will occur in accordance with the governing documents of Reorganized OSG and Applicable Laws.

X. Exemption from Transfer Taxes

122. Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of notes, equity securities, instruments or documents under or in connection with the Plan, the assignment or surrender of any lease or sublease, the creation of any mortgage, deed of trust, Lien, pledge or other security interest or the making, assignment or the delivery of any lease, sublease, deed or any other instrument of transfer under, in furtherance of, or in connection with the Plan, Exit Financing, Exit Financing Documents or Equity Commitment Agreement, including any deeds, bills of sale, assignments, mortgages, deeds of trust or similar documents executed in connection with any assets subject to the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use or other similar tax nor any Uniform Commercial Code filing or recording fee or similar or other governmental assessment, pursuant to

section 1146(a) of the Bankruptcy Code. All appropriate state or local government officials or agents shall forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Y. Exemption from Securities Laws

123. Pursuant to section 1125(e) of the Bankruptcy Code, the Debtors' distribution of Subscription Rights and the transmittal of the Solicitation Materials and all materials necessary to the Rights Offering as set forth herein, their solicitation of acceptances of the Plan and participation in the Rights Offering, and the Reorganized Debtors' issuance and distribution of any Plan Securities are not and will not be governed by or subject to any otherwise Applicable Law, rule, or regulation governing the solicitation or acceptance of a plan of reorganization or the offer, issuance, sale, or purchase of securities.

124. The offering, sale, issuance and distribution of the Class A New Securities upon exercise of any Subscription Rights have not been and will not be registered under the Securities Act and may only be offered or sold upon exercise of the Subscription Rights to Holders who are Accredited Investors or QIBs in transactions not involving a public offering, exempt from registration under U.S. state and U.S. federal securities laws pursuant to Section 4(a)(2) of the Securities Act and/or other available exemptions from registration under the Securities Act and state securities laws, as applicable, including Regulation D under the Securities Act. Such Class A New Securities (including any Class A New Shares issued upon exercise of any Class A New Warrants that are "restricted securities" at the time of exercise) therefore will be "restricted securities" within the meaning of Rule 144 under the Securities Act. Following the distribution of the New Securities, the Class A Common Stock shall be deemed properly registered under

Section 12(g) of the Exchange Act as the successor to, and be deemed to be the same class of securities of OSG as, the Old OSG Equity Interests.

125. The offering, sale, issuance and distribution, of Class B New Securities distributed to any Non-Participating OSG Equity Interestholders shall be offered, issued and sold in exchange for the Non-Participating OSG Equity Interestholder's Old OSG Equity Interest, in reliance on the exemption from registration under the Securities Act provided by section 1145 of the Bankruptcy Code. Any conversion of Class B New Securities to Class A New Securities and any exercise of Class B New Warrants for Class B New Shares shall be exempt from registration pursuant to Section 3(a)(9) of the Securities Act, and Class B New Securities distributed to such Non-Participating OSG Equity Interestholders (including any Class B New Shares issued upon exercise of any Class B New Warrants, and any Class A New Securities upon conversion of any Class B New Securities) will not be subject to any Securities Act transfer restrictions, except for any such Class B New Securities issued to a Non-Participating Equity Interestholder who is deemed to be an "underwriter" within the meaning of section 1145 of the Bankruptcy Code or is an affiliate (as such term is defined in Rule 405 of the Securities Act) of OSG at the time of transfer. Any conversion of Class B New Securities to Class A New Securities and any exercise of Class A New Warrants for Class A New Shares or Class B New Warrants for Class B New Shares shall be exempt from registration pursuant to Section 3(a)(9) of the Securities Act. Following the distribution of the New Securities, the Class B Common Stock shall be deemed properly registered under Section 12(g) of the Exchange Act as a successor to the Old OSG Equity Interests, and be deemed to be the same class of securities of OSG as the Class A Common Stock.

126. The provision of the option to elect the 7.500% Notes Alternative Distribution and the issuance and distribution of the Election Notes pursuant thereto as contemplated by the Plan are being made in reliance on the exemption from registration under the Securities Act provided by section 1145 of the Bankruptcy Code. The issuance of the Election Notes shall be made by means of a supplemental indenture to the base indenture governing the 7.500% Notes, which base indenture has been previously qualified under the Trust Indenture Act of 1939, as amended (the "TIA"), and no additional registration or qualification of the Election Notes or such supplemental indenture shall be required under the TIA or otherwise in connection with the issuance and distribution of the Election Notes.

127. The offering, sale, issuance and distribution of the New Securities, New Shares, New Warrants and Election Notes, in each case as contemplated by the Plan shall, to the extent such offering, sale, issuance or distribution is made pursuant to section 1145 of the Bankruptcy Code, be exempt from the registration requirements of Section 5 of the Securities Act and any other applicable law requiring registration or qualification prior to the offering, issuance, distribution, or sale of securities.

128. The Debtors and Reorganized Debtors are authorized and directed to take actions to preserve the foregoing exemptions in accordance with the terms of the Equity Commitment Agreement, the Registration Rights Agreement, the Plan or otherwise as the Debtors and Reorganized Debtors, in consultation with the Unsecured Creditors' Committee and the Equity Committee, determine is appropriate and necessary.

Z. Executory Contracts and Unexpired Leases; Cure Costs

129. In addition to all executory contracts and unexpired leases that have been previously assumed by the Debtors by order of this Court, on the Effective Date, each of the

executory contracts and unexpired leases of the Debtors will be deemed assumed, in accordance with and subject to the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code and Article VIII of the Plan, unless such executory contracts and unexpired leases are identified in Exhibit C to the Plan, are the subject of a motion to reject filed with the Court on or before the Effective Date, have been previously rejected by order of the Bankruptcy Court or are rejected pursuant to the terms of the Plan, including, without limitation, Section 8.5 of the Plan.

130. The Cure amounts (if any) owed under each executory contract and unexpired lease to be assumed pursuant to the Plan, as set forth in Section 8.2 of the Plan and Exhibit G to the Plan, shall be satisfied in accordance with Section 8.2(a) of the Plan and pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the Cure amount in Cash on the Effective Date, or as soon as reasonably practicable thereafter, or as otherwise may be agreed to by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to any such executory contract or unexpired lease. Each counterparty to an assumed or an assumed and assigned contract shall be deemed to consent to the Cure Amount as provided for under Plan, the Confirmation Order, or listed in Exhibit G to the Plan unless such counterparty filed a timely objection in accordance with the Plan and the Disclosure Statement Approval Order.

131. Entry of this Confirmation Order constitutes an order approving the assumption or rejection of executory contracts or unexpired leases as set forth in Article VIII of the Plan and associated Cure amounts, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Entry of this Confirmation Order constitutes an order approving the assignment of executory contracts or unexpired leases from one Debtor to another Debtor, as may be necessary as a result of the Restructuring Transactions or otherwise. The Debtors and Reorganized Debtors are hereby authorized to make all necessary Cure payments as provided herein without need for further

Court order, and shall make such Cure payments as of the Effective Date or within such a reasonably practicable time after the Effective Date. Counterparties to any assumed or assumed and assigned executory contracts are hereby enjoined from contesting any Cure Amounts or seeking other or further amounts on account of any alleged defaults under such contracts; provided, however, that nothing in this Confirmation Order shall affect the rights of Oracle America, Inc. ("Oracle") pursuant to Section 8.3 of the Plan to contest the Cure Amount proposed by the Debtors in connection with the assumption of any agreement between Oracle and the Debtors, pending resolution of which, all parties' rights and defenses are expressly reserved.

132. On account of the Debtors' removal of the contract between OSG and the U.S. Department of Transportation Maritime Administration ("MARAD") from the list of rejected contracts filed as Exhibit C to the Plan, MARAD's objection (D.I. 3613) is withdrawn. Notwithstanding any provision in the Plan or this Confirmation Order to the contrary, nothing herein or therein shall (a) represent a determination as to whether that certain Capital Construction Fund Agreement (the "CCF Agreement") between OSG and the United States of America (through its Maritime Administrator, MARAD) is an executory contract, as to which all the rights and defenses of MARAD and the Debtors are expressly reserved, (b) authorize or permit assignment of the CCF Agreement absent MARAD's consent, or (c) abrogate or affect MARAD's rights to offset or recoup amounts, if any, that it may assert are due and owing, subject to the Debtors' defenses and objections, if any.

133. Each executory contract and unexpired lease assumed and/or assigned pursuant to the Plan and this Confirmation Order (or pursuant to any other order of the Court) shall remain in full force and effect and be fully enforceable by the applicable Reorganized Debtor(s) in

accordance with its terms, except as modified by the provisions of the Plan, or any order of the Court authorizing and providing for its assumption. To the extent applicable, all executory contracts or unexpired leases of the Reorganized Debtors assumed during the Chapter 11 Cases, including those assumed pursuant to this Confirmation Order and Article VIII of the Plan, shall be deemed modified such that the transactions contemplated by the Plan shall not constitute a "change of control," however such term may be defined in the relevant executory contract or unexpired lease, and any required consent under any such contract or lease shall be deemed satisfied by the confirmation of the Plan.

134. Neither the Debtors nor the Reorganized Debtors shall have any further or ongoing obligations under any of the contracts rejected under the Plan.

AA. Reserves

135. The provisions of Article IX of the Plan regarding the procedures for resolving Disputed Claims are fair and reasonable and approved.

136. Unless otherwise ordered by the Court, from and after the Effective Date, and until such time as all Disputed Claims have become Allowed Claims or have been disallowed, compromised or settled, the Administrative and Disputed Claims Agent shall reserve and hold in in the Disputed Claims Reserves for every Class of Claims (except Class E1) the amount of Cash that the Reorganized Debtors determine, in consultation with the Unsecured Creditors' Committee, the Equity Committee and each Commitment Party, would likely have been distributed to the Holders of all Disputed Claims if such Disputed Claims had been Allowed on the Effective Date. For the avoidance of doubt, except as otherwise expressly provided in the Plan or this Confirmation Order, the Disputed Claims Reserve shall be the only source of

recovery for Claims not Allowed as of the Effective Date, and the Reorganized Debtors shall have no other or further liability to any Holders of such Claims.

137. To the extent that the dispute with the Official Committee of Unsecured Creditors, the 7.500% Notes Trustee and the 8.75% Debentures Trustee ~~the~~ has not been resolved by a Final Order in advance of the Effective Date, the Debtors or Reorganized Debtors shall fund, within five business days of the Effective Date, a segregated reserve in an amount equal to the aggregate interest on overdue interest ("Interest on Interest") that would be due on the 8.75% Debentures Claims and the 7.500% Notes Claims (excluding Interest on Interest payable on 7.500% Notes held by Holders of 7.500% Notes that have elected to receive Election 2 Notes) through August 15, 2014, calculated based on the coupon rates provided in the 8.75% Debentures and 7.500% Notes; provided, however, that the amount reserved with respect to the Interest on Interest Dispute shall not operate as a cap solely due to the potential for continuing accrual before the Interest on Interest Dispute is finally concluded.

138. Upon Class E1 Claims becoming Allowed, the Debtors or the Reorganized Debtors shall fund one Disputed Claims Reserve with $2,000,000 in Cash for Claims in Class E1 (the "Class E1 Reserve").

139. Solely to the extent and upon entry of a final order allowing claim number 1581 filed by the U.S. Securities and Exchange Commission or any portion thereof, the Reorganized Debtors shall establish a reserve of up to a maximum of $5,000,000 to satisfy any liabilities on account thereof (the "SEC Reserve"). Any and all liabilities on account of proof of claim 1581 shall be satisfied solely from the SEC Reserve, payable only upon the entry of a Final Order providing that proof of claim 1581, or any portion thereof, is Allowed.

140. The Debtors shall establish a reserve in the amount of no less than $144,595.48 (which amount shall be automatically reduced by any payments made to Koenig-Columbia Tankers Ltd. ("KCT") by the Aframax International Pool received by KCT after July 18, 2014) for satisfaction of its claim number 1408. For the avoidance of doubt, nothing contained in this Confirmation Order or the Plan (including, without limitation, Article XI of the Plan) releases any claims KCT might have against the Aframax International Pool.

141. Once all Disputed Claims (except claim 1581 and those in Class E1) have become either Allowed or disallowed, the Administrative and Disputed Claims Agent shall, at the direction of the Reorganized Debtors, distribute the Cash remaining in the Disputed Claims Reserve (except the Class E1 Reserve) to the Reorganized Debtors.

142. If the Allowed amount of any particular Disputed Claim is reconsidered under section 502(j) of the Bankruptcy Code and Bankruptcy Rule 3008 and/or is Allowed in an amount that is greater than the estimated amount of such Claim, or the ultimately Allowed amount of all Disputed Claims is greater than the estimated aggregate amount of such Claims, no claimant shall have recourse against the Reorganized Debtors (or any property thereof), any distributions made to a creditor in any other Class herein, or any distribution previously made on account of any Allowed Claim (however, nothing herein shall modify any right of a holder of a reconsidered Claim under the penultimate sentence of section 502(j) of the Bankruptcy Code).

143. After all Disputed Claims have become either Allowed or disallowed and all distributions required pursuant to Article VII of the Plan have been made, the Administrative and Disputed Claims Agent shall, at the direction of the Reorganized Debtors, distribute any remaining Cash in the Disputed Claims Reserve (except the Class E1 Reserve) to the Reorganized Debtors.

BB. Resolution of Disputed Claims and Interests; Post-Petition Interest; Post-Effective Date Claims

144. Except as expressly provided in this Confirmation Order, the Plan or as ordered by this Court prior to the Effective Date, no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or this Court has entered a Final Order allowing such Claim. Any Claim that is not an Allowed Claim shall be entitled to the reserve provisions set forth in Section 9.5 of the Plan and shall be determined, resolved, or adjudicated in accordance with the terms of Article IX of the Plan or other applicable provision of the Plan and Applicable Laws.

145. Any Holder of an Allowed Claim in Class D5 or in Class D4 who failed to file a Postpetition Interest Rate Objection by the Confirmation Objection Deadline shall receive postpetition interest payable on their Allowed Class D4 or Class D4 Claim at the Presumed Postpetition Interest Rate, calculated from the Petition Date, and is deemed to accept the application of the Presumed Postpetition Interest Rate to such Holder's Allowed Claim.

146. On or after the Effective Date, except as otherwise provided in the Plan, a Claim may not be filed, asserted or amended without the prior authorization of this Court, or unless the Reorganized Debtors otherwise consent, and, absent such authorization or consent, any such new or amended Claim filed or asserted shall be deemed disallowed in full and expunged without any further notice to, or action, order, or approval of this Court or any other Person.

CC. Settlement, Release, Injunction, and Exculpation

147. The settlement, release, injunction, exculpation, discharge and related provisions set forth in Article XI of the Plan are hereby approved and authorized:

a. Compromise and Settlement

148. Effective as of the Effective Date, pursuant to Federal Rule of Bankruptcy Procedure 9019 and Federal Rule of Civil Procedure 23, made applicable by Federal Rule of Bankruptcy Procedure 7023, (a) the Putative Class is certified for settlement purposes and (b) the Subordinated Class Plaintiff Settlement is approved on a final basis.

149. Pursuant to sections 1129(a)(3) and 1123(b) of the Bankruptcy Code, Bankruptcy Rule 9019, and Applicable Laws (in each case, to the extent applicable), in consideration of the distributions and other benefits provided under the Plan, the compromises or settlements of all Claims and Equity Interests reflected in the Plan or this Confirmation Order, including without limitation the DSF Settlement, the CEXIM Settlement, the Subordinated Class Plaintiff Settlement, the settlement relating to the IRS Claims, the settlements relating to the 7.500% Notes Alternative Distribution (including the use of the Election Form), the settlements relating to the Presumed Postpetition Interest Rate, and each of the injunctions, releases, exculpations, indemnifications and discharges set forth in the Plan, constitute a good faith global compromise and settlement in the best interests of the Debtors and Holders of Claims and Equity Interests, and such compromises and settlements are fair, equitable, reasonable, appropriate in light of the costs, risks, all relevant facts and circumstances underlying such compromises and settlements, are within the range of litigated outcomes, and are in the best interests of the Debtors, the Debtors' Estates and Holders of Claims and Equity Interests, and are hereby approved.

b. Discharge of Claims and Termination of Interests

150. Except as otherwise provided in this Confirmation Order or the Plan, to the fullest extent provided for under the Bankruptcy Code, including without limitation section 1141(d)(1)(A) therein, as of the Effective Date: (1) all rights afforded in, and consideration distributed under, the Plan shall be in exchange for, and in complete satisfaction,

settlement, discharge and release of, all Old OSG Equity Interests and all Claims of any kind or nature whatsoever against the Debtors or any of their assets or properties and regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Old OSG Equity Interests or Claims; (2) the Plan and the Confirmation Order (including all findings of fact set forth herein) shall bind all Holders of Claims and Equity Interests, notwithstanding whether any such Holders failed to vote to Accept or reject the Plan or voted to reject the Plan; and (3) except as set forth herein all Persons and Entities shall be precluded from asserting against the Debtors, the Debtors' Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or Equity Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date; provided, however, that nothing herein shall release, waive, compromise, discharge, impair or otherwise limit in any way, any defense that has been or may be asserted by Proskauer Rose LLP and/or any of its current or former partners, members or employees against the Debtors in connection with the Professional Liability Action.[3] Except as otherwise expressly provided by this Confirmation Order or the Plan, upon the Effective Date, the Debtors shall be deemed discharged and released under and to the fullest extent provided under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims of any kind or nature whatsoever, including, without limitation, demands and liabilities that arose on or before the Effective Date, and all debts of the kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code.

c. Releases by the Debtors

[3] For the avoidance of doubt, this Order does not constitute any findings of fact or conclusions of law as to the validity of any such defenses.

151. As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, including: (i) the settlement, release, and compromise of debt and all other good and valuable consideration paid pursuant hereto (including without limitation the obligations and releases contained in the Release and Cooperation Agreements); and (ii) the services of the Debtors' present and former officers, directors, managers, and advisors in facilitating the expedient implementation of the restructuring transactions contemplated hereby, each of the Debtors, the Reorganized Debtors, and any Person or Entity seeking to exercise the rights of the Debtors' Estates, including, without limitation, any successor to the Debtors or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, the Unsecured Creditors' Committee, the Equity Committee and all of their respective Related Persons, the Notes Trustees, the Credit Agreement Agent and the Credit Agreement Lenders shall be deemed to forever release, waive, and discharge each of the Released Parties from any and all Claims, obligations, suits, judgments, damages, demands, debts, remedies, rights, Causes of Action (including Avoidance and Other Actions), rights of setoff and liabilities whatsoever (including any derivative claims asserted on behalf of the Debtors) in connection with or in any way relating to the Debtors, the Chapter 11 Cases, the Disclosure Statement, or the Plan (other than the rights of the Debtors, or the Reorganized Debtors to enforce the obligations under the Confirmation Order and the Plan and the contracts, instruments, releases, and other agreements or documents delivered, assumed, assigned, or Reinstated thereunder) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise, that are based in whole or part on any act, omission,

transaction, event, or other occurrence taking place on or prior to the Effective Date; provided, however, that nothing in this Confirmation Order or Section 11.3(a) of the Plan shall: (a) be deemed to prohibit the Reorganized Debtors from asserting and enforcing any Claims, obligations, suits, judgments, demands, debts, rights, causes of action or liabilities they may have against any employee (including directors and officers) for alleged breach of confidentiality, or any other contractual obligations owed to the Debtors or the Reorganized Debtors, including non-compete and related agreements or obligations; (b) operate as a release, waiver, or discharge of any causes of action or liabilities unknown to the Debtors as of the Petition Date arising out of gross negligence, willful misconduct, fraud or criminal acts of such Released Party; (c) operate as a release, waiver, or discharge of the Issuing Bank for any of its obligations pursuant to the Cash Collateral Agreement or the Control Agreement; or (d) shall release any of the Causes of Actions preserved under the Plan in Exhibit J, including the Professional Liability Action.

152. **The foregoing release by the Debtors (which includes by reference each of the related provisions and definitions contained in the Plan), is (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good-faith settlement and compromise of the claims released by the foregoing by the Debtors; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or the Reorganized Debtors asserting any claim or cause of action released pursuant to the foregoing release by the Debtors.**

d. Releases by Holders of Claims and Equity Interests

153. **Notwithstanding anything contained in the Plan or this Confirmation Order to the contrary, as of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Holders of Claims against and Equity Interests in the Debtors and the Reorganized Debtors who: (i) either voted to Accept the Plan or are presumed to have voted for the Plan under section 1126(f) of the Bankruptcy Code, or (ii) were entitled to vote to Accept or reject the Plan and rejected the Plan or abstained from voting and did not mark their ballots to indicate their refusal to grant the releases provided in this sub-paragraph shall be deemed to forever release, waive, and discharge each of the Released Parties from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action (including Avoidance and Other Actions), rights of setoff (except for rights of setoff and subrogation that a Holder of a Claim or Equity Interest acted to preserve prior to confirmation including any surviving rights under the Equity Commitment Agreement and the Registration Rights Agreement) and liabilities whatsoever (including any derivative claims asserted on behalf of the Debtors) in connection with or in any way relating to the Debtors, the conduct of the Debtors' businesses, the Chapter 11 Cases, the Disclosure Statement, or the Plan (other than the rights of the Debtors, the Reorganized Debtors, or a Creditor holding an Allowed Claim, whether such Claim is Allowed as of the Effective Date or subsequently becomes Allowed, including without limitation claims that are contingent or unliquidated as of the Effective Date, to enforce the obligations under this Confirmation Order and the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered, assumed, assigned, or Reinstated thereunder) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or**

unforeseen, then existing or thereafter arising, in law, equity, or otherwise, whether for tort, contract, violation of federal or state securities law or otherwise, that are based in whole or part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date; provided, however, that nothing in this Confirmation Order or Section 11.3(b) of the Plan shall: (i) operate as a release, waiver or discharge of any Causes of Action or liabilities unknown to such Holder as of the Petition Date arising out of gross negligence, willful misconduct, fraud or criminal acts of any such Released Party; (ii) operate as a release, waiver or discharge of any Causes of Action or claims for contribution or proportionate fault that any party other than the Debtors who is a named defendant in the OSG Securities Class Action may have against any other person other than the Debtors that arises from or is related to the liability claims asserted against that party in that action; (iii) operate as a release, waiver or discharge of any Causes of Action held by Lead Plaintiffs or any member of the Putative Class against any non-Debtor party; (iv) operate as a release, waiver, compromise or discharge of any Causes of Action, claims or defenses held by Proskauer Rose LLP and/or any of its current or former partners, members or employees against any non-Debtor party that is a party or that may be joined as a party in the Professional Liability Action or any other proceeding that is related to or arising from the Professional Liability Action; or (v) operate as a release, waiver, or discharge of any Claims against the applicable Reorganized Debtor(s) or their property, as applicable, to the extent that such Claims are Reinstated pursuant to the Plan.

154. **For the avoidance of doubt, nothing in this Confirmation Order or Section 11.3(b) of the Plan shall have the effect of releasing any Claim against any of the Debtors (including any contingent or unliquidated claim), that has been scheduled by the**

Debtors or evidenced by a timely-filed Proof of Claim. Further, notwithstanding any language to the contrary contained in the Disclosure Statement or the Plan, no provision shall release any non-debtor, including any current and/or former officer and/or director of the Debtors and/or any non-debtor included in the Released Parties, from liability to the U.S. Securities and Exchange Commission, in connection with any legal action or claim brought by such governmental unit against such person(s).

e. Exculpation and Limitation of Liability

155. **From and after the Effective Date, the Exculpated Parties shall neither have nor incur any liability to any Holder of a Claim or Equity Interest, the Debtors, the Reorganized Debtors or any other party-in-interest, or any of their Related Persons, for any prepetition or postpetition act or omission in connection with, relating to, or arising out of the Chapter 11 Cases, the formulation negotiation, or implementation of the Disclosure Statement or the Plan, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the confirmation of the Plan, the consummation of the Plan or the administration of the Plan, except for acts or omissions that are the result of willful misconduct, gross negligence, fraud or criminal acts; provided, however, that (i) the foregoing does not limit or otherwise impact any defense of qualified immunity that may be available under any applicable law; (ii) each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her, or its duties pursuant to, or in connection with, the Plan; and (iii) the foregoing exculpation shall not be deemed to release, affect, or limit any of the rights and obligations of the Exculpated Parties from, or exculpate the Exculpated Parties with respect to, any of the Exculpated Parties' obligations or covenants arising pursuant to the Plan or the Confirmation Order. Notwithstanding anything to the**

contrary herein, nothing herein shall operate as a release, waiver, compromise or discharge of any Causes of Action, claims or defenses held by Proskauer Rose LLP and/or any of its current or former partners, members or employees against any non-Debtor party that is a party or that may be joined as a party in the Professional Liability Action or a related proceeding.

f. Injunction

156. **Except as otherwise provided in the Plan or any document, instrument, release or other agreement entered into in connection with the Plan or approved by order of this Court, from and after the Effective Date, all Persons or Entities who have held, hold or may hold Claims against or Equity Interests in the Debtors are (i) permanently enjoined from taking any of the following actions against any of the Estates or any of their property on account of such Claims or Equity Interests, and (ii) permanently enjoined from taking any of the following actions against any of the Debtors, the Reorganized Debtors or their property on account of such Claims or Equity Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting or enforcing any Lien or encumbrance; (D) asserting a setoff or right of subrogation of any kind against any debt, liability or obligation due to the Debtors; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; provided, however, that nothing contained herein shall: (i) preclude such Persons or Entities from exercising their rights pursuant to and consistent with the terms of the Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered or Reinstated under or**

in connection with the Plan; (ii) preclude any Lead Plaintiffs or any member of the Putative Class from continuing the OSG Securities Class Action against any non-Debtor or from seeking discovery from the Debtors or the Reorganized Debtors in connection with the OSG Securities Class Action, subject to the rights, defenses and objections of the Debtors and Reorganized Debtors; or (iii) subject to the terms of this Confirmation Order, preclude any Holders of Reinstated Claims from exercising their rights against the applicable Reorganized Debtor(s) or their property, as applicable, pursuant to and consistent with the terms of the Plan.

157. **By accepting distributions pursuant to the Plan, each Holder of an Allowed Claim or Equity Interest is deemed to specifically consent to the injunctions set forth in the aforementioned paragraph and Section 11.7 of the Plan.**

g. Notice of Cooperation and Release Agreements

158. Within 10 business days after the Effective Date, the Debtors shall file a notice listing the directors and officers that executed a Cooperation and Release Agreement substantially in the form of Exhibit D to the Plan.

DD. Existing Injunctions and Stays Remain in Effect Until Effective Date

159. All injunctions or stays provided in, or in connection with, the Chapter 11 Cases, whether pursuant to section 105 or 362 of the Bankruptcy Code, any other Applicable Laws, any order of the Court or any Final Order, in effect on the Confirmation Date, shall remain in full force and effect until the Effective Date; provided, however, that notwithstanding the foregoing or any other provision herein, any and all injunctions or stays established pursuant to the Order Authorizing Implementation of Alternative Dispute Resolution Procedures (D.I. 2165) (the "ADR Injunctions") shall remain in full force and effect following the Effective Date to the

extent permitted in the ADR Order. Upon the Effective Date, except for the ADR Injunctions, all injunctions or stays provided for in the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or other Applicable Laws, shall be lifted and of no further force or effect — being replaced, to the extent applicable, by the injunctions, discharges, releases and exculpations of Article XI of the Plan. Nothing herein shall bar the taking of such other actions as are necessary or reasonable to effectuate the transactions contemplated by the Plan or by the Confirmation Order.

EE. Retained Actions

160. Except as otherwise provided in the Plan (including without limitation Section 5.10(c)), this Confirmation Order, or in any prior Court order or document, instrument, release or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, the Debtors and their Estates shall retain the Causes of Action including, without limitation, the Causes of Action identified in Exhibit J to the Plan.

161. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a final order of the Bankruptcy Court, the Debtors expressly reserve all Causes of Action for later adjudication, and therefore no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such Causes of Action as a result of Confirmation or the occurrence of the Effective Date.

162. Approval of the Plan is a *res judicata* determination of such rights to retain and exclusively enforce such Causes of Action, and no such retained causes of action are deemed waived, released or determined by virtue of the entry of this Confirmation Order or the occurrence of the Effective Date, notwithstanding that the specific Claims and retained causes of

action are not identified or described in more detail than as contained in the Plan, the Plan Supplement (including, without limitation, Exhibit J to the Plan) or in the Disclosure Statement. All retained causes of action may be asserted or prosecuted before or after the Effective Date.

FF. Waiver or Estoppel

163. Each Holder of a Claim or an Equity Interest shall be deemed to have waived any right to assert any argument, including, without limitation, the right to argue that its Claim or Equity Interest should be Allowed in a certain amount, in a certain priority, as secured, or not subordinated by virtue of an agreement made with the Debtors or their counsel, the Unsecured Creditors' Committee or the Equity Committee or their respective counsels, or any other Person, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers filed with this Court prior to the Confirmation Date; provided, however, nothing in this Order shall act as a waiver or estoppel with respect to, or otherwise affect or alter, the agreements made by the Debtors in writing prior to the Effective Date with respect to the amount of any portion of the Allowed Class D1 Credit Agreement Claims, and the Claims of DNB Bank ASA, New York Branch.

GG. Failure to Consummate the Plan

164. In the event that all of the conditions to the Effective Date are not satisfied or waived or the Effective Date does not occur, then the Plan, any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), the assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be null and void; provided, however, that all orders of the Bankruptcy Court and all documents executed pursuant thereto, except this Confirmation Order, shall remain in full force and effect. In such event, nothing

contained in the Disclosure Statement, the Plan, the Plan Supplement or this Confirmation Order, and no acts taken in preparation for consummation of the Plan, shall be deemed to constitute a waiver or release of any Claims by or against any of the Debtors or any other Person, to prejudice in any manner the rights of any of the Debtors or any Person in any further proceedings or to constitute an admission of any sort by any of the Debtors or any other Person.

HH. Dissolution of Official Committees

165. On the Effective Date, subject to Section 13.19 of the Plan, the Unsecured Creditors' Committee and the Equity Committee shall dissolve automatically, whereupon their members, Professionals and agents shall be released and discharged from any further duties and responsibilities in the Chapter 11 Cases and under the Bankruptcy Code. The Professionals retained by the Unsecured Creditors' Committee and the Equity Committee, and the members of each committee thereof, shall be entitled to assert claims for reasonable fees for services rendered and expenses incurred in connection with the consummation of the Plan or file applications for allowance of compensation and reimbursement of expenses of the Unsecured Creditors' Committee's and the Equity Committee's members or Professionals pending on the Effective Date or filed and served after the Effective Date pursuant to Section 3.1 of the Plan; provided, however, that in the event an Interest on Interest Dispute is unresolved as of the Effective Date, the Unsecured Creditors' Committee shall remain in existence after the Effective Date until the entry of a Final Order resolving the Interest on Interest Dispute and solely for such purpose.

166. In the event an appeal is pending from this Confirmation Order ("Confirmation Order Appeal") as of the Effective Date, the Unsecured Creditors' Committee and the Equity Committee shall remain in existence only for purposes related to the prosecution and defense of

such appeal and shall be entitled to reasonable compensation and reimbursement of expenses in connection with the Confirmation Order Appeal, subject to approval by this Court; provided, however, that nothing in this paragraph 166 shall permit the Equity Committee to remain in existence for purposes of prosecuting or defending an Interest on Interest Dispute on appeal.

II. Payment of Statutory Fees

167. All fees payable after the Effective Date pursuant to section 1930 of title 28 of the United States Code shall be paid prior to the closing of the Chapter 11 Cases, either when due or as soon thereafter as practicable.

JJ. Treatment of Multiple Claims

168. To the extent that a Claim is Allowed against the Estate of more than one Debtor, there shall be only a single recovery on account of such Allowed Claim. The aggregate recovery under the Plan on account of a claim for which more than one Debtor is also liable, whether on account of a theory of primary or secondary liability, by reason of a guarantee agreement, indemnity agreement, joint and several liability or otherwise, shall not exceed 100% (exclusive of any post-petition interest paid pursuant to Plan Section 7.2) of the amount of the Allowed Claim.

KK. Bar Date for Allowance and Payment of Certain Administrative Claims

a. Professional Compensation

169. Persons requesting Professional compensation pursuant to any of sections 327, 328, 330, 331, 363, 503(b) and 1103 of the Bankruptcy Code for services rendered on or before the Confirmation Date shall, pursuant to Section 3.1 of the Plan, file with the Bankruptcy Court and serve on the Administrative and Disputed Claims Agent and its counsel, and the U.S. Trustee, no later than the Professional Fees Bar Date, which is the Business Day that is

forty-five days (45) days after the Effective Date or such other date as approved by order of the Bankruptcy Court. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

170. Except as otherwise specifically provided in the Plan, from and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without any further notice to or action, order or approval of the Bankruptcy Court, pay in Cash the reasonable legal, professional or other fees and expenses incurred from and after the Effective Date by the Reorganized Debtors. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1, 2016-1, and 2016-2 in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order or approval of the Bankruptcy Court.

b. Other Administrative Claims

171. All requests for compensation or reimbursement of Substantial Contribution Claims shall be Filed with the Bankruptcy Court and in accordance with Section 3.1(a)(ii) of the Plan no later than forty-five (45) days after the Effective Date. Any objections to Substantial Contribution Claims must be filed and served in accordance with Section 3.1(a)(ii) of the Plan no later than fifteen (15) days after the date on which such Substantial Contribution Claim was served.

172. Holders of Substantial Contribution Claims that are required to File and serve applications for final allowance of a Substantial Contribution Claim and do not File and serve

such applications by the applicable deadline are forever barred from asserting such Substantial Contribution Claims against the Reorganized Debtors or their respective properties, and such Substantial Contribution claims will be deemed discharged as of the Effective Date.

LL. References to Plan Provisions

173. The Plan is confirmed in its entirety. The Plan is hereby incorporated into this Confirmation Order by reference (subject to any provision incorporated by such reference being governed by an express and contradictory provision herein). The failure to reference or discuss any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of, or otherwise affect, the validity, binding effect, and enforceability of such provision, and each provision of the Plan and Plan Supplement shall have the same validity, binding effect, and enforceability as if fully set forth in this Confirmation Order.

MM. Headings

174. Headings utilized herein are for convenience and reference only, and shall not constitute a part of the Plan or this Confirmation Order for any other purpose.

NN. Notice of Entry of this Confirmation Order

175. In accordance with Bankruptcy Rules 2002 and 3020(c), the Debtors shall serve a notice of the Effective Date (the "Effective Date Notice") by hand, overnight courier service, or United States mail, first-class postage prepaid, to all Persons having been served with the notice of the Confirmation Hearing within a reasonable period of time after the conditions to effectiveness of the Plan set forth in Section 10.2 of the Plan have been satisfied or waived, which Effective Date Notice shall include notice of the bar date for Administrative Claims; provided, however, that no notice or service of any kind shall be required to be mailed or made upon any Person to whom the Debtors mailed a notice of the Confirmation Hearing but received

such notice returned marked "undeliverable as addressed," "moved, left no forwarding address," "forwarding order expired," or similar reason, unless the Debtors have been informed in writing by such Person, or are otherwise aware, of that Person's new address.

176. Mailing of the Effective Date Notice in the time and manner set forth in the preceding paragraph shall constitute good and sufficient notice under the particular circumstances and in accordance with the requirements of Bankruptcy Rules 2002 and 3020(c), and no other or further notice of confirmation or the occurrence of the Effective Date is necessary.

OO. Retention of Jurisdiction

177. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, this Court shall retain jurisdiction as provided in the Plan over all matters arising out of, or related to, the Chapter 11 Cases, the Debtors, the Reorganized Debtors, and the Plan, to the fullest extent permitted by Applicable Laws, including, without limitation, jurisdiction over those matters set forth in Article XII of the Plan, provided that, notwithstanding anything to the contrary in the Plan or this Confirmation Order, this Court shall not retain jurisdiction after the Effective Date over the enforcement of any Exit Financing Documents or any rights or remedies relating thereto.

PP. Modifications or Amendments to the Plan, Plan Supplement and Ancillary Documents

178. Subject to the terms of the Equity Commitment Agreement, but notwithstanding anything to the contrary in the Plan or this Confirmation Order, and subject to the restrictions and requirements of section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtors are authorized to modify the Plan, the Plan Supplement and any ancillary document,

after the date hereof without further notice to or authorization from this Court to make any of the following modifications: (a) non-material or non-adverse modifications; (b) modifications to remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or this Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan; (c) material or adverse modifications that have been approved by each of the Commitment Parties, and in consultation with the Unsecured Creditors' Committee and the Equity Committee; or (d) other modifications for which this Court has granted approval; provided, however, that no modification to the Plan shall materially alter or otherwise materially affect the terms of the Subordinated Class Plaintiff Settlement or the treatment of the Subordinated Class Plaintiff Claims under the Plan without the consent of the Lead Plaintiffs. A Holder of a Claim that has Accepted the Plan shall be deemed to have Accepted the Plan as altered, amended or modified, if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim of such Holder.

179. Subject to the terms of the Equity Commitment Agreement, each of the Debtors expressly reserves its respective rights to revoke or withdraw, or to alter, amend, or modify the Plan with respect to such Debtor after Confirmation and, to the extent necessary, may initiate proceedings in this Court to so alter, amend, or modify the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with Section 13.8 of the Plan and the Equity Commitment Agreement.

QQ. Tax Matters

180. The IRS Claims are Allowed in full, including post-petition interest due and owing under Section 7.2 of the Plan. The allowance of the IRS Claims constitutes a good-faith resolution between the Debtors and the Internal Revenue Service of the Debtors' federal tax

liability for the tax years 2003 through 2012. The IRS is enjoined from filing any additional Claims against the Debtors and no further distributions shall be made by the Debtors or Reorganized Debtors on account of federal tax liability for the tax years 2003 through 2012.

RR. Ownership and Control

181. The consummation of the Plan and the transactions contemplated thereby shall not constitute a change of ownership or change in control, as such terms are used in any statute, regulation, contract, indenture or agreement (including any employment, severance, termination or insurance agreements) in effect on the Effective Date and to which any of the Debtors is a party under any Applicable Law of any applicable Governmental Unit.

SS. Final Order; Waiver of Stay

182. This Confirmation Order is a final order. For good cause shown, the stay of Confirmation set for forth in Bankruptcy Rule 3020(e) is hereby waived.

TT. Authorization to Consummate

183. The Debtors are authorized to consummate the Plan at any time after entry of the Confirmation Order, subject to satisfaction or waiver of the conditions precedent to consummation in accordance with Section 10.2 of the Plan.

UU. Jones Act Compliance

184. The Debtors' Solicitation Procedures (as defined in the Solicitation Procedures Motion), Rights Offering Procedures and the New Securities issued by Reorganized OSG shall be deemed reasonable and appropriate measures for ensuring compliance with the Jones Act and with the applicable provisions of the Debtors' and the Reorganized Debtors' governing documents. Upon issuance of the New Securities as provided for in the Debtors' Solicitation

Procedures and the Rights Offering Procedures, the Reorganized Debtors shall be deemed to be in compliance with the Jones Act.

VV. Preservation of Documents

185. Pursuant to Section 13.21 of the Plan, the Reorganized Debtors shall take reasonable steps to retain and preserve originals or true copies of all documents, data compilations (including electronically recorded or stored data in its native format) and tangible objects that are in their possession, custody or control and can be reasonably identified as relevant to the allegations in the OSG Securities Class Action.

Dated: July 18, 2014
Wilmington, Delaware

THE HONORABLE PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE