
EQUITY COMMITMENT AGREEMENT

AMONG

OVERSEAS SHIPHOLDING GROUP, INC.

AND

THE COMMITMENT PARTIES PARTY HERETO

Dated as of February 28, 2014

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
Section 1.1 Definitions.....	3
Section 1.2 Additional Defined Terms.	11
Section 1.3 Construction.....	13
ARTICLE II SUBSCRIPTION COMMITMENT	14
Section 2.1 The Rights Offering.	14
Section 2.2 The Subscription Commitment.	14
Section 2.3 Commitment Party Default.	15
Section 2.4 Subscription Escrow Account Funding.	16
Section 2.5 Closing.	17
Section 2.6 Designation and Assignment Rights.....	17
ARTICLE III COMMITMENT PREMIUM AND EXPENSE REIMBURSEMENT.....	18
Section 3.1 Premium Payable by the Company.....	18
Section 3.2 Payment of Premium.....	18
Section 3.3 Expense Reimbursement.....	19
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE COMPANY	19
Section 4.1 Organization and Qualification.....	19
Section 4.2 Corporate Power and Authority.....	20
Section 4.3 Execution and Delivery; Enforceability.....	20
Section 4.4 Authorized and Issued Capital Stock.....	21
Section 4.5 Issuance.....	21
Section 4.6 No Conflict.....	22
Section 4.7 Consents and Approvals.	22
Section 4.8 Arm’s Length.....	22
Section 4.9 Financial Statements.	23
Section 4.10 Company SEC Documents and Disclosure Statement.....	23
Section 4.11 Absence of Certain Changes.....	23
Section 4.12 No Violation; Compliance with Laws.	23
Section 4.13 No Undisclosed Relationships.....	23
Section 4.14 Compliance with ERISA.....	23
Section 4.15 No Unlawful Payments.....	24

TABLE OF CONTENTS

	<u>Page</u>
Section 4.16 Compliance with Money Laundering Laws.....	24
Section 4.17 Compliance with Sanctions Laws.....	24
Section 4.18 No Broker’s Fees.	24
Section 4.19 No Registration Rights.....	24
Section 4.20 Takeover Statutes.....	24
Section 4.21 Investment Company Act.	24
Section 4.22 Binding Obligations.....	25
Section 4.23 Coastwise Trades; Other Trades.....	25
ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE COMMITMENT	
PARTIES.....	25
Section 5.1 Organization.....	25
Section 5.2 Corporate Power and Authority.....	25
Section 5.3 Execution and Delivery.....	25
Section 5.4 No Conflict.....	26
Section 5.5 Consents and Approvals.	26
Section 5.6 No Registration.	26
Section 5.7 Purchasing Intent.	26
Section 5.8 Arm’s Length.....	27
Section 5.9 No Broker’s Fees.	27
ARTICLE VI ADDITIONAL COVENANTS	27
Section 6.1 Conduct of Business.	27
Section 6.2 Access to Information.....	27
Section 6.3 Commercially Reasonable Efforts.....	28
Section 6.4 New Board of Directors.....	29
Section 6.5 Registration Rights Agreement.....	29
Section 6.6 DTC Eligibility.....	29
Section 6.7 Use of Proceeds.....	29
Section 6.8 Coastwise Trades; Other Trades.....	29
Section 6.9 Vessel Operation and Registration.....	29
ARTICLE VII CONDITIONS TO THE OBLIGATIONS OF THE PARTIES.....	29
Section 7.1 Conditions to the Obligation of the Commitment Parties.....	29
Section 7.2 Waiver of Conditions to Obligation of Commitment Parties.....	32

TABLE OF CONTENTS

	<u>Page</u>
Section 7.3 Conditions to the Obligation of the Company.....	33
ARTICLE VIII INDEMNIFICATION AND CONTRIBUTION	33
Section 8.1 Indemnification Obligations.	33
Section 8.2 Indemnification Procedure.....	34
Section 8.3 Settlement of Indemnified Claims.	35
Section 8.4 Contribution.	35
Section 8.5 Treatment of Indemnification Payments.....	36
ARTICLE IX TERMINATION.....	36
Section 9.1 Termination Rights.	36
Section 9.2 Effect of Termination.....	38
ARTICLE X GENERAL PROVISIONS.....	38
Section 10.1 Notices.	38
Section 10.2 Assignment; Third Party Beneficiaries.	39
Section 10.3 Prior Negotiations; Entire Agreement.	39
Section 10.4 Governing Law; Venue.....	39
Section 10.5 Waiver of Jury Trial.....	40
Section 10.6 Counterparts.....	40
Section 10.7 Waivers and Amendments; Rights Cumulative.....	40
Section 10.8 Headings.	41
Section 10.9 Specific Performance.....	41
Section 10.10 Damages.....	41
Section 10.11 No Reliance.....	41
Section 10.12 Publicity.....	41
Section 10.13 Settlement Discussions.	41

SCHEDULES AND EXHIBITS

Schedule 1	Subscription Commitment Percentages
Schedule 2	Notice Addresses
Exhibit A	Form of Rights Offering Procedures
Exhibit B	Terms of Rights Offering Warrants
Exhibit C	Form of Transfer Notice

EQUITY COMMITMENT AGREEMENT

THIS EQUITY COMMITMENT AGREEMENT (this “**Agreement**”), dated as of February 28, 2014, is made by and among Overseas Shipholding Group, Inc. (as a debtor in possession and a reorganized debtor, as applicable, “**OSG**” or the “**Company**”) on behalf of itself and the other Debtors, on the one hand, and the Commitment Parties set forth on Schedule 1 hereto (each referred to herein, individually, as a “**Commitment Party**” and, collectively, as the “**Commitment Parties**”), on the other hand. The Company and each Commitment Party is referred to herein, individually, as a “**Party**” and, collectively, as the “**Parties**”.

RECITALS

WHEREAS, on November 14, 2012 (the “**Petition Date**”), the Company and certain of its affiliates (each, individually, a “**Debtor**” and, collectively, the “**Debtors**”) each commenced a voluntary case under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§101-1532 (as amended, the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”), which cases are being jointly administered under Case Number 12-20000 (PJW) (collectively, the “**Chapter 11 Cases**”);

WHEREAS, the Debtors have engaged in good faith negotiations with the Commitment Parties regarding the terms of the Plan (defined below), which Plan shall be consistent in all respects with that certain plan term sheet (including any amendments, modifications, supplements and exhibits thereto, which shall be in form and substance reasonably satisfactory to the Debtors and Requisite Consenting Lenders, the “**Plan Term Sheet**”) setting forth the principal terms to be included in the Plan and attached as Exhibit A to that certain Plan Support Agreement, dated as of February 11, 2014, among the Debtors and the Commitment Parties (the “**Plan Support Agreement**”);

WHEREAS, on February 12, 2014, the Debtors filed a motion with the Bankruptcy Court seeking authorization for the Debtors to execute and perform under the Plan Support Agreement and agreed to use their commercially reasonable efforts to obtain entry by the Bankruptcy Court of an order, in form and substance reasonably satisfactory to the Debtors and the Requisite Consenting Lenders, approving such motion [Docket No. 2458] (the “**Plan Support Agreement Approval Order**”);

WHEREAS, on February 14, 2014, the Debtors filed a Notice of Revised Transfer Agreement with the Bankruptcy Court clarifying certain provisions of the Plan Support Agreement [Docket No. 2471];

WHEREAS, in connection with the Plan Support Agreement, the Commitment Parties have entered into this Agreement;

WHEREAS, following the execution of the Plan Support Agreement, certain of the Consenting Lenders party thereto transferred both (i) a portion of their Credit Agreement Claims (defined below) that were subject to the Plan Support Agreement and (ii) with the consent of the Debtors, their obligation to execute the Equity Commitment Agreement in

connection with such transferred Credit Agreement Claims to certain affiliates or funds managed by Stone Lion Capital Partners L.P.;

WHEREAS, the Debtors intend to file with the Bankruptcy Court the Plan and the Disclosure Statement (defined below), together with a motion seeking entry of the Disclosure Statement Order (defined below), pursuant to which the Debtors will request, among other things, approval of the Disclosure Statement and procedures to solicit the requisite acceptances of the Plan in accordance with section 1125 of the Bankruptcy Code;

WHEREAS, no later than two (2) Business Days after the date hereof, the Debtors will file a motion with the Bankruptcy Court seeking entry of the ECA Approval Order (defined below);

WHEREAS, pursuant to the Plan and this Agreement, and in accordance with the Rights Offering Procedures, the Company will conduct an initial rights offering for \$300,000,000 of Rights Offering Securities (defined below) (the “**Initial Rights Offering**”), subject to any applicable adjustment if the Rights Offering Amount is modified pursuant to the terms hereof;

WHEREAS, certain Rights Recipients (defined below) (other than the Commitment Parties) may elect not to subscribe for some or all of the Rights they receive (such Rights, the “**Unsubscribed Rights**”) in connection with the Initial Rights Offering;

WHEREAS, pursuant to the Plan and this Agreement, the Company will offer each Rights Offering Participant (defined below) the option (the “**Oversubscription Rights**”) to subscribe for Unsubscribed Rights (the “**Oversubscription Rights Offering**”);

WHEREAS, pursuant to this Agreement, the Commitment Parties shall agree to subscribe in full for their Subscription Commitment Percentage (defined below) of the Maximum Amount of Oversubscription Rights (defined below); and

WHEREAS, the Debtors intend to seek entry of one or more orders of the Bankruptcy Court, in each case, in form and substance reasonably satisfactory to the Requisite Commitment Parties (x) confirming the Plan pursuant to Section 1129 of the Bankruptcy Code (the “**Confirmation Order**”) and (y) authorizing the consummation of the transactions contemplated hereby, which order may take the form of, and be incorporated into, the Confirmation Order (the “**ECA Consummation Approval Order**”).

NOW, THEREFORE, in consideration of the mutual promises, agreements, representations, warranties and covenants contained herein, each of the Parties hereby agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Plan Term Sheet and the Plan Support Agreement. Except as otherwise expressly provided in this Agreement, or unless the context otherwise requires, whenever used in this Agreement (including any Exhibits and Schedules hereto), the following terms shall have the respective meanings specified therefor below:

“**Administrative Agent**” means U.S. Bank National Association in its capacity as successor administrative agent under the Credit Agreement, and any predecessor agent and successor agent thereto.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made; provided that no Commitment Party shall be deemed an Affiliate of the Company or any of its Subsidiaries prior to the Closing. For purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, based on equity ownership or by contract.

“**Available Securities**” means the Rights Offering Securities that any Commitment Party fails to purchase as a result of a Commitment Party Default by such Commitment Party.

“**Board**” means the board of directors of the Company.

“**Business Day**” means any day, other than a Saturday, Sunday or legal holiday, as defined in Bankruptcy Rule 9006(a).

“**Bylaws**” means the amended and restated bylaws of the Company as of the Closing Date.

“**Certificate of Incorporation**” means the amended and restated certificate of incorporation of the Company as of the Closing Date.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated and the rulings issued thereunder.

“**Commitment Party Default**” means (a) the failure by any Commitment Party to deliver and pay the aggregate Purchase Price for such Commitment Party’s aggregate Purchase Price for such Commitment Party’s Subscription Commitment Percentage of the Maximum Amount of Oversubscription Rights subject to the cutback provisions of Section 2.2; or (b) the breach by any Commitment Party of any representation, warranty, covenant or other agreement made by the Commitment Party in this Agreement or any such representation and warranty shall have become inaccurate after the date of this Agreement, and such breach or inaccuracy is not cured by the Commitment Party by the earlier of (A) the twentieth (20th) Business Day after the

giving of notice thereof to the Commitment Party by the Company and (B) the third (3rd) Business Day prior to the Outside Date.

“**Company Plans**” means each “employee benefit plan” within the meaning of Section 3(3) of ERISA and all other compensation and benefits plans, policies, programs, arrangements or payroll practices, and each other stock purchase, stock option, restricted stock, severance, retention, employment, consulting, change-of-control, collective bargaining, bonus, incentive, deferred compensation, employee loan, retirement, fringe benefit and other benefit plan, agreement, program, policy, commitment or other arrangement, whether or not subject to ERISA (including any related funding mechanism now in effect or required in the future), whether formal or informal, oral or written, in each case, that is sponsored, maintained, contributed or required to be contributed to by the Company or any of its Subsidiaries, or under which the Company or any of its Subsidiaries has any current or potential liability.

“**Company SEC Documents**” means all of the reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) filed with the SEC by the Company on or after the Petition Date.

“**Contract**” means any agreement, contract or instrument, including any loan, note, bond, mortgage, indenture, guarantee, deed of trust, license, franchise, commitment, lease, franchise agreement, letter of intent, memorandum of understanding or other obligation, and any amendments thereto, whether written or oral, but excluding any Company Plan.

“**Cover Transaction**” means a circumstance in which the Company funds all or a portion of the Deficiency Amount through available cash and/or the Company arranges for the sale of any remaining Available Securities to any other Person.

“**Credit Agreement**” means that certain \$1.5 billion credit agreement, dated as of February 9, 2006 by and among (a) OSG, OSG Bulk Ships, Inc. (“**OBS**”), and OSG International, Inc. (“**OIN**”), as joint and several borrowers, (b) the Administrative Agent and (c) various lenders party thereto.

“**Credit Agreement Claims**” means all claims arising under the Credit Agreement.

“**Defaulting Commitment Party**” means, at any time, any Commitment Party that caused a Commitment Party Default that is continuing at such time.

“**Deficiency Amount**” means the difference between (x) the Rights Offering Amount, *minus* (y) the aggregate amount on deposit in the Subscription Escrow Account, calculated as of the first Business Day following the expiration of the Commitment Party Replacement Period (after giving effect to a Commitment Party Replacement).

“**Disclosure Statement**” means the Disclosure Statement (including any amendments, modifications, supplements and exhibits thereto) describing the Plan in form and substance reasonably satisfactory to the Debtors and the Requisite Consenting Lenders, to be filed with the Bankruptcy Court on or before March 7, 2014.

“Disclosure Statement Motion” means the Debtors’ Motion for an Order (i) approving the Disclosure Statement; (ii) establishing a voting record date for the Plan; (iii) approving solicitation packages and procedures for the distribution thereof; (iv) approving the forms of ballots; (v) establishing procedures for voting on the Plan; (vi) establishing notice and objection procedures for the confirmation of the Plan; and (vii) establishing procedures for the rejection, assumption and/or assignment of executory contracts and unexpired leases under the Plan, to be filed with the Bankruptcy Court on or before March 7, 2014.

“Disclosure Statement Order” means the order, substantially in the form attached to the Disclosure Statement Motion, which shall, among other things, approve the Disclosure Statement and authorize the commencement of a solicitation of votes to accept or reject the Plan.

“ECA Approval Order” means an order entered by the Bankruptcy Court authorizing the Debtors’ performance of their obligations set forth herein in form and substance reasonably satisfactory to the Requisite Commitment Parties.

“Effective Date” means, with respect to any Debtor, the first Business Day on which the conditions to effectiveness of the Plan set forth therein have been satisfied or waived and on which the Plan shall become effective with respect to such Debtor.

“Eligible Transferee” means any financial institution that certifies that it has assets under management of not less than \$100,000,000.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means a trade or business (whether or not incorporated) which is under common control with the Company within the meaning of Sections 414(b), (c), (m) or (o) of the Code.

“ERISA Plan” means any employee benefit plan (other than a Multiemployer Plan or a Multiple Employer Plan) to which any of the Company, its Subsidiaries or any ERISA Affiliate is making or accruing an obligation to make contributions or has within any of the preceding five plan years made or accrued an obligation to make contributions and which is covered by Title IV of ERISA or Section 302 of ERISA.

“Event” means any event, development, occurrence, circumstance or change.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulation of the SEC thereunder.

“Foreign Plan” means any defined benefit pension plan, benefit plan, fund (including any superannuation fund) or other similar program that, under the Law of any jurisdiction other than the United States, is required to be funded through a trust or other funding vehicle (other than a trust or funding vehicle maintained exclusively by a Governmental Entity) and is directly sponsored and maintained by the Company primarily for the benefit of employees

of the Company or any of its Subsidiaries who are employed and residing outside the United States.

“Governmental Entity” means any U.S. or non-U.S. international, regional, federal, state, municipal or local governmental, judicial, administrative, legislative or regulatory authority, entity, instrumentality, agency, department, commission, court, or tribunal of competent jurisdiction (including any branch, department or official thereof).

“Initial Exercised Rights” means any Rights Offering Securities that are validly exercised and fully paid for by any Person in the Initial Rights Offering, including by a Commitment Party.

“Jones Act” means the Merchant Marine Act, 1920, as codified at 46 U.S.C. § 50501.

“Knowledge of the Company” means the actual knowledge, after a reasonable inquiry of their direct reports, of the chief executive officer, chief restructuring officer, chief financial officer or general counsel of the Company and its Material Operating Subsidiaries.

“Law” means any law (statutory or common), statute, regulation, rule, convention, code or ordinance enacted, adopted, issued or promulgated by any Governmental Entity.

“Legal Proceeding” means any legal action, suit or proceeding.

“Lender” means a holder of Credit Agreement Claims.

“Lien” means any lease, lien, adverse claim, charge, option, right of first refusal, servitude, security interest, mortgage, pledge, deed of trust, easement, encumbrance, restriction on transfer, conditional sale or other title retention agreement, defect in title or other restrictions of a similar kind.

“Material Adverse Effect” means any Event occurring after September 30, 2013 that, together with all other Events, has had or would reasonably be expected to have a material adverse effect on (i) the business, assets, liabilities, finances, properties, results of operations, or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, in each case of the Post-Effective Date Business, or (ii) the ability of the Company to perform its obligations under, or to consummate the transactions contemplated by, this Agreement or the Plan, including the Rights Offering, except to the extent such Event, in either case, results from (A) any change after the date hereof in global, national or regional political conditions (including acts of terrorism or war) or in the general business, market and economic conditions affecting the industries and regions in which the Company and its Subsidiaries operate, provided however that any change referred to in this defined term (A) shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such change has a disproportionate effect on the Company and its Subsidiaries compared to other Persons in the industries or markets in which the Company and its Subsidiaries operate; (B) any changes after the date hereof in applicable Law, in GAAP or the

interpretation or enforcement thereof; (C) the execution, announcement or performance of this Agreement, the Plan Support Agreement, the Plan or the transactions contemplated thereby; (D) any act or omission of the Company or its Subsidiaries required or prohibited, as applicable, by this Agreement, the Plan Support Agreement or the Plan, or consented to or requested by the Requisite Commitment Parties in writing; (E) changes in the market price or trading volume of the claims or securities of the Company (but not the underlying facts giving rise to such changes); (F) the departure of officers or directors of the Company (but not the underlying facts giving rise to such departure); (G) the pendency of the Chapter 11 Cases; (H) any loss of, or restriction imposed on, the Tax attributes or Tax assets of the Company and its Subsidiaries under Sections 382 and 383 of the Code, and any other similar state, local or foreign law, as a result of the implementation of the Plan; (I) any payment or current or potential liability of the Company associated with underfunded Company Plans; or (J) any non-cash impairment charge recorded on the book value of any Vessel.

“**Material Entity**” means the Company and any Subsidiary of the Company that is a “significant subsidiary” as defined in Rule 1-02(w) of Regulation S-X promulgated pursuant to the Exchange Act.

“**Material Operating Subsidiaries**” means OBS and OIN.

“**Maximum Amount of Oversubscription Rights**” means an aggregate of \$300,000,000 Rights, subject to any applicable adjustment if the Company decreases the Rights Offering Amount pursuant to Section 2.1.

“**Multiemployer Plan**” means a “multiemployer plan” (as defined in Section 4001(a)(3) of ERISA) to which any of the Company, its Subsidiaries or any ERISA Affiliate is making or accruing an obligation to make contributions or has within any of the preceding five plan years made or accrued an obligation to make contributions. For the avoidance of doubt, the term “Multiemployer Plan” shall not include any Foreign Plan.

“**Multiple Employer Plan**” means an employee benefit plan other than a Multiemployer Plan, subject to Title IV of ERISA to which any of the Company, its Subsidiaries or any ERISA Affiliate, and one or more employers other than the Company, its Subsidiaries or an ERISA Affiliate, is making or accruing an obligation to make contributions or, in the event that any such plan has been terminated, to which the Company, its Subsidiaries or an ERISA Affiliate made or accrued an obligation to make contributions during any of the five plan years preceding the date of termination of such plan.

“**Order**” means any judgment, order, award, injunction, writ, permit, license or decree of any Governmental Entity or arbitrator.

“**Oversubscription Third-Party Exercised Rights**” means any Rights Offering Securities that are validly exercised and fully paid for by any Person in the Oversubscription Rights Offering other than a Commitment Party in its capacity as such pursuant to this Agreement.

“**PBGC**” means the Pension Benefit Guaranty Corporation.

“**Person**” means an individual, firm, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, associate, trust, Governmental Entity or other entity or organization.

“**Plan**” means a chapter 11 plan (including any amendments, modifications, supplements (including the Plan Supplement) and exhibits thereto), which shall be in form and substance reasonably satisfactory to the Debtors and the Requisite Consenting Lenders, including with respect to any material tax issues, and consistent in all respects with the Plan Term Sheet, to be filed with the Bankruptcy Court on or before March 7, 2014;

“**Plan Supplement**” means the supplement or supplements to the Plan containing documents relevant to the implementation of the Plan, each of which shall be in form and substance reasonably satisfactory to the Requisite Consenting Lenders, including, among other things, the Reorganized OSG Corporate Documents, the identity of the initial Board and initial officers of the reorganized Company, a form of the Registration Rights Agreement and schedules of executory contracts and unexpired leases to be assumed or rejected, which shall be filed with the Bankruptcy Court in accordance with the terms of the Plan.

“**Plan Value**” means the value of the Company as determined by the Bankruptcy Court in connection with confirmation of the Plan.

“**Post-Effective Date Business**” means the businesses, assets and properties of the Company and its Subsidiaries, taken as a whole, as of the Effective Date after giving effect to the transactions contemplated by the Plan.

“**Purchase Price**” means \$19.51 per Rights Offering Share and \$19.51 per Rights Offering Warrant.

“**Related Party**” means, with respect to any Person, (i) any former, current or future director, officer, agent, Affiliate, employee, general or limited partner, member, manager or stockholder of such Person and (ii) any former, current or future director, officer, agent, Affiliate, employee, general or limited partner, member, manager or stockholder of any of the foregoing.

“**Reorganized OSG Corporate Documents**” means the Bylaws and the Certificate of Incorporation.

“**Representatives**” means, with respect to any Person, such Person’s directors, officers, employees, investment bankers, attorneys, accountants, advisors and other representatives.

“**Requisite Commitment Parties**” means (1) for any Unanimous Consent Action, all of the Commitment Parties (other than any Defaulting Commitment Parties) and (2) for all other actions, the Commitment Parties (other than any Defaulting Commitment Parties) holding more than two-thirds (2/3) of the aggregate Subscription Commitment Percentages held by all of the Commitment Parties (other than any Defaulting Commitment Parties); provided that for purposes of this definition, each such Commitment Party shall be deemed to hold the

Subscription Commitment Percentages held by such Commitment Party's Related Purchasers; provided further that to the extent the satisfaction or consent of the Requisite Commitment Parties is required in respect of any provision or document referred to herein or in the Plan, any such provision or document shall not (i) disproportionately or adversely affect any Commitment Party in its capacity as such or (ii) adversely affect the rights of any Commitment Party with respect to the allowance or treatment of its Credit Agreement Claims or its rights under the Rights Offering Procedures, in each case without the consent of such Commitment Party.

"Rights" means the subscription rights to purchase Rights Offering Shares and/or Rights Offering Warrants, as applicable, distributed pursuant to and in accordance with the Rights Offering Procedures.

"Rights Offering" means the rights offering for Rights Offering Shares and Rights Offering Warrants contemplated by the Rights Offering Procedures and otherwise reasonably satisfactory to the Requisite Commitment Parties (including the Initial Rights Offering and the Oversubscription Rights Offering).

"Rights Offering Amount" means an amount equal to \$300,000,000 of Rights Offering Securities, subject to adjustment as set forth herein.

"Rights Offering Expiration Time" means the time and the date on which the rights offering subscription form must be duly delivered to the Rights Offering Subscription Agent in accordance with the Rights Offering Procedures, together with the applicable Purchase Price.

"Rights Offering Participants" means those Persons who duly subscribe for Rights Offering Securities in accordance with the Rights Offering Procedures.

"Rights Offering Procedures" means the procedures with respect to the Rights Offering that are approved by the Bankruptcy Court pursuant to the ECA Approval Order, which procedures shall be in form and substance substantially as set forth on Exhibit A hereto and otherwise reasonably satisfactory to the Requisite Commitment Parties.

"Rights Offering Securities" means the Rights Offering Shares and Rights Offering Warrants issued by Reorganized OSG to the Rights Offering Participants.

"Rights Offering Shares" means the Reorganized OSG Stock, as defined in the Plan Term Sheet.

"Rights Offering Subscription Agent" means a subscription agent appointed by the Debtors and reasonably satisfactory to the Requisite Commitment Parties.

"Rights Offering Warrants" means the Reorganized OSG Jones Act Warrants, as defined in the Plan Term Sheet and which shall be on the terms substantially as set forth on Exhibit B and otherwise reasonably satisfactory to the Requisite Commitment Parties.

“**Rights Recipient**” shall mean any Person entitled to receive Rights pursuant to the Plan and the Rights Offering Procedures.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder.

“**Subscription Commitment Percentage**” means, with respect to any Commitment Party, such Commitment Party’s percentage of the Oversubscription Rights Offering as set forth opposite such Commitment Party’s name under the column titled “**Subscription Commitment Percentage**” on Schedule 1 (as it may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement).

“**Subsidiary**” means, with respect to any Person, any corporation, partnership, joint venture or other legal entity as to which such Person (either alone or through or together with any other subsidiary), (i) owns, directly or indirectly, more than fifty percent (50%) of the stock or other equity interests, (ii) has the power to elect a majority of the board of directors or similar governing body or (iii) has the power to direct the business and policies.

“**Takeover Statute**” means any restrictions contained in any “fair price,” “moratorium,” “control share acquisition”, “business combination” or other similar anti-takeover statute or regulation.

“**Taxes**” means all taxes, assessments, duties, levies or other mandatory governmental charges paid to a Governmental Entity, including all federal, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, property, sales, use, value-added, occupation, excise, severance, windfall profits, stamp, payroll, social security, withholding and other taxes, assessments, duties, levies or other mandatory governmental charges of any kind whatsoever paid to a Governmental Entity (whether payable directly or by withholding and whether or not requiring the filing of a Tax Return), all estimated taxes, deficiency assessments, additions to tax, penalties and interest thereon and shall include any liability for such amounts as a result of being a member of a combined, consolidated, unitary or affiliated group.

“**Termination Event**” means (i) the failure of any ERISA Plan to meet the minimum funding standard of Section 412 or Section 430 of the Code or Section 302 or 303 of ERISA, in each case whether or not waived, or the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any ERISA Plan or the failure of the Company or any of its ERISA Affiliates to make any required contribution to a Multiemployer Plan; (ii) the provision by the administrator of any ERISA Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iii) the withdrawal by the Company or any of its ERISA Affiliates from any Multiple Employer Plan or the termination of any such Multiple Employer Plan resulting in material liability to the Company or any of its ERISA Affiliates pursuant to Section 4063 or 4064 of ERISA; (iv) the institution by the PBGC of proceedings to terminate any ERISA Plan; (v) the imposition of liability on the Company or any of its ERISA Affiliates pursuant to Section

4062 or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vi) the withdrawal of the Company or any of its ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if such withdrawal would result in a Material Adverse Effect, or the receipt by the Company or any of its ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (vii) the occurrence of an act or omission which could give rise to the imposition on the Company or any of its ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Code or under Section 406, Section 409, Sections 502(c), (i) or (l), or Section 4071 of ERISA in respect of any Company Plan; (viii) the assertion of a material claim (other than routine claims for benefits) against any Company Plan other than a Multiemployer Plan or the assets thereof, or against the Company or any of its respective ERISA Affiliates in connection with any Company Plan; (ix) receipt from the Internal Revenue Service of notice of the failure of any ERISA Plan (or any other Company Plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any ERISA Plan (or any such Company Plan) to qualify for exemption from taxation under Section 501(a) of the Code; (x) the imposition of a Lien on the assets of a Company pursuant to Section 430(k) of the Code or pursuant to Section 303(k) of ERISA with respect to any ERISA Plan; (xi) a determination that any ERISA Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (xii) a determination that any Multiemployer Plan is, or is expected to be, in “critical” status under Section 432 of the Code or Section 305 of ERISA; or (xiii) any event with respect to any Foreign Plan which could reasonably be expected to result in liability to the Company similar to the liability that could arise with respect to an event described in clauses (i) through (xii) above, to the extent that such liability would result in a Material Adverse Effect.

“**Third-Party Oversubscription Rights Exercising Party**” means any Person that has Oversubscription Third-Party Exercised Rights.

“**Transfer**” means sell, transfer, assign, pledge, hypothecate, participate, donate or otherwise encumber or dispose of.

“**U.S. Vessel**” means any vessel owned or bareboat chartered by the Company or its Subsidiaries and documented under the laws of the United States.

“**Unanimous Consent Action**” means any action, provision or document that has the effect of (i) modifying any Commitment Party’s Subscription Commitment Percentage, (ii) increasing or decreasing the Purchase Price to be paid in respect of the Rights Offering Securities, (iii) extending the Outside Date by more than 15 calendar days, or (iv) changing the definition of “Requisite Commitment Parties”.

“**Vessel**” means any vessel owned by the Company or its Subsidiaries.

Section 1.2 Additional Defined Terms. In addition to the terms defined in Section 1.1, additional defined terms used herein shall have the respective meanings assigned thereto in the Sections indicated in the table below.

<u>Defined Term</u>	<u>Section</u>
Administrative Agent Advisors	Section 3.3
Agreement	Preamble
Applicable Consent	Section 4.7
Bankruptcy Code	Recitals
Bankruptcy Court	Recitals
Chapter 11 Cases	Recitals
Closing.....	Section 2.5(a)
Closing Date	Section 2.5(a)
Commitment Party.....	Preamble
Commitment Party Replacement.....	Section 2.3(a)
Commitment Party Replacement Period	Section 2.3(a)
Commitment Premium	Section 3.1
Company.....	Preamble
Confirmation Order	Recitals
Cover Transaction Period.....	Section 2.3(c)
Debtor	Recitals
Drinker.....	Section 3.3
ECA Consummation Approval Order	Recitals
Escrow Agent	Section 2.4(c)
Escrow Funding Notice	Section 2.4(b)
Expense Reimbursement	Section 3.3
Funding Amount.....	Section 2.4(b)
Future Expenses.....	Section 3.3
H&K	Section 3.3
Indemnified Claim.....	Section 8.2
Indemnified Person.....	Section 8.1
Indemnifying Party.....	Section 8.1
Initial Funding Notice.....	Section 2.4(a)
Initial Rights Offering	Recitals
IRS	Section 7.1(r)
Lazard	Section 3.3
Losses	Section 8.1
Material Contract.....	Section 7.1(l)
Milbank.....	Section 3.3
Money Laundering Laws.....	Section 4.16
OBS	Section 1.1
OSG	Preamble
OIN.....	Section 1.1

<u>Defined Term</u>	<u>Section</u>
Oversubscription Rights	Recitals
Oversubscription Rights Offering	Recitals
Outside Date	Section 9.1(e)
Party	Preamble
Petition Date	Recitals
Plan Support Agreement.....	Recitals
Plan Support Agreement Approval Order.....	Recitals
Plan Term Sheet	Recitals
Pre-Closing Period.....	Section 6.1
Prior Expenses	Section 3.3
Registration Rights Agreement	Section 6.5
Related Purchaser	Section 2.6(a)
Replacing Commitment Parties	Section 2.3(a)
SDN List.....	Section 4.17
Subscription Commitment.....	Section 2.2
Subscription Escrow Account	Section 2.4(a)
Transaction Agreements	Section 4.2(a)
Transfer Notice	Section 2.6(b)
Unsubscribed Rights.....	Recitals
willful or intentional breach	Section 9.2

Section 1.3 Construction. In this Agreement, unless the context otherwise requires:

- (a) references to Articles, Sections, Exhibits and Schedules are references to the articles and sections or subsections of, and the exhibits and schedules attached to, this Agreement;
- (b) the descriptive headings of the Articles and Sections of this Agreement are inserted for convenience only, do not constitute a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement;
- (c) references in this Agreement to “writing” or comparable expressions include a reference to a written document transmitted by means of electronic mail in portable document format (pdf), facsimile transmission or comparable means of communication;
- (d) words expressed in the singular number shall include the plural and vice versa; words expressed in the masculine shall include the feminine and neuter gender and vice versa;

(e) the words “hereof”, “herein”, “hereto” and “hereunder”, and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including all Exhibits and Schedules attached to this Agreement, and not to any provision of this Agreement;

(f) the term this “Agreement” shall be construed as a reference to this Agreement as the same may have been, or may from time to time be, amended, modified, varied, novated or supplemented;

(g) “include”, “includes” and “including” are deemed to be followed by “without limitation” whether or not they are in fact followed by such words;

(h) references to “day” or “days” are to calendar days;

(i) references to “the date hereof” means as of the date of this Agreement;

(j) unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder in effect on the date of this Agreement; and

(k) references to “dollars” or “\$” are to United States of America dollars.

ARTICLE II

SUBSCRIPTION COMMITMENT

Section 2.1 The Rights Offering. On and subject to the terms and conditions hereof, the Company shall conduct the Rights Offering for the Rights Offering Amount pursuant to and in accordance with the Rights Offering Procedures, this Agreement and the Plan. If the Company determines to reduce the Rights Offering Amount in accordance with the Plan, at least five (5) Business Days prior to the commencement of the Rights Offering, the Company (or the Rights Offering Subscription Agent on its behalf) shall issue a notice in writing to all Commitment Parties of the reduced Rights Offering Amount, and each Commitment Party’s Subscription Commitment under Section 2.2 shall be subject to a pro rata reduction by the extent of such reduction.

Section 2.2 The Subscription Commitment. In the Oversubscription Rights Offering, on and subject to the terms and conditions hereof, including entry of the ECA Consummation Approval Order, and subject to the cutback provision described in the last sentence of this Section 2.2, each Commitment Party agrees, severally and not jointly, to subscribe for and purchase, and the Company agrees to sell to such Commitment Party, on the Closing Date for the aggregate Purchase Price, the aggregate amount of Rights Offering Securities equal to such Commitment Party’s Subscription Commitment Percentage of the aggregate Maximum Amount of Oversubscription Rights, rounded among the Commitment Parties solely to avoid fractional shares as the Commitment Parties may determine in their sole discretion (such obligation to purchase the Rights Offering Securities, the “Subscription Commitment”). The number of Rights Offering Securities the Company is obligated to sell to

each Commitment Party in the Oversubscription Rights Offering and the number of Rights Offering Securities each Commitment Party is obligated to purchase from the Company in the Oversubscription Rights Offering shall be reduced first, proportionately among each Commitment Party and any Third-Party Oversubscription Rights Exercising Party to the extent that there are any Initial Exercised Rights and second, proportionately among each Commitment Party and any Third-Party Oversubscription Rights Exercising Party if the number of rights exercised in the Oversubscription Rights Offering exceeds the amount of Unsubscribed Rights.

Section 2.3 Commitment Party Default. Upon the occurrence of a Commitment Party Default, the Commitment Parties (other than any Defaulting Commitment Party) shall have the right, but shall not be obligated to, within five (5) Business Days after receipt of written notice from the Company to all Commitment Parties of such Commitment Party Default (which notice shall be given promptly following the occurrence of such Commitment Party Default) (such five Business Day period, the “**Commitment Party Replacement Period**”) to make arrangements for one or more of the Commitment Parties (other than the Defaulting Commitment Party) to purchase for the Purchase Price all or any portion of the Available Securities (such purchase, a “**Commitment Party Replacement**”) on the terms and subject to the conditions set forth in this Agreement (and subject to, if necessary, an allocation of the Available Securities between Rights Offering Shares and Rights Offering Warrants as reasonably determined by the Company in consultation with the Commitment Parties in order to maintain the eligibility of the Company to own and operate vessels, including the U.S. Vessels, in the coastwise trade of the United States) and in such amounts based upon the applicable Subscription Commitment Percentage of any such Commitment Parties or as may otherwise be agreed upon by all of the Commitment Parties electing to purchase all or any portion of the Available Securities (such Commitment Parties, the “**Replacing Commitment Parties**”). Any such Available Securities purchased by a Replacing Commitment Party shall be included in the determination of the Rights Offering Securities of the Subscription Commitment and Subscription Commitment Percentage of such Replacing Commitment Party for all purposes hereunder. If a Commitment Party Default occurs, the Outside Date shall be delayed only to the extent necessary to allow for (A) the Commitment Party Replacement to be completed within the Commitment Party Replacement Period or (B) the consummation of a Cover Transaction within the Cover Transaction Period. Notwithstanding anything to the contrary contained herein, if the Commitment Party Replacement has not been consummated upon expiration of the Commitment Party Replacement Period and a Cover Transaction has not been consummated prior to the expiration of the Cover Transaction Period, this Agreement may be terminated by either the Company by written notice to each Commitment Party or by the Requisite Commitment Parties by written notice to the Company.

(b) If a Commitment Party is or becomes a Defaulting Commitment Party, it shall not be entitled to any of the Commitment Premium hereunder.

(c) Notwithstanding the foregoing, if the non-defaulting Commitment Parties do not elect to subscribe for all of the Available Securities pursuant to Section 2.3(a) prior to the expiration of the Commitment Party Replacement Period, the Company shall have an additional fifteen (15) Business Days following the expiration of the Commitment Party Replacement Period (such period, the “**Cover Transaction Period**”) to consummate a Cover Transaction.

(d) For the avoidance of doubt, notwithstanding anything to the contrary set forth in Section 9.2 but subject to Section 10.10, no provision of this Agreement shall relieve any Defaulting Commitment Party from liability hereunder in connection with such Defaulting Commitment Party's Commitment Party Default.

Section 2.4 Subscription Escrow Account Funding.Initial Funding Notice. No later than the fifth (5th) Business Day before the start of the Rights Offering, in accordance with the Rights Offering Procedures, the Rights Offering Subscription Agent shall deliver to each Commitment Party a written notice (the "**Initial Funding Notice**") of the escrow account to which such Commitment Party shall deliver and pay the aggregate Purchase Price for such Commitment Party's Subscription Commitment (the "**Subscription Escrow Account**").

(b) Oversubscription Notice. No later than the second (2nd) Business Day following the Rights Offering Expiration Time, in accordance with the Rights Offering Procedures, the Escrow Agent shall deliver to each Commitment Party a written notice (the "**Escrow Funding Notice**") of (i) the number of Initial Exercised Rights, if any, and the aggregate Purchase Price therefor; (ii) the aggregate number of Oversubscription Third-Party Exercised Rights, if any, and the aggregate Purchase Price therefor; (iii) the aggregate number of such Commitment Party's Oversubscription Rights that will be exercised and a calculation of the cutback provided for in Section 2.2; and (iv) the amount of any funds required to be delivered by such Commitment Party to the Subscription Escrow Account (with respect to each Commitment Party, such Commitment Party's "**Funding Amount**"). The Rights Offering Subscription Agent shall promptly provide any written backup, information and documentation relating to the information contained in the Escrow Funding Notice as any Commitment Party may reasonably request.

(c) Subscription Escrow Account Funding. Notwithstanding the Rights Offering Procedures, following receipt of the Escrow Funding Notice, each Commitment Party shall deliver and pay its applicable Funding Amount representing the aggregate Purchase Price for its share of the Subscription Commitment by wire transfer in immediately available funds in U.S. dollars into the Subscription Escrow Account in satisfaction of such Commitment Party's obligations under Section 2.2 no earlier than three (3) Business Days following receipt of the Escrow Funding Notice and no later than fifteen (15) Business Days prior to the Closing Date. The Subscription Escrow Account shall be established with an escrow agent (the "**Escrow Agent**") reasonably satisfactory to the Requisite Commitment Parties and the Company pursuant to an escrow agreement in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company. For the avoidance of doubt, the Commitment Parties shall not be obligated to follow the Rights Offering Procedures with regarding to funding any exercised Oversubscription Right if such Commitment Party complies with the terms of this Section 2.4(c) with respect to its funding obligation.

(d) Escrow Release. If this Agreement is terminated prior to the Closing Date, each Commitment Party shall receive from the Subscription Escrow Account the amount in cash actually funded to the Subscription Escrow Account, plus interest, if any, accrued thereon, by such Commitment Party.

Section 2.5 Closing. Subject to Article VII, unless otherwise mutually agreed in writing between the Company and the Requisite Commitment Parties, the closing of the Rights Offering (the “**Closing**”) shall take place at the offices of Cleary Gottlieb Steen & Hamilton LLP, One Liberty Plaza, New York, New York 10006, at 10:00 a.m. (New York City time), on the date on which all of the conditions set forth in Article VII shall have been satisfied or waived in accordance with this Agreement (other than conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions). The date on which the Closing actually occurs shall be referred to herein as the “**Closing Date**”.

(b) At the Closing, the funds held in the Subscription Escrow Account shall be released and utilized as set forth and in accordance with the Rights Offering Procedures.

(c) At the Closing, issuance of the Rights Offering Securities to the Commitment Parties will be made by the Company to the account of each Commitment Party (or to such other accounts as any Commitment Party may designate in accordance with this Agreement) against payment of the aggregate Purchase Price for the Rights Offering Securities of such Commitment Party. Unless a Commitment Party requests delivery of a physical stock certificate or warrant, the entry of any Rights Offering Securities to be delivered pursuant to this Section 2.5(c) into the account of a Commitment Party pursuant to the book entry procedures of the Company’s transfer agent and delivery to such Commitment Party of an account statement reflecting the book entry of such Rights Offering Securities shall be deemed delivery of such Rights Offering Securities for purposes of this Agreement. Notwithstanding anything to the contrary in this Agreement, all Rights Offering Securities will be delivered to any Commitment Party or its Related Purchasers with all issue, stamp, transfer, sales and use, or similar Taxes or duties that are due and payable (if any) in connection with such delivery duly paid by the Company.

Section 2.6 Designation and Assignment Rights. Each Commitment Party shall have the right to designate by written notice to the Company no later than two (2) Business Days prior to the Closing Date that some or all of its Rights Offering Securities be issued in the name of, and delivered to, one or more of its Affiliates (each a “**Related Purchaser**”) upon receipt by the Company of payment therefor in accordance with the terms hereof, which notice of designation shall (i) be addressed to the Company and signed by such Commitment Party and each Related Purchaser, (ii) specify the number of Rights Offering Securities to be delivered to or issued in the name of such Related Purchaser and (iii) contain a confirmation by such Related Purchaser of the accuracy of the representations set forth in Sections 5.6, 5.7 and 5.8 as applied to such Related Purchaser; provided that no such designation pursuant to this Section 2.6(a) shall relieve such Commitment Party from its obligations under this Agreement.

(b) Each Commitment Party shall have the right to sell, transfer and assign all or any portion of its Subscription Commitment (i) without the consent of the Company, to a Related Purchaser of such Commitment Party or another Commitment Party and (ii) with the consent of the Company (such consent not to be unreasonably withheld if the transferee is an Eligible Transferee and in the sole discretion of the Company otherwise), to one or more Lenders (other than a Related Purchaser), and that, in each case, agrees in a writing addressed to the Company (a) to purchase such portion of such Commitment Party’s Subscription Commitment

and (b) to be fully bound by, and subject to, this Agreement. For any sale, transfer or assignment by a Commitment Party of its Subscription Commitment under this Section 2.6(b), such Commitment Party must submit to the Company a notice of transfer, in the form attached hereto as Exhibit C (“**Transfer Notice**”). For any sale, transfer or assignment under Section 2.6(b)(ii), the Company must provide its response to the proposed sale, transfer or assignment to the requesting Commitment Party within five (5) Business Days of receiving the Transfer Notice.

(c) Each Commitment Party, severally and not jointly, agrees that it will not, directly or indirectly, assign or otherwise transfer, at any time prior to the Closing Date or earlier termination of this Agreement in accordance with its terms, any of its rights and obligations under this Agreement to any Person other than in accordance with Sections 2.3, 2.6(a), 2.6(b), 7.2, 10.7 or any other provision of this Agreement which expressly permits such assignment or transfer. After the Closing Date, nothing in this Agreement shall limit or restrict in any way any Commitment Party’s ability to Transfer any of its Rights Offering Securities or any interest therein. The Rights Offering Subscription Agent or the Company (or its agent) shall monitor any transfer of any rights or obligations pursuant to this Section 2.6 based on Transfer Notices received.

ARTICLE III

COMMITMENT PREMIUM AND EXPENSE REIMBURSEMENT

Section 3.1 Premium Payable by the Company. Subject to Section 3.2, as consideration for the Subscription Commitment and the other agreements of the Commitment Parties in this Agreement, the Debtors shall at the Closing pay or cause to be paid a nonrefundable aggregate premium, either in the form of (x) subject to the applicable Jones Act restrictions, Rights Offering Shares or Rights Offering Warrants or (y) the cash equivalent thereof, in an amount equal to 5% of the aggregate amount raised in the Rights Offering, to the Commitment Parties (including any Replacing Commitment Party, but excluding any Defaulting Commitment Party) or their designees based upon their respective Subscription Commitment Percentages (the “**Commitment Premium**”). Such Commitment Premium shall be paid free and clear of all withholding or deduction for any applicable Taxes. Each Commitment Party shall provide the Company at least 15 (fifteen) Business Days’ prior written notice of its election to receive the Commitment Premium in the form of (x) Rights Offering Securities, which shall be Rights Offering Shares absent any requirement as reasonably determined by the Company in consultation with the Commitment Parties under the Jones Act for such Commitment Party to receive Rights Offering Warrants, or (y) cash.

The provisions for the payment of the Commitment Premium and Expense Reimbursement are an integral part of the transactions contemplated by this Agreement and without these provisions the Commitment Parties would not have entered into this Agreement, and the Commitment Premium and Expense Reimbursement shall constitute allowed administrative expenses of the Debtors’ estate under Sections 503(b) and 507 of the Bankruptcy Code.

Section 3.2 Payment of Premium. The Commitment Premium shall be paid by the Debtors on the Closing Date as set forth above. For the avoidance of doubt, the Commitment

Premium will be payable regardless of the amount of Rights Offering Securities actually purchased, if any are purchased.

Section 3.3 Expense Reimbursement. The Debtors, subject to Bankruptcy Court approval, shall reimburse or pay, as the case may be, in cash the reasonable documented out-of-pocket costs and expenses of the Administrative Agent (including any predecessor administrative agent under the Credit Agreement) and the Consenting Lenders, including, without limitation, the fees, costs, and expenses of (a) counsel to the Administrative Agent (including, without limitation, (i) Milbank, Tweed, Hadley & McCloy LLP (“**Milbank**”), (ii) Holland & Knight LLP (“**H&K**”), and (iii) Drinker Biddle & Reath LLP (“**Drinker**”)) and (b) Lazard Frères & Co. LLC (“**Lazard**,” and collectively with Milbank, H&K and Drinker, the “**Administrative Agent Advisors**”) incurred (x) prior to the date hereof (both prepetition and postpetition) (“**Prior Expenses**”) and (y) from and after the date of the Plan Support Agreement (“**Future Expenses**,” and together with the Prior Expenses, the “**Expense Reimbursement**”). The Debtors, subject to Bankruptcy Court approval, shall pay in cash (i) all Prior Expenses promptly following entry of the Plan Support Agreement Approval Order and (ii) all Future Expenses promptly upon delivery of an invoice to the Debtors, but in no event later than ten (10) business days following such delivery and are, once paid, not refundable under any circumstances and will not be subject to counterclaim or setoff for, or be otherwise affected by any claim or dispute relating to any other matter. Unless otherwise ordered by the Bankruptcy Court, no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with the Bankruptcy Court. For the avoidance of doubt, the Expense Reimbursement includes any amounts previously remitted to any of the Administrative Agent Advisors by the Administrative Agent, any of the Consenting Lenders and any other lender under the Credit Agreement on account of the documented fees, costs, and expenses of the Administrative Agent Advisors. In the event that the Debtors pursue an Alternative Plan, such Alternative Plan shall provide for payment of the Expense Reimbursement in accordance with the terms of the Plan Support Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Company SEC Documents filed prior to the date hereof (excluding any risk factor disclosure and disclosure included in any “forward-looking statements” disclaimer or other statements included in such Company SEC Documents that are predictive, forward-looking, non-specific or primarily cautionary in nature) the Debtors, jointly and severally, hereby represent and warrant to the Commitment Parties as set forth below.

Section 4.1 Organization and Qualification. Each Material Entity is a legal entity duly formed or incorporated, as applicable, validly existing and in good standing under the Laws of its respective jurisdiction of formation or incorporation and is duly qualified to do business as a foreign corporation in each jurisdiction wherein the nature of the business transacted thereby makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

Section 4.2 Corporate Power and Authority. The Company has full power and authority and has, to the Knowledge of the Company and subject to entry of the ECA Approval Order, the ECA Consummation Approval Order and the Confirmation Order, all material governmental licenses, authorizations, consents and approvals required to carry on its business as now being conducted and to own its properties, except where the failure to be so licensed or authorized would not reasonable be expected to result in, individually or in the aggregate, a Material Adverse Effect, and (ii) the Company has full power and authority (i) (A) subject to entry of the ECA Approval Order, to enter into, execute and deliver this Agreement and to perform the obligations set forth herein and (B) subject to entry of the ECA Consummation Approval Order and the Confirmation Order, to perform each of its other obligations hereunder and (ii) subject to entry of the ECA Consummation Approval Order and the Confirmation Order, to enter into, execute and deliver the Registration Rights Agreement and all other agreements to which it will be a party as contemplated by this Agreement and the Plan (this Agreement, the Registration Rights Agreement and such other agreements, collectively, the “**Transaction Agreements**”) and to perform its obligations under each of the Transaction Agreements (other than this Agreement). Subject to the receipt of the foregoing Orders, as applicable, all necessary corporate action has been taken to authorize, and all necessary consents and authorities have been obtained and remain in full force and effect to permit, the Company to enter into and perform its obligations under this Agreement and each of the other Transaction Agreements and no further consents or authorities are or will be necessary to authorize this Agreement or any of the other Transaction Agreements or to consummate the transactions contemplated hereby or thereby.

(b) Subject to entry of the ECA Approval Order, the ECA Consummation Approval Order and the Confirmation Order, each of the other Debtors has full power and authority (corporate or otherwise) to enter into, execute and deliver each Transaction Agreement to which such other Debtor is a party and to perform its obligations thereunder. Subject to the receipt of the foregoing Orders, as applicable, all necessary corporate action has been taken to authorize, and all necessary consents and authorities have been obtained and remain in full force and effect to permit, each of the other Debtors to enter into and perform its obligations under each of the other Transaction Agreements to which it is a party and no further consents or authorities are or will be necessary to authorize any of the other Transaction Agreements or to consummate the transactions contemplated hereby or thereby.

Section 4.3 Execution and Delivery; Enforceability. Subject to entry of the ECA Approval Order, this Agreement will have been, and subject to the entry of the ECA Consummation Approval Order and the Confirmation Order, each other Transaction Agreement will be, duly executed and delivered by the Company and each of the other Debtors party thereto. Upon entry of the ECA Approval Order and assuming this Agreement has been duly authorized, executed and delivered by the Commitment Parties and the other parties thereto, the obligations set forth herein will constitute the valid and binding obligations of the Company and, to the extent applicable, the other Debtors, enforceable against the Company and, to the extent applicable, the other Debtors in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors’ rights and to general principles of equity whether applied in a court of law or a court of equity. Upon entry of the ECA Consummation Approval

Order and the Confirmation Order and assuming this Agreement has been duly authorized, executed and delivered by the Commitment Parties and the other parties thereto, each of the other obligations hereunder will constitute the valid and binding obligations of the Company and, to the extent applicable, the other Debtors, enforceable against the Company and, to the extent applicable, the other Debtors, in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general principles of equity whether applied in a court of law or a court of equity.

Section 4.4 Authorized and Issued Capital Stock. On the Closing Date,

(i) Rights Offering Shares will be reserved for issuance upon exercise of stock options and other rights to purchase or acquire Rights Offering Shares granted in connection with any employment arrangement in accordance with the Plan Term Sheet, (ii) Rights Offering Shares will be reserved for issuance upon the exercise of the Rights Offering Warrants and (iii) other than the Rights Offering Warrants, no warrants to purchase Rights Offering Shares will be issued and outstanding.

(b) Except as set forth in this Section 4.4 and Section 4.5, as of the Closing Date, no shares of capital stock or other equity securities or voting interest in the Company will have been issued, reserved for issuance or outstanding.

(c) Except as described in this Section 4.4 and except as set forth in the Plan, the Plan Supplement, the Registration Rights Agreement, the Rights Offering Warrants and the Reorganized OSG Corporate Documents, as of the Closing Date, neither the Company nor any Subsidiary will be party to or otherwise bound by or subject to any outstanding option, warrant, call, right, security, commitment, contract, arrangement or undertaking (including any preemptive right) that (i) obligates the Company or any Subsidiary to issue, deliver, sell or transfer, or repurchase, redeem or otherwise acquire, or cause to be issued, delivered, sold or transferred, or repurchased, redeemed or otherwise acquired, any shares of the capital stock of, or other equity or voting interests in, the Company or any of its Subsidiaries or any security convertible or exercisable for or exchangeable into any capital stock of, or other equity or voting interest in, the Company or any of its Subsidiaries, (ii) obligates the Company or any Subsidiary to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, contract, arrangement or undertaking, (iii) restricts the transfer of any shares of capital stock of the Company or any Subsidiary or (iv) relates to the voting of any shares of capital stock of the Company.

Section 4.5 Issuance. The Rights Offering Shares and Rights Offering Warrants to be issued pursuant to the Plan, including the Rights Offering Shares and Rights Offering Warrants to be issued in connection with the consummation of the Rights Offering and pursuant to the terms hereof, will, when issued and delivered on the Closing Date, be duly and validly authorized, issued and delivered and (with respect to the Rights Offering Shares) shall be fully paid and non-assessable, and such Rights Offering Shares and Rights Offering Warrants will be free and clear of all Taxes, Liens (other than transfer restrictions imposed hereunder, including under Section 5.7, or by applicable Law), preemptive rights, subscription and similar rights,

other than any rights set forth in the Plan, the Plan Supplement, the Reorganized OSG Corporate Documents, the Rights Offering Warrants and the Registration Rights Agreement.

Section 4.6 No Conflict. Assuming the consents described in clauses (i) through (v) of Section 4.7 are obtained, the execution and delivery by the Company and, if applicable, its Subsidiaries of this Agreement, the Plan and the other Transaction Agreements, the compliance by the Company and, if applicable, its Subsidiaries with all of the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein will not (i) conflict with, or result in a breach or violation of, or constitute a default under the Reorganized OSG Corporate Documents or any of the organization documents of any Subsidiary; (ii) conflict with or contravene any applicable law or any contractual restriction binding on or affecting the Company or any Subsidiary or any of their respective assets or properties; or (iii) result in a breach or violation of, any of the terms or provisions of, or constitute a default under, but for any requirement of the giving of notice or the passage of time (or both), or result, except to the extent specified in the Plan, in the acceleration of, or the creation of any Lien under, or cause any payment or consent to be required under any Contract to which the Company or any of its Subsidiaries will be bound as of the Closing Date after giving effect to the Plan or to which any of the property or assets of the Company or any of its Subsidiaries will be subject as of the Closing Date after giving effect to the Plan, except, in each of the cases described in clauses (ii) and (iii), for any conflict, breach, violation, default, acceleration, Lien, payment or consent which would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 4.7 Consents and Approvals. All consents, licenses, approvals and authorizations required, whether by statute or otherwise, in connection with the entry into and performance by the Company and, to the extent relevant, each of its Subsidiaries (each, an “Applicable Consent”), the validity and enforceability of against the Company and, to the extent relevant, each of its Subsidiaries, of this Agreement, the Plan and the other Transaction Agreements, the compliance by the Company and, to the extent relevant, its Subsidiaries with all of the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein (including compliance by each Commitment Party with its obligations hereunder and thereunder), have been obtained and are in full force and effect, except for (i) the entry of the ECA Approval Order authorizing the Company to execute and deliver this Agreement and perform the obligations set forth herein, (ii) the entry of the ECA Consummation Approval Order authorizing the Company to perform each of its other obligations hereunder, (iii) the entry of the Confirmation Order, (iv) such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase of the Rights Offering Securities by the Commitment Parties and the issuance of the Rights and the Rights Offering Securities pursuant to the exercise of the Rights and (v) any other Applicable Consent the failure of which to obtain does not constitute a Material Adverse Effect.

Section 4.8 Arm’s Length. The Company acknowledges and agrees that (a) each of the Commitment Parties is acting solely in the capacity of an arm’s length contractual counterparty to the Company with respect to the transactions contemplated hereby (including in connection with determining the terms of the Rights Offering) and not as a financial advisor or a

fiduciary to, or an agent of, the Company or any of its Subsidiaries and (b) no Commitment Party is advising the Company or any of its Subsidiaries as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction.

Section 4.9 Financial Statements.The unaudited consolidated statements of income and retained earnings and cash flows for such three and nine month periods ended September 30, 2013 as reported on the Company's Form 10-Q filed by the Company with the SEC fairly present, in all material respects, the consolidated financial condition of the Company and its Subsidiaries as at such date and the consolidated results of the operations of the Company and its Subsidiaries for the period ended on such date, all in accordance with U.S. generally accepted accounting principles consistently applied.

Section 4.10 Company SEC Documents and Disclosure Statement.Since the Petition Date, the Company has filed all required reports, schedules, forms and statements with the SEC. As of their respective dates, and giving effect to any amendments or supplements thereto filed prior to the date of this Agreement, each of the Company SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act applicable to such Company SEC Documents. No Company SEC Document, after giving effect to any amendments or supplements thereto and as superseded by any subsequently filed Company SEC Documents, in each case filed prior to the date of this Agreement, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Disclosure Statement when approved by the Bankruptcy Court will conform in all material respects with Section 1125 of the Bankruptcy Code.

Section 4.11 Absence of Certain Changes.From September 30, 2013 to the date hereof, no Event has occurred or exists that constitutes a Material Adverse Effect.

Section 4.12 No Violation; Compliance with Laws.Each of the Company and its Subsidiaries is (i) not in violation of its charter or bylaws, and (ii) except as a result of or in connection with the Chapter 11 Cases, in compliance with all applicable Laws, except where any failure to comply with any such applicable Laws would not, alone or in the aggregate, result in a Material Adverse Effect.

Section 4.13 No Undisclosed Relationships.No relationship, direct or indirect, exists between or among the Company or any of its Subsidiaries, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company or any of its Subsidiaries, on the other hand, that is required by the Exchange Act to be described in the Company SEC Documents and that are not so described in the Company SEC Documents, except for the transactions contemplated by this Agreement.

Section 4.14 Compliance with ERISA.The entry into this Agreement, the Plan and the Transaction Agreements and the consummation of the transactions hereunder and thereunder will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code. No Termination Event has occurred and, except as a result of or in connection with the Chapter 11 Cases, is reasonably likely to occur.

Section 4.15 No Unlawful Payments.Neither the Company nor any of its Subsidiaries nor any of their respective directors, officers or employees, to the Knowledge of the Company, has in any material respect: (a) used any funds of the Company or any of its Subsidiaries for any unlawful contribution, gift, entertainment or other unlawful expense, in each case relating to political activity; (b) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (c) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or (d) made any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment, in each case, resulting or which would result in a material liability, fine or penalty.

Section 4.16 Compliance with Money Laundering Laws.To the knowledge of the Company, the operations of the Company and its Subsidiaries are and have been at all times conducted in compliance in all material respects with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, and any related or similar Laws (collectively, the “**Money Laundering Laws**”) and no material action, suit or proceeding by or before any Governmental Entity or any arbitrator against the Company or any of its Subsidiaries with respect to Money Laundering Laws is pending or threatened.

Section 4.17 Compliance with Sanctions Laws.Neither the Company nor any of its Subsidiaries nor any of their respective directors, officers or employees, nor any Vessel, nor, to the Knowledge of the Company, any agent or other Person acting on behalf of the Company or any of its Subsidiaries, appears on the current Specially Designated Nationals List (the “**SDN List**”) published by the U.S. Department of the Treasury, Office of Foreign Assets Control. The Company will not directly or indirectly use the proceeds of the Rights Offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person appearing on the SDN List.

Section 4.18 No Broker’s Fees.Neither the Company nor any of its Subsidiaries is a party to any Contract with any Person (other than this Agreement) that would give rise to a valid claim against the Commitment Parties for a brokerage commission, finder’s fee or like payment in connection with the Rights Offering or the sale of the Rights Offering Securities.

Section 4.19 No Registration Rights.Except as provided for pursuant to the Registration Rights Agreement, no Person has the right to require the Company or any of its Subsidiaries to register any securities for sale under the Securities Act.

Section 4.20 Takeover Statutes.No Takeover Statute is applicable to this Agreement, the Subscription Commitment and the other transactions contemplated by this Agreement. As of the entry of the ECA Approval Order, the Board shall have, subject to Bankruptcy Court approval, authorized and approved the issuance of the Rights Offering Shares and the Rights Offering Warrants pursuant to this Agreement, the Plan and the Rights Offering Procedures.

Section 4.21 Investment Company Act.

Neither the entry into of this Agreement, the Plan or the Transaction Agreements, nor the application of the proceeds nor the consummation of the other transactions contemplated hereby or thereby, will require the Company to register as an “investment company” under the Investment Company Act of 1940, as amended.

Section 4.22 Binding Obligations. Subject to Bankruptcy Court approval, this Agreement and the Transaction Agreements constitute or will, when executed and delivered, constitute the legal, valid and binding obligations of the Company and its Subsidiaries, as applicable, enforceable against such entity, as applicable, in accordance with their respective terms, except to the extent that such enforcement may be limited by equitable principles, principles of public policy or applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting generally the enforcement of creditors’ rights.

Section 4.23 Coastwise Trades; Other Trades. Each of (x) the Company, (y) any Subsidiary which owns or operates any U.S. Vessel or any other vessel engaged in the coastwise trade of the United States, and (z) any Subsidiary (i) having an ownership interest in any Subsidiary which owns or operates any U.S. Vessel or any other vessel engaged in the coastwise trade of the United States and (ii) which the Company relies upon to establish that the ownership or operation of such vessel complies with the ownership requirements of 46 U.S.C. §§ 12103 and 50501, is qualified to own and operate vessels in the coastwise trade of the United States in accordance with 46 U.S.C. §§ 12103 and 50501.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMMITMENT PARTIES

Each Commitment Party represents and warrants, severally and not jointly, as set forth below.

Section 5.1 Organization. Such Commitment Party is a legal entity duly organized, incorporated or formed, as applicable, and is validly existing and, if applicable, in good standing (or the equivalent thereof) under the laws of its jurisdiction of organization, incorporation or formation.

Section 5.2 Corporate Power and Authority. Such Commitment Party has the requisite corporate, limited partnership or limited liability company power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder and has taken all necessary corporate, limited partnership or limited liability company action required for the due authorization, execution, delivery and performance by it of this Agreement.

Section 5.3 Execution and Delivery. This Agreement (a) has been, or prior to its execution and delivery will be, duly and validly executed and delivered by such Commitment Party and (b) when executed and delivered, will constitute the valid and binding obligation of such Commitment Party, enforceable against such Commitment Party in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors’ rights and to general principles of equity whether applied in a court of law or a court of equity.

Section 5.4 No Conflict. Assuming that the consents referred to in Section 5.5 are obtained, the execution and delivery by such Commitment Party of this Agreement, the compliance by such Commitment Party with all of the provisions hereof and the consummation of the transactions contemplated herein (i) will not conflict with, or result in a breach or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time, or both), or result in the acceleration of, or the creation of any Lien under, any Contract to which such Commitment Party is a party or by which such Commitment Party is bound or to which any of the properties or assets of such Commitment Party are subject, (ii) will not result in any violation of the provisions of the certificate of incorporation or bylaws (or comparable constituent documents) of such Commitment Party and (iii) will not result in any material violation of any Law or Order applicable to such Commitment Party or any of its properties, except, in each of the cases described in clauses (i), (ii) and (iii), for any conflict, breach, violation, default, acceleration or Lien which would not reasonably be expected, individually or in the aggregate, to prohibit, materially delay or materially and adversely impact such Commitment Party's performance of its obligations under this Agreement.

Section 5.5 Consents and Approvals. No consent, approval, authorization, order, registration or qualification of or with any Governmental Entity having jurisdiction over such Commitment Party or any of its properties is required for the execution and delivery by such Commitment Party of this Agreement, the compliance by such Commitment Party with all of the provisions hereof and the consummation of the transactions (including the purchase by such Commitment Party of its Rights Offering Securities) contemplated herein and therein, except any consent, approval, authorization, order, registration or qualification which, if not made or obtained, would not reasonably be expected, individually or in the aggregate, to prohibit, materially delay or materially and adversely impact such Commitment Party's performance of its obligations under this Agreement.

Section 5.6 No Registration. Such Commitment Party understands that the Rights Offering Securities have not been registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends on, among other things, the bona fide nature of the investment intent and the accuracy of such Commitment Party's representations as expressed herein or otherwise made pursuant hereto.

Section 5.7 Purchasing Intent. Such Commitment Party is acquiring the Rights Offering Securities for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof not in compliance with applicable securities Laws, and such Commitment Party has no present intention of selling, granting any participation in, or otherwise distributing the same, except in compliance with applicable securities Laws. Each Commitment Party acknowledges that to the extent the Subscription Commitment of such Commitment Party exceeds the value of its claim under the Plan as reasonably determined by the Company in consultation with the Commitment Parties, such Commitment Party shall receive restricted securities issued pursuant to Section 4(a)(2) of the Securities Act, subject to the transfer restrictions applicable thereto, in the amount by which such Commitment Party's Subscription Commitment exceeds the value of its claim.

Section 5.8 Arm's Length. Such Commitment Party acknowledges and agrees that the Company and each of the Debtors is acting solely in the capacity of an arm's length contractual counterparty to such Commitment Party with respect to the transactions contemplated hereby (including in connection with determining the terms of the Rights Offering).

Section 5.9 No Broker's Fees. Such Commitment Party has not entered and will not enter into any Contract with any Person (other than this Agreement) that would give rise to a valid claim against the Debtors for a brokerage commission, finder's fee or like payment in connection with the Rights Offering or the sale of the Rights Offering Securities.

ARTICLE VI

ADDITIONAL COVENANTS

Section 6.1 Conduct of Business. Except (i) as explicitly set forth in this Agreement or otherwise contemplated by the Plan Term Sheet or (ii) with the express consent of Requisite Commitment Parties (such consent not to be unreasonably withheld, conditioned or delayed), during the period from the date of this Agreement to the earlier of the Closing Date and the date on which this Agreement is terminated in accordance with its terms (the "Pre-Closing Period"), (A) the Company shall, and shall cause each of its Subsidiaries to carry on its business in the ordinary course and use its commercially reasonable efforts to (1) preserve intact its Post-Effective Date Business, (2) keep available the services of its officers and employees and (3) preserve its material relationships with customers, suppliers, licensors, licensees, distributors and others having business dealings with the Company or its Subsidiaries in connection with the Post-Effective Date Business, in each case after giving effect to the implementation of the outsourcing of technical and commercial management of the Debtor's international flag fleet and (B) the Company shall not, and shall not permit any of its Subsidiaries to, enter into any lease or charter that is material to the Post-Effective Date Business other than (x) in the ordinary course of business to the extent necessary to conduct Company operations in a manner consistent with the financial and business projections provided to the Commitment Parties prior to the date hereof and (y) such other leases or charters disclosed by the Company to the Commitment Parties in writing prior to the date hereof, other than, in each case, in connection with or as a result of the outsourcing of technical and commercial management of the Debtor's international flag fleet; provided that any non-ordinary course transactions previously approved by the Bankruptcy Court prior to the date of this agreement shall be considered ordinary course for these purposes. Notwithstanding any other provision in this Agreement, nothing in this Agreement shall give the Commitment Parties, directly or indirectly, any right to control or direct the operations of the Company and its Subsidiaries prior to the Closing Date. Prior to the Closing Date, the Company and its Subsidiaries shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of the business of the Company and its Subsidiaries.

Section 6.2 Access to Information. Subject to applicable Law and appropriate assurance of confidential treatment, upon reasonable notice during the Pre-Closing Period, the Company shall (and shall cause its Subsidiaries to) afford the Commitment Parties and their

Representatives upon request reasonable access, during normal business hours and without unreasonable disruption or interference with the Company's and its Subsidiaries' business or operations, to the Company's and its Subsidiaries' employees, properties, books, contracts and records and, during the Pre-Closing Period, the Company shall (and shall cause its Subsidiaries to) furnish promptly to such parties all reasonable information concerning the Company's and its Subsidiaries' business, properties and personnel as may reasonably be requested by any such party, provided that the foregoing shall not require the Company (a) to permit any inspection, or to disclose any information, that in the reasonable judgment of the Company would cause the Company or any of its Subsidiaries to violate any of their respective obligations with respect to confidentiality to a third party if the Company shall have used its commercially reasonable efforts to obtain, but failed to obtain, the consent of such third party to such inspection or disclosure, (b) to disclose any legally privileged information of the Company or any of its Subsidiaries or (c) to violate any applicable Laws. All requests for information and access made in accordance with this Section 6.2 shall be directed to an executive officer of the Company or such person as may be designated by the Company's executive officers.

Section 6.3 Commercially Reasonable Efforts. Without in any way limiting any other respective obligation of the Company or any Commitment Party in this Agreement, the Company shall use (and shall cause its Subsidiaries to use), and each Commitment Party shall use, commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement and the Plan, including using commercially reasonable efforts in:

(i) timely preparing and filing all documentation reasonably necessary to effect all necessary notices, reports and other filings of such Party and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party or Governmental Entity; and

(ii) working together in good faith to finalize the Plan and the Disclosure Statement, and to finalize the Rights Offering Securities, Registration Rights Agreement and Reorganized OSG Corporate Documents for timely inclusion in the Plan and Plan Supplement and filing with the Bankruptcy Court.

(b) The Company shall use (and shall cause its Subsidiaries to use), and each of the Commitment Parties shall use, commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable in order to defend any Legal Proceedings challenging this Agreement, the Plan or any other Transaction Agreement or the consummation of the transactions contemplated hereby and thereby, including to seek to have any stay or temporary restraining order entered by any Governmental Entity vacated or reversed.

(c) Nothing contained in this Section 6.3 shall limit the ability of any Commitment Party to consult with the Debtors, to appear and be heard, or to file objections, concerning any matter arising in the Chapter 11 Cases, in each case, in a manner consistent with their obligations under the Plan Support Agreement.

Section 6.4 New Board of Directors. On the Effective Date, reorganized OSG will have an initial Board consisting of seven (7) members acceptable to the Consenting Lenders and approved by the existing Board. The members of the initial Board shall be disclosed in the Plan Supplement.

Section 6.5 Registration Rights Agreement. The Plan will provide that from and after the Closing Date, any Commitment Parties that are Affiliates of the reorganized Company or that are reasonably believed to be Affiliates of the reorganized Company by counsel of such Commitment Party shall be entitled to certain registration rights pursuant to a registration rights agreement in form and substance reasonably satisfactory to the Company and the Requisite Commitment Parties (the “**Registration Rights Agreement**”). A form of the Registration Rights Agreement shall be filed with the Bankruptcy Court as part of the Plan Supplement.

Section 6.6 DTC Eligibility. The Company shall use commercially reasonable efforts to promptly make, when applicable from time to time after the Closing, all Rights Offering Securities eligible for deposit with The Depository Trust Company.

Section 6.7 Use of Proceeds. The Debtors will apply the proceeds from the exercise of the Rights to fund distributions to be made under the Plan.

Section 6.8 Coastwise Trades; Other Trades. Each of (x) the Company, (y) any Subsidiary which owns or operates, or will own or operate, any vessel engaged in the coastwise trade of the United States, or (z) any Subsidiary (i) having an ownership interest in any Subsidiary which owns or operates, or will own or operate, any such vessel and (ii) which the Company relies upon to establish that such Vessel is or will be owned or operated in compliance with the ownership requirements of 46 U.S.C. §§ 12103 and 50501 shall be, and at all times at which such entity shall own or operate any such vessel, shall remain, qualified to own and operate vessels in the coastwise trade of the United States in accordance with 46 U.S.C. §§ 12103 and 50501.

Section 6.9 Vessel Operation and Registration. Neither the Company nor any Subsidiary will cause or permit any Vessel (or any other vessel it owns or operates) to be operated in any manner contrary to law or engage in any unlawful trade or violate any law or carry any cargo that will expose any such vessel to penalty, confiscation, forfeiture, capture or condemnation that would, in each case, result in a Material Adverse Effect.

ARTICLE VII

CONDITIONS TO THE OBLIGATIONS OF THE PARTIES

Section 7.1 Conditions to the Obligation of the Commitment Parties. The obligations of each Commitment Party to consummate the transactions contemplated hereby shall be subject to (unless waived in accordance with Section 7.2) the satisfaction of the following conditions:

(a) ECA Approval Order. The Bankruptcy Court shall have entered the ECA Approval Order, such order shall be in full force and effect, and not subject to a stay.

(b) Plan Support Agreement Approval Order; Disclosure Statement Order. The Bankruptcy Court shall have entered the Plan Support Agreement Approval Order and the Disclosure Statement Order, such orders shall be in full force and effect, and (i) neither order shall be subject to a stay, (ii) the Plan Support Agreement has not been terminated and (iii) none of the Debtors have breached any term or provision under the Plan Support Agreement.

(c) ECA Consummation Approval Order. The Bankruptcy Court shall have entered the ECA Consummation Approval Order (which may be the Confirmation Order), such order shall be final, nonappealable and in full force and effect, and not subject to a stay, and none of the Debtors have breached any term or provision under this Agreement.

(d) Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order, such order shall be final, nonappealable and in full force and effect, and not subject to a stay.

(e) Plan. The Company and all of the other Debtors shall have complied, in all material respects, with the terms of the Plan that are to be performed by the Company and the other Debtors on or prior to the Effective Date and the conditions to confirmation of the Plan set forth in the Plan and the Confirmation Order shall have been satisfied or, with the prior consent of the Requisite Commitment Parties, waived in accordance with the terms thereof and the Plan.

(f) Rights Offering. The Rights Offering shall have been conducted, in all material respects, in accordance with the Plan and this Agreement, and the Rights Offering Expiration Time shall have occurred.

(g) Expense Reimbursement. The Debtors shall have paid all required Expense Reimbursement accrued through the Effective Date pursuant to Section 3.3.

(h) Consents. The United States Coast Guard and the United States Department of Transportation, Maritime Administration shall not have issued any final non-appealable ruling denying any approvals required in connection with the Plan.

(i) No Legal Impediment to Issuance. No Law or Order shall have been enacted, adopted or issued by any Governmental Entity of (i) the United States (including any state or subdivision thereof), (ii) any jurisdiction of incorporation or formation of any Debtor or (iii) any jurisdiction where any vessel of the Company or its subsidiaries is flagged, in each case that prohibits the implementation of the Plan or the transactions contemplated by this Agreement.

(j) Licenses and Permits. To the Company's knowledge, as of the Closing Date, the Company and its Subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate Governmental Entities that are reasonably necessary for the ownership or lease of their respective properties and the conduct of the Post-Effective Date Business, in each case, except as does not constitute a Material Adverse Effect. Except as does not constitute a Material Adverse

Effect, neither the Company nor any of its Subsidiaries (i) has received notice of any revocation or modification of any such license, certificate, permit or authorization or (ii) has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course.

(k) Environmental Laws. To the knowledge of the Company, as of the Closing Date, neither the Company nor any of its Subsidiaries is subject to any pending Legal Proceeding, notice of violation or non-compliance, claim, cause of action, investigation or demand by any Person or Governmental Entity pursuant to any Law relating to protection of health, safety or the environment, except either (i) with respect to any environmental incident set forth in the Company SEC Documents or (ii) which, individually or in the aggregate, would not be reasonably likely to result in a Material Adverse Effect.

(l) Material Contracts. Subject to the effectiveness of the Plan, all Material Contracts are valid, binding and enforceable by and against the Company or its relevant Subsidiary in all material respects. Other than as a result of or in connection with the filing of the Chapter 11 Cases, neither the Company nor any of its Subsidiaries, to the Knowledge of the Company, is in material default or breach under the terms thereof. For purposes of this Agreement, "Material Contract" means any Contract reasonably necessary for the operation of the Post- Effective Date Business that is material to the business, assets, liabilities, finances, properties, results of operations, condition (financial or otherwise) of the Company.

(m) Vessels. Within five (5) Business Days prior to the Closing Date, the Company will provide a complete and accurate list of all Vessels owned by the Company and its Subsidiaries as of the date of this Agreement and as of a date not more than three (3) Business Days prior to the date of delivery of such list, certifying that, in all material respects:

(i) Each Vessel included on such list is duly documented in the name of one of the Company Subsidiaries under the laws and flag of the jurisdiction indicated.

(ii) Each U.S. Vessel included on such list is duly documented in the name of one of the Company Subsidiaries under the United States flag, and, where indicated, with a coastwise trade endorsement.

(iii) Each Vessel included on such list is classed with the classification society indicated and is in class, either without recommendations or with recommendations.

(n) Representations and Warranties.

(i) The representations and warranties of the Debtors contained in Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, and 4.20 shall be true and correct in all respects at and as of the Closing Date after giving effect to the Plan with the same effect as if made on and as of the Closing Date after giving effect to the Plan (except for such representations and warranties made as of a specified date, which shall be true and correct only as of the specified date).

(ii) The other representations and warranties of the Debtors contained in this Agreement shall be true and correct (disregarding all materiality or, subject to this clause (j), Material Adverse Effect qualifiers) at and as of the Closing Date with the same effect as if made on and as of the Closing Date (except for such representations and warranties made as of a specified date, which shall be true and correct only as of the specified date), except where the failure to be so true and correct does not constitute a Material Adverse Effect.

(o) Vessel-Related Documents.

(i) The Company shall have delivered to the Commitment Parties in respect of each Vessel, each dated not more than thirty (30) days prior to the Closing Date (x) a Certificate of Ownership and Encumbrance or a Certificate of Ownership, as appropriate, and (y) reasonable evidence of marine insurances.

(ii) The Company shall have delivered to the Commitment Parties in respect of each vessel owned or operated by the Company or its Subsidiaries in the coastwise trade of the United States, including the U.S. Vessels, a copy of such vessel's current certificate of documentation with a coastwise trade endorsement.

(p) Covenants. The Debtors shall have performed and complied, in all material respects, with all of their respective covenants and agreements contained in this Agreement that contemplate, by their terms, performance or compliance prior to the Closing Date.

(q) Officer's Certificate. The Commitment Parties shall have received on and as of the Closing Date a certificate of the chief executive officer or chief financial officer of the Company confirming that the conditions set forth in Sections 7.1(j), (k), (l), (n), (p) and (s) have been satisfied.

(r) Tax Claims. Excluding any amounts previously paid by the Company, the sum of (i) the allowed Tax claims of the Internal Revenue Service ("IRS") against the Company and its Subsidiaries and (ii) any IRS claims for Taxes for 2012, does not exceed \$285,000,000.

(s) Material Adverse Effect. (i) From September 30, 2013 to the Closing Date, there shall not have occurred, and there shall not exist, any Event that constitutes a Material Adverse Effect and (ii) the Commitment Parties shall have received on and as of the Closing Date a certificate of the chief executive officer or chief financial officer of the Company confirming the same; provided that the condition in this Section 7.1(s) shall be deemed satisfied unless the Requisite Commitment Parties deliver a notice to the Company on or prior to the Closing Date stating that such condition has not been satisfied.

Section 7.2 Waiver of Conditions to Obligation of Commitment Parties. All or any of the conditions set forth in Section 7.1 may only be waived in whole or in part with respect to all Commitment Parties by a written instrument executed by the Requisite Commitment Parties in their sole discretion and if so waived, all Commitment Parties shall be bound by such waiver. Notwithstanding the foregoing, in the event of a Unanimous Consent Action, all or any

of the conditions set forth in Section 7.1 may only be waived in whole or in part with respect to any Commitment Party by a written instrument executed by each Commitment Party in its sole discretion and if so waived, all Commitment Parties shall be bound by such waiver.

Section 7.3 Conditions to the Obligation of the Company. The obligation of the Company and the other Debtors to consummate the transactions contemplated hereby with any Commitment Party is subject to (unless waived by the Company) the satisfaction of each of the following conditions:

(a) ECA Approval Order. The Bankruptcy Court shall have entered the ECA Approval Order, such order shall be in full force and effect, and not subject to a stay.

(b) Plan Support Agreement Approval Order; Disclosure Statement Order. The Bankruptcy Court shall have entered the Plan Support Agreement Approval Order and the Disclosure Statement Order, such orders shall be in full force and effect, and neither order shall be subject to a stay.

(c) ECA Consummation Approval Order. The Bankruptcy Court shall have entered the ECA Consummation Approval Order (which may be the Confirmation Order), such order shall be in full force and effect, and not subject to a stay.

(d) Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order, such order shall be in full force and effect, and not subject to a stay.

(e) Conditions to the Plan. The conditions to the occurrence of the Effective Date of the Plan as set forth in the Plan and in the Confirmation Order shall have been satisfied or waived in accordance with the terms thereof and the Plan, and any conditions to the occurrence of the Effective Date set forth in the Plan and the Confirmation Order to be fulfilled by the Commitment Parties shall have been satisfied or waived in accordance with the terms thereof and the Plan.

(f) No Legal Impediment to Issuance. No Law or Order shall have been enacted, adopted or issued by any Governmental Entity of (i) the United States (including any state or subdivision thereof), (ii) any jurisdiction of incorporation or formation of any Debtor or (iii) any jurisdiction where any vessel of the Company or its Subsidiaries is flagged, in each case that prohibits the implementation of the Plan or the transactions contemplated by this Agreement.

ARTICLE VIII

INDEMNIFICATION AND CONTRIBUTION

Section 8.1 Indemnification Obligations. Following the entry of the ECA Approval Order, the Company and the other Debtors (the “**Indemnifying Parties**” and each an “**Indemnifying Party**”) shall, jointly and severally, indemnify and hold harmless the Administrative Agent and each Commitment Party, its Affiliates, shareholders, members, partners and other equity holders, general partners, managers and its and their respective Representatives, agents and controlling persons (each, an “**Indemnified Person**”) from and

against any and all losses, claims, damages, liabilities and costs and expenses (other than Taxes of the Commitment Parties but subject to the last sentence of Section 2.5(c)) (collectively, “**Losses**”) that any such Indemnified Person may incur or to which any such Indemnified Person may become subject arising out of or in connection with this Agreement, the Plan and the transactions contemplated hereby and thereby, including the Subscription Commitment, the Rights Offering, the payment of the Commitment Premium or the use of the proceeds of the Rights Offering, or any breach by the Debtors of this Agreement, or any claim, challenge, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnified Person is a party thereto, whether or not such proceedings are brought by the Company, the other Debtors, their respective equity holders, Affiliates, creditors or any other Person, and reimburse each Indemnified Person upon demand for reasonable and documented (subject to redaction to preserve attorney client and work product privileges) legal or other third-party expenses incurred in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including in connection with the enforcement of the indemnification obligations set forth herein), irrespective of whether or not the transactions contemplated by this Agreement or the Plan are consummated or whether or not this Agreement is terminated; provided that the foregoing indemnity will not, as to any Indemnified Person, apply to Losses (a) as to a Defaulting Commitment Party and its Related Parties, caused by a Commitment Party Default by such Commitment Party, or (b) to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to arise from the bad faith, willful misconduct or gross negligence of such Indemnified Person.

Section 8.2 Indemnification Procedure. Promptly after receipt by an Indemnified Person of notice of the commencement of any claim, challenge, litigation, investigation or proceeding (an “**Indemnified Claim**”), such Indemnified Person will, if a claim is to be made hereunder against the Indemnifying Party in respect thereof, notify the Indemnifying Parties in writing of the commencement thereof; provided that (i) the omission to so notify the Indemnifying Parties will not relieve the Indemnifying Parties from any liability that it may have hereunder except to the extent it has been materially prejudiced by such omission and (ii) the omission to so notify the Indemnifying Parties will not relieve the Indemnifying Parties from any liability that it may have to such Indemnified Person otherwise than on account of this Article VIII. In case any such Indemnified Claims are brought against any Indemnified Person and it notifies the Indemnifying Parties of the commencement thereof, the Indemnifying Parties will be entitled to participate therein, and, to the extent that it may elect by written notice delivered to such Indemnified Person, to assume the defense thereof, with counsel reasonably acceptable to such Indemnified Person; provided that if the parties (including any impleaded parties) to any such Indemnified Claims include both such Indemnified Person and the Indemnifying Parties and based on advice of such Indemnified Person’s counsel there are legal defenses available to such Indemnified Person that are different from or additional to those available to the Indemnifying Parties, such Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such Indemnified Claims. Upon receipt of notice from the Indemnifying Parties to such Indemnified Person of its election to so assume the defense of such Indemnified Claims with counsel reasonably acceptable to the Indemnified Person, the Indemnifying Parties shall not be liable to such Indemnified Person for expenses incurred by such Indemnified Person in connection with

the defense thereof (other than reasonable costs of investigation) unless (A) such Indemnified Person shall have employed separate counsel (in addition to any local counsel) in connection with the assertion of legal defenses in accordance with the proviso to the immediately preceding sentence (it being understood, however, that the Indemnifying Parties shall not be liable for the expenses of more than one separate counsel representing the Indemnified Persons who are parties to such Indemnified Claims (in addition to one local counsel in each jurisdiction in which local counsel is required) and that all such expenses shall be reimbursed as they occur), (B) the Indemnifying Parties shall not have employed counsel reasonably acceptable to such Indemnified Person to represent such Indemnified Person within a reasonable time after notice of commencement of the Indemnified Claims, (C) the Indemnifying Parties shall have failed or is failing to defend such claim, and is provided written notice of such failure by the Indemnified Person and such failure is not cured within fifteen (15) Business Days of receipt of such notice, or (D) the Indemnifying Parties shall have authorized in writing the employment of counsel for such Indemnified Person.

Section 8.3 Settlement of Indemnified Claims. The Indemnifying Parties shall not be liable for any settlement of any Indemnified Claims effected without their written consent (which consent shall not be unreasonably withheld, conditioned or delayed). If any settlement of any Indemnified Claims is consummated with the written consent of the Indemnifying Parties or if there is a final judgment for the plaintiff in any such Indemnified Claims, each of the Indemnifying Parties agrees to indemnify and hold harmless each Indemnified Person from and against any and all Losses by reason of such settlement or judgment to the extent such Losses are otherwise subject to indemnification by such Indemnifying Party hereunder in accordance with, and subject to the limitations of, the provisions of this Article VIII. Notwithstanding anything in this Article VIII to the contrary, if at any time an Indemnified Person shall have requested the Indemnifying Parties to reimburse such Indemnified Person for legal or other expenses in connection with investigating, responding to or defending any Indemnified Claims as contemplated by this Article VIII, the Indemnifying Parties shall be liable for any settlement of any Indemnified Claims effected without its written consent if (i) such settlement is entered into more than (A) sixty (60) days after receipt by the Indemnifying Parties of such request for reimbursement and (B) thirty (30) days after receipt by the Indemnifying Parties of the material terms of such settlement and (ii) the Indemnifying Party shall not have reimbursed such Indemnified Person in accordance with such request prior to the date of such settlement. The Indemnifying Party shall not, without the prior written consent of an Indemnified Person (which consent shall be granted or withheld in the Indemnified Person's sole discretion), effect any settlement of any pending or threatened Indemnified Claims in respect of which indemnity or contribution has been sought hereunder by such Indemnified Person unless (A) such settlement includes an unconditional release of such Indemnified Person in form and substance satisfactory to such Indemnified Person from all liability on the claims that are the subject matter of such Indemnified Claims and (B) such settlement does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

Section 8.4 Contribution. If for any reason the foregoing indemnification is unavailable to any Indemnified Person or insufficient to hold it harmless from Losses that are subject to indemnification pursuant to Section 8.1, then the Indemnifying Parties shall contribute to the amount paid or payable by such Indemnified Person as a result of such Loss in such

proportion as is appropriate to reflect not only the relative benefits received by the Indemnifying Parties, on the one hand, and such Indemnified Person, on the other hand, but also the relative fault of the Indemnifying Parties, on the one hand, and such Indemnified Person, on the other hand, as well as any relevant equitable considerations. It is hereby agreed that the relative benefits to the Indemnifying Parties, on the one hand, and all Indemnified Persons, on the other hand, shall be deemed to be in the same proportion as (a) the total value received or proposed to be received by the Company pursuant to the issuance and sale of the Rights Offering Securities in the Rights Offering contemplated by this Agreement and the Plan bears to (b) the Commitment Premium paid or proposed to be paid to the Commitment Parties. The Indemnifying Parties also agree that no Indemnified Person shall have any liability based on their comparative or contributory negligence or otherwise to the Indemnifying Parties, any Person asserting claims on behalf of or in right of any of the Indemnifying Parties, or any other Person in connection with an Indemnified Claim.

Section 8.5 Treatment of Indemnification Payments. All amounts paid by the Indemnifying Party to an Indemnified Person under this Article VIII shall, to the extent permitted by applicable Law, be treated as adjustments to the aggregate Purchase Price paid between such parties for all Tax purposes.

ARTICLE IX

TERMINATION

Section 9.1 Termination Rights. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date (including at any time prior to entry of the ECA Consummation Approval Order):

(a) by mutual written consent of the Company and the Requisite Commitment Parties;

(b) pursuant to Section 2.3(a), by (x) the Company by written notice to each Commitment Party or (y) the Requisite Commitment Parties by written notice to the Company;

(c) by the Company by written notice to each Commitment Party or by the Requisite Commitment Parties by written notice to the Company if any Law or Order shall have been enacted, adopted or issued by any Governmental Entity of (i) the United States (including any state or subdivision thereof), (ii) any jurisdiction of incorporation or formation of any Debtor or (iii) any jurisdiction where any vessel of the Company or its subsidiaries is flagged, in each case that prohibits the implementation of the Plan or the Rights Offering or the transactions contemplated by this Agreement or the other Transaction Agreements;

(d) by the Requisite Commitment Parties upon written notice to the Company if:

(i) any of the Plan, the Disclosure Statement, the Disclosure Statement Order, the Confirmation Order and the ECA Approval Order is not reasonably

satisfactory to the Commitment Parties and otherwise consistent with the Plan Support Agreement and the Plan Term Sheet;

(ii) the Bankruptcy Court has not entered the ECA Approval Order on or prior to April 11, 2014 or such later date as may be agreed to by the Requisite Commitment Parties (it being understood that this Agreement (other than the obligations set forth herein) will not be binding on the Company until the entry of the ECA Approval Order);

(iii) the Plan Support Agreement is terminated;

(iv) the Plan Value is less than approximately \$1,951,000,000;

(v) any of the ECA Approval Order, Plan Support Agreement Approval Order, Disclosure Statement Order, ECA Consummation Approval Order, or the Confirmation Order is reversed, dismissed or vacated or is modified or amended after entry in a manner that is not reasonably satisfactory to the Requisite Commitment Parties;

(vi) the Rights Offering has not been completed by August 31, 2014;

(vii) the Company or the other Debtors shall have breached any representation, warranty, covenant or other agreement made by the Company or the other Debtors in this Agreement or any such representation and warranty shall have become inaccurate after the date of this Agreement, and such breach or inaccuracy would, individually or in the aggregate, result in a failure of a condition set forth in Section 7.1(n) or Section 7.1(p), if continuing on the Closing Date, being satisfied and such breach or inaccuracy is not cured by the Company or the other Debtors by the earlier of (A) the twentieth (20th) Business Day after the giving of notice thereof to the Company by any Commitment Party and (B) the third (3rd) Business Day prior to the Outside Date; provided that the Commitment Parties shall not have the right to terminate this Agreement pursuant to this Section 9.1(d)(vii) if they are then in breach of any representation, warranty, covenant or other agreement hereunder that would result in the failure of any condition set forth in Section 7.3 being satisfied;

(viii) the Chapter 11 Cases of the Company, OBS or OIN shall have been dismissed or converted to a case under chapter 7 of the Bankruptcy Code, or the Bankruptcy Court has entered an Order in any of the Chapter 11 Cases appointing an examiner or trustee with expanded powers to oversee or operate any Debtor;

(e) by any Commitment Party (other than a Defaulting Commitment Party) if the Closing Date has not occurred by 11:59 p.m. (New York City time) on August 31, 2014 (the “**Outside Date**”), subject to any extension as may be mutually agreed in writing by the Company and the Requisite Commitment Parties; provided that upon the occurrence of a Commitment Party Default, the Outside Date shall be extended in accordance with Section 2.3(a);

(f) by the Company upon written notice to each Commitment Party if subject to the right of the Commitment Parties to arrange a Commitment Party Replacement in

accordance with Section 2.3(a), any Commitment Party shall have materially breached any representation, warranty, covenant or other agreement made by such Commitment Party in this Agreement or any such representation and warranty shall have become materially inaccurate after the date of this Agreement and such material breach or inaccuracy is not cured by such Commitment Party by the earlier of (A) the tenth (10th) Business Day after the giving of notice thereof to such Commitment Party by the Company and (B) the third (3rd) Business Day prior to the Outside Date; provided that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.1(f) if it is then in breach of any representation, warranty, covenant or other agreement hereunder that would result in the failure of any condition set forth in Section 7.1 being satisfied;

Section 9.2 Effect of Termination. Upon termination pursuant to this Article IX, this Agreement shall forthwith become void and there shall be no further obligations or liabilities on the part of the Debtors or the Commitment Parties; provided that (i) the obligations of the Debtors to pay the Expense Reimbursement pursuant to Article III and to satisfy their indemnification obligations pursuant to Article VIII shall survive the termination of this Agreement indefinitely and shall remain in full force and effect, (ii) the provisions set forth in Article X shall survive the termination of this Agreement in accordance with their terms and (iii) subject to Section 10.10 and Section 2.3(d), nothing in this Section 9.2 shall relieve any Party from liability for any willful or intentional breach of this Agreement. For purposes of this Agreement, “willful or intentional breach” shall mean a breach of this Agreement that is a consequence of an act undertaken by the breaching party with the knowledge (actual or constructive) that the taking of such act would, or would reasonably be expected to, cause a breach of this Agreement.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be deemed given if delivered personally, sent via electronic facsimile (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the Parties at the following addresses (or at such other address for a Party as will be specified by like notice):

- (a) If to the Company:

Overseas Shipholding Group, Inc.
1301 Avenue of the Americas, 42nd Floor
New York, New York 10019
Facsimile: (212) 251-1170
Attention: Chief Restructuring Officer

with a copy (which shall not constitute notice) to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza

New York, New York 10006
Facsimile: 212-225-3999
Attention: Luke A. Barefoot and James D. Small

(b) If to a Commitment Party, to the address set forth opposite such Commitment Party's name on Schedule 2.

Section 10.2 Assignment; Third Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of the Company and the Commitment Parties, other than an assignment by a Commitment Party expressly permitted by Section 2.3, 2.6, 7.2 or 10.7 or any other provision of this Agreement and any purported assignment in violation of this Section 10.2 shall be void *ab initio*. Except as provided in Article VIII with respect to the Indemnified Persons, this Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any Person other than the Parties any rights or remedies under this Agreement.

Section 10.3 Prior Negotiations; Entire Agreement. This Agreement (including the agreements attached as Exhibits to and the documents and instruments referred to in this Agreement) constitutes the entire agreement of the Parties and supersedes all prior agreements, arrangements or understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement, except that the Parties hereto acknowledge that any confidentiality agreements heretofore executed among the Parties will continue in full force and effect.

(b) Notwithstanding anything to the contrary in the Plan (including any amendments, supplements or modifications thereto) or the Confirmation Order (and any amendments, supplements or modifications thereto) or an affirmative vote to accept the Plan submitted by any Commitment Party, nothing contained in the Plan (including any amendments, supplements or modifications thereto) or Confirmation Order (including any amendments, supplements or modifications thereto) shall alter, amend or modify the rights of the Commitment Parties under this Agreement unless such alteration, amendment or modification has been made in accordance with Section 10.7.

Section 10.4 Governing Law; Venue. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE. THE PARTIES CONSENT AND AGREE THAT ANY ACTION TO ENFORCE THIS AGREEMENT OR ANY DISPUTE, WHETHER SUCH DISPUTES ARISE IN LAW OR EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE AGREEMENTS, INSTRUMENTS AND DOCUMENTS CONTEMPLATED HEREBY SHALL BE BROUGHT EXCLUSIVELY IN THE BANKRUPTCY COURT. THE PARTIES CONSENT TO AND AGREE TO SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE BANKRUPTCY COURT. EACH OF THE PARTIES HEREBY WAIVES AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (I) SUCH PARTY IS NOT PERSONALLY

SUBJECT TO THE JURISDICTION OF THE BANKRUPTCY COURT, (II) SUCH PARTY AND SUCH PARTY'S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY THE BANKRUPTCY COURT OR (III) ANY LITIGATION OR OTHER PROCEEDING COMMENCED IN THE BANKRUPTCY COURT IS BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES HEREBY AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING TO AN ADDRESS PROVIDED IN WRITING BY THE RECIPIENT OF SUCH MAILING, OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW, SHALL BE VALID AND SUFFICIENT SERVICE THEREOF AND HEREBY WAIVE ANY OBJECTIONS TO SERVICE ACCOMPLISHED IN THE MANNER HEREIN PROVIDED.

Section 10.5 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY JURISDICTION IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE AMONG THE PARTIES UNDER THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE.

Section 10.6 Counterparts. This Agreement may be executed in any number of counterparts, all of which will be considered one and the same agreement and will become effective when counterparts have been signed by each of the Parties and delivered to each other Party (including via facsimile or other electronic transmission), it being understood that each Party need not sign the same counterpart.

Section 10.7 Waivers and Amendments; Rights Cumulative. This Agreement may be amended, restated, modified, or changed only by a written instrument signed by the Debtors and the Requisite Commitment Parties (other than a Defaulting Commitment Party); provided that each Commitment Party's prior written consent shall be required for any amendment that would have the effect of: (i) modifying such Commitment Party's Subscription Commitment Percentage, (ii) increasing the Purchase Price to be paid in respect of the Rights Offering Securities, (iii) extending the Outside Date by more than 15 calendar days; (iv) changing the definition of "Requisite Commitment Parties" or (v) otherwise disproportionately or materially adversely affecting such Commitment Party. The terms and conditions of this Agreement (other than the conditions set forth in Sections 7.1 and 7.3, the waiver of which shall be governed solely by Article VII) may be waived (x) by the Debtors only by a written instrument executed by the Company and (y) by the Requisite Commitment Parties only by a written instrument executed by all of the Requisite Commitment Parties. Notwithstanding anything to the contrary contained in this Agreement, the Commitment Parties may agree, among themselves, to reallocate their Subscription Commitment Percentage, without any consent or approval of any other Party; provided, however, for the avoidance of doubt any such agreement among the Commitment Parties shall require the consent or approval of all Commitment Parties affected by such reallocation. No delay on the part of any Party in exercising any right, power or privilege pursuant to this Agreement will operate as a waiver thereof, nor will any waiver on the part of any Party of any right, power or privilege pursuant to this Agreement, nor will any single or partial exercise of any right, power or privilege pursuant to this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege pursuant to this Agreement. Except as otherwise provided in this

Agreement, the rights and remedies provided pursuant to this Agreement are cumulative and are not exclusive of any rights or remedies which any Party otherwise may have at law or in equity.

Section 10.8 Headings. The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.

Section 10.9 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions without the necessity of posting a bond to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity.

Section 10.10 Damages. Notwithstanding anything to the contrary in this Agreement, none of the Parties will be liable for, and none of the Parties shall claim or seek to recover, any punitive, special, indirect or consequential damages or damages for lost profits.

Section 10.11 No Reliance. No Commitment Party or any of its Related Parties shall have any duties or obligations to the other Commitment Parties in respect of this Agreement, the Plan or the transactions contemplated hereby or thereby, except those expressly set forth herein. Without limiting the generality of the foregoing, (a) no Commitment Party or any of its Related Parties shall be subject to any fiduciary or other implied duties to the other Commitment Parties, (b) no Commitment Party or any of its Related Parties shall have any duty to take any discretionary action or exercise any discretionary powers on behalf of any other Commitment Party, (c) (i) no Commitment Party or any of its Related Parties shall have any duty to the other Commitment Parties to obtain, through the exercise of diligence or otherwise, to investigate, confirm, or disclose to the other Commitment Parties any information relating to the Company or any of its Subsidiaries that may have been communicated to or obtained by such Commitment Party or any of its Affiliates in any capacity and (ii) no Commitment Party may rely, and confirms that it has not relied, on any due diligence investigation that any other Commitment Party or any Person acting on behalf of such other Commitment Party may have conducted with respect to the Company or any of its Affiliates or any of their respective securities and (d) each Commitment Party acknowledges that no other Commitment Party is acting as a placement agent, initial purchaser, underwriter, broker or finder with respect to its Rights Offering Securities.

Section 10.12 Publicity. At all times prior to the Closing Date or the earlier termination of this Agreement in accordance with its terms, the Company and the Commitment Parties shall consult with each other prior to issuing any press releases (and provide each other a reasonable opportunity to review and comment upon such release) or otherwise making public announcements with respect to the transactions contemplated by this Agreement.

Section 10.13 Settlement Discussions. This Agreement and the transactions contemplated herein are part of a proposed settlement of a dispute between the Parties. Nothing

herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding, except to the extent filed with, or disclosed to, the Bankruptcy Court in connection with the Chapter 11 Cases or in connection with a proceeding to approve or enforce the terms of this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first above written.

OVERSEAS SHIPHOLDING GROUP, INC.

By: 
Name: John J. Ray, III
Title: Chief Restructuring Officer

Silver Oak Capital, L.L.C.

By: 

Name:

Title:

Michael L. Gordon
Authorized Signatory

Archview Fund L.P.


By: Archview Investment Group L.P., its investment
manager

By: 


Name: Aaron Rosen

Title: Principal

Archview Master Fund Ltd
By: Archview Investment Group L.P., its investment
manager

By: 
Name: Aaron Rosen
Title: Principal

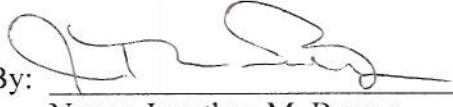
Bank of America, N.A.

By: 

Name: Jonathan M. Barnes

Title: Vice President

Banc of America Credit Products Inc.

By:  _____

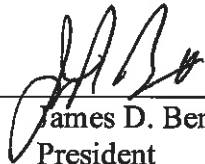
Name: Jonathan M. Barnes

Title: Vice President

Bennett Offshore Restructuring Fund, Inc.

Bennett Offshore Restructuring Fund, Inc.

By: Bennett Offshore Investment Corporation, Investment Manager

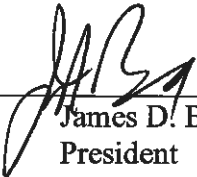
By: 
Name: James D. Bennett
Title: President

BRF Senior Income, L.P.

BRF Senior Income L.P.

By: Restructuring Capital Associates, L.P.,
Its General Partner

By: Bennett Capital Corporation,
Its General Partner

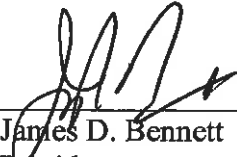
By:  _____
Name: James D. Bennett
Title: President

Bennett Restructuring Fund, L.P.

Bennett Restructuring Fund, L.P.

By: Restructuring Capital Associates, L.P.,
Its General Partner

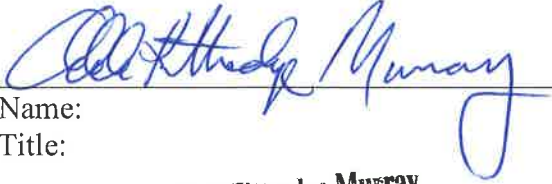
By: Bennett Capital Corporation,
Its General Partner

By: 
Name: James D. Bennett
Title: President

BlueCrest Multi Strategy Credit Master Fund Limited
By: Bluecrest Capital Management (New York) LP, its
sub-investment manager

By: *Brian McCawley*
*on behalf of the general partner of BlueCrest Capital
Management (New York) LP*
Name: *Brian McCawley*
Title: *Legal Counsel*

Caspian Select Credit Master Fund, LTD
By: Caspian Capital LP, its advisor

By: 
Name:
Title:

Adele Kittredge Murray
Authorized Signatory

Caspian SC Holdings, L.P.

By: Caspian Capital LP, its advisor

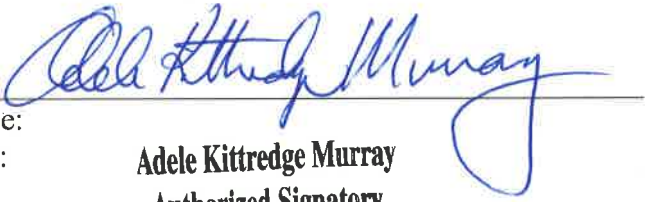
By: 
Name: _____
Title: **Adele Kittredge Murray**
Authorized Signatory

Caspian HLSC1, LLC

By: Caspian Capital LP, its advisor

By: 
Name: **Adele Kittredge Murray**
Title: **Authorized Signatory**

Super Caspian Cayman Fund Limited
By: Caspian Capital LP, its advisor

By: 
Name: _____
Title: **Adele Kittredge Murray**
Authorized Signatory

Caspian Solitude Master Fund, L.P.

By: Caspian Capital LP, its advisor

By: 
Name: **Adele Kittredge Murray**
Title: **Authorized Signatory**

Mariner LDC

By: Caspian Capital LP, its advisor

By: 
Name: **Adele Kittredge Murray**
Title: **Authorized Signatory**

Contrarian Capital Management LLC

By: _____

Name: *Jon R. Bauer*
Title: *CEO*

CQS Directional Opportunities Master Fund Limited

By: _____

Name:

Michael Powrall

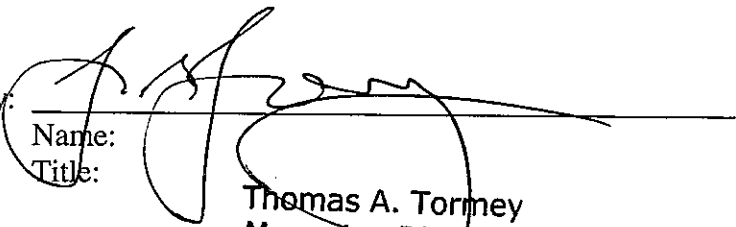
Title:

Authorised Signatory

Credit Value Partners LP,
for funds and accounts under management

By: M. Grass
Name: MIKE GRASS
Title: PARTNER

Goldman Sachs Lending Partners LLC

By: 
Name:
Title:
Thomas A. Torney
Managing Director

Knighthood Master Fund, LP
By: Knighthood Capital Management, LLC, its Investment
Manager

By: 
Name: _____
Title: **Laura Torrado**
Authorized Signatory

LMA SPC for and on behalf of the MAP 84 Segregated
Portfolio
By: Knighthood Capital Management, LLC, its Investment
Advisor

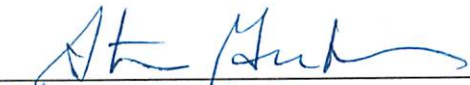
By: 
Name: **Laura Torrado**
Title: **Authorized Signatory**

Latigo Partners L.P.

By: Scott McCabe
Name: Scott McCabe
Title: Authorized Signatory

Onex Debt Opportunity Fund, Ltd.

By: Onex Credit Partners, LLC, its investment manager

By: 
Name: Steven Butman
Title: General Counsel


OCP Investment Trust

By: Onex Credit Partners, LLC, its manager

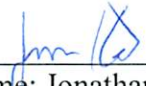
By: _____

Name:

Title:


Steven Entwistle
General Counsel

Redwood Master Fund, LTD.
By: Redwood Capital Management, LLC

By:  _____
Name: Jonathan Kolatch
Title: Principal

Ultra Master Ltd

By: Solus Alternative Asset Management LP, its
investment manager

By: *C.J. Lanktree*
Name: CJ Lanktree
Title: Portfolio Manager

Solus Senior High Income Fund LP

By: Solus Alternative Asset Management LP, its
investment manager

By: *C. J. Lanktree*
Name: CJ Lanktree
Title: Portfolio Manager

Solus Recovery LH Fund LP

By: Solus Alternative Asset Management LP, its
investment manager

By: *C.J. Lanktree*
Name: CJ Lanktree
Title: Portfolio Manager

Solus Opportunities Fund 2 LP
By: Solus Alternative Asset Management LP, its
investment manager

By: C.J. Lanktree
Name: CJ Lanktree
Title: Portfolio Manager

Solus Opportunities Fund 1 LP

By: Solus Alternative Asset Management LP, its
investment manager

By: C.J. Lanktree
Name: CJ Lanktree
Title: Portfolio Manager

SOLA Ltd

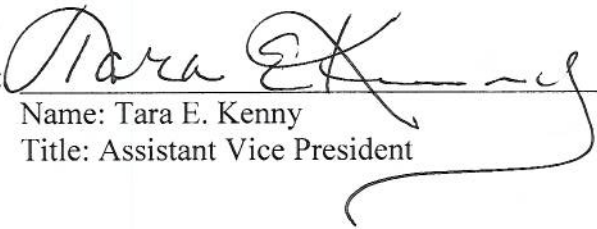
By: Solus Alternative Asset Management LP, its
investment manager

By: *C.J. Lanktree*
Name: CJ Lanktree
Title: Portfolio Manager

Solus Core Opportunities Master Fund Ltd
By: Solus Alternative Asset Management LP, its
investment manager

By: *C.J. Lanktree*
Name: CJ Lanktree
Title: Portfolio Manager

Black Mountain Funding LLC

By:  _____
Name: Tara E. Kenny
Title: Assistant Vice President

SOL Loan Funding LLC

By: C. J. Lanktree
Name: CJ Lanktree
Title: Authorized Signatory

Stone Lion Portfolio L.P.

By: Stone Lion Capital Partners L.P., its Investment
Manager

By:

Name:

Title:



Claudia Borg
General Counsel

Permal Stone Lion Fund Ltd.

By: Stone Lion Capital Partners L.P., its Investment
Manager

By:

Name:

Title:

Claudia Borg
Authorized Signatory

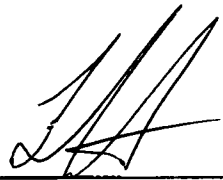
By:  _____

Name: Lewis Schwartz _____

Title: Chief Financial Officer _____

Institution: Strategic Value Master Fund, Ltd.
By: Strategic Value Partners, LLC
Its Investment Manager



By: 

Name: Lewis Schwartz

Title: Chief Financial Officer

Institution: Strategic Value Special Situations
Master Fund II, L.P.
By: SVP Special Situations II, LLC
Its Investment Manager



Subscription Commitment Percentages

[Schedule Intentionally Redacted]

Notice Addresses

Notice Addresses for Angelo Gordon Management LLC

AG Centre Street Partnership LP
c/o Angelo Gordon & Co. L.P.
245 Park Avenue, 26th Floor
New York, NY 10167
Attn: Michael Nicolo
Phone: (713) 993-4300
Fax: (866) 875-9024
E-mail: agglobaldata@virtusllc.com

AG Super Fund International Partners
c/o Angelo Gordon & Co.
245 Park Avenue, 26th Floor
New York, NY 10167
Attn: Michael Nicolo
Phone: (713) 993-4300
Fax: (888) 886-1187
E-mail: agsuperfundinternationalpartners@virtusllc.com

Silver Oak Capital
c/o Angelo Gordon & Co., L.P.
245 Park Avenue, 26th Floor
New York, NY 10167
Attn: Michael Nicolo
Phone: (713) 993-4300
Fax: (866) 578-3771
E-mail: agsilveroakcapital@virtusllc.com

Notice Addresses for Archview Investment Group

Archview Fund L.P.
c/o Archview Investment Group L.P.
70 East 55th Street, 14th Floor
New York, NY 10022
Phone: (212) 728-2550
Fax: (212) 728-2599
E-mail: notices@archviewlp.com

Archview Master Fund Ltd
c/o Archview Investment Group L.P.
70 East 55th Street, 14th Floor
New York, NY 10022
Phone: (212) 728-2550
Fax: (212) 728-2599
E-mail: notices@archviewlp.com

Notice Addresses for Bank of America, N.A.

Merrill Lynch, Pierce, Fenner and Smith Inc.
c/o Bank of America, N.A.
Attn: Information Management Team/Jon Barnes
214 North Tryon Street
NC1-027-15-01
Charlotte, NC 28255
Phone: (980) 386-0805
Fax: (704) 409-0768
E-mail: bas.infomanager@bankofamerica.com

Notice Addresses for Bennett Management Corp.

Bennett Management Corp.
2 Stamford Plaza – Suite 1501
281 Tresser Boulevard
Stamford, CT 06901
Phone: (203) 353-3101

With copies to:

Attn: Lucy Galbraith
E-mail: lgalbraith@bennettmgmt.com

Attn: Joseph von Meister
E-mail: jvonmeister@bennettmgmt.com

Attn: Warren Frank
E-mail: wfrank@bennettmgmt.com

Notice Addresses for Bluecrest Capital Management (New York) LP

Attn: Brian McCawley, J.D., C.F.A.
c/o BlueCrest Capital Management (New York) LP
767 Fifth Avenue, 9th Floor
New York, NY 10153
Phone: (212) 451-2523
E-mail: brian.mccawley@bluecrestcapital.com

Notice Addresses for Caspian Capital LP

Caspian Capital LP
767 Fifth Avenue, 45th Floor
New York, NY 10153

With copies to:

Attn: Elizabeth Owens
Phone: 212-826-7545
E-mail: elizabeth@caspianlp.com

Attn: Adele Murray
Phone: 212-826-7548
E-mail: adele@caspiancapital.com

Notice Addresses for Citigroup

Attn: Robert N. Hay, Josh Brant
Citigroup Financial Products Inc.
388 Greenwich Street
New York, NY 10013
E-mail: robert.n.hay@citi.com
josh.brant@citi.com

Notice Addresses for Contrarian Capital Management LLC

Contrarian Capital Management LLC
411 W. Putnam Ave Suite 425
Greenwich, CT 06830
Attn: Joshua Trump
Phone: (203) 862-8299
Fax: (203) 629-1977
E-mail: jtrump@contrariancapital.com

Notice Addresses for CQS Directional Opportunities Master Fund Limited

CQS Directional Opportunities Master Fund Limited
c/o CQS (UK) LLP
33 Chester Street
London
SW1X 7BL
United Kingdom
Attn: Corporate Actions / Tim McArdle
Phone: +44 (0) 207-201-6900
E-mail: corporateactions@cqsm.com

With a copy to:

Attn: Tim McArdle
E-mail: tim.mcardle@cqsus.com

With a copy for legal notices to:

Attn: Legal Department
Phone: +44 (0) 207-201-6900
E-mail: legal@cqsm.com

Notice Addresses for Credit Value Partners, LP

Credit Value Partners, LP
49 W Putnam Ave.
Greenwich, CT 06830
Attn: Ryan Eckert
Phone: (203) 893-4664
E-mail: reckert@cvp7.com

Notice Addresses for Goldman Sachs Lending Partners LLC

Attn: Thomas Tormey, Ned Oakley, Sandip Khosla
Goldman Sachs Lending Partners LLC
200 West Street
New York, NY 10282
E-mail: thomas.tormey@gs.com
ned.oakley@gs.com
sandip.khosla@gs.com

Notice Addresses for Knighthead Capital Management LLC

Knighthead Capital Management, LLC
1140 Avenue of the Americas, 12th Floor
New York, NY 10036
E-mail: ltorrado@knighthead.com

Notice Addresses for Latigo Partners, L.P.

Latigo Partners, L.P.
450 Park Avenue
12th Floor
New York, NY 10022
Attn: Scott McCabe

Notice Addresses for Onex Credit Partners, LLC

Onex Credit Partners, LLC
910 Sylvan Avenue
Englewood Cliffs, NJ 07632
E-mail: sgutman@onexcredit.com
kconnors@onexcredit.com

Notice Addresses for Redwood Capital Management, LLC

Redwood Capital Management, LLC
910 Sylvan Avenue
Englewood Cliffs, NJ 07632
Attn: Sean Sauler
Phone: (201) 227-5040
E-mail: ssauler@redwoodcap.com

With copies to:

Attn: Kujdes Dika
Attn: Toni Healey

Notice Addresses for Solus Alternative Asset Management LP

Solus Alternative Asset Management LP
410 Park Avenue, 11th Floor
New York, NY 10022
Attn: Tom Higbie
Phone: (212) 284-4345
Fax: (212) 284-4320

Notice Addresses for Stone Lion Capital Partners L.P.

Stone Lion Capital Partners L.P.
555 5th Avenue, 18th Floor
New York, NY 10017
Attn: Carras Holmstead

Notice Addresses for Strategic Value Partners, LLC

Strategic Value Master Fund, Ltd
c/o Strategic Value Partners, LLC
100 West Putnam Ave
Greenwich, CT 06830
Attn: General Counsel's Office
E-mail: legalnotices@svpglobal.com

Strategic Value Special Situations Master Fund II, L.P.
c/o Strategic Value Partners, LLC
100 West Putnam Ave
Greenwich, CT 06830
Attn: General Counsel's Office
E-mail: legalnotices@svpglobal.com

EXHIBIT A

Form of Rights Offering Procedures

EXHIBIT B

Terms of Rights Offering Warrants

Form of Transfer Notice

[Date]

To: Overseas Shipholding Group, Inc.
1301 Avenue of the Americas, 42nd Floor
New York, New York 10019
Attention: General Counsel

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
Attention: []

Reference is made to the Equity Commitment Agreement, dated as of February [], 2014, among Overseas Shipholding Group, Inc. (the “Company”) and the Commitment Parties party thereto (the “Equity Commitment Agreement”). Capitalized terms used but not defined herein shall have the meanings set forth in the Equity Commitment Agreement.

In accordance with Section 2.6(b) of the Equity Commitment Agreement, [*name of Commitment Party*] (the “Transferor”) hereby provides this Transfer Notice to the Company that the Transferor proposes to transfer [[] Rights Offering Shares] [[] Rights Offering Warrants] (the “Transferred Subscription Commitment”) to [*name of Person*] [,who represents and warrants that they are an Eligible Transferee] (the “Transferee”). The Transferee hereby agrees to (i) purchase the Transferred Subscription Commitment and (ii) be fully bound by, and subject to, the Equity Commitment Agreement. The Transferee further agrees to provide any information or documentation as Transferor or the Company may reasonably request to ensure the transfer is compliant with the Jones Act or other applicable law. The Transferor and Transferee shall effect such transfer pursuant to a customary agreement for the transfer of claims, including customary representations and warranties regarding applicable securities laws and compliance with the Equity Commitment Agreement.

[In accordance with Section 2.6(b)(ii) of the Equity Commitment Agreement, please indicate your consent to this proposed transfer within five (5) Business Days of receipt of this Transfer Notice.]

Sincerely,

[Transferor]

By: _____

Name:

Title:

[Transferee]

By: _____

Name:

Title:

Please acknowledge receipt of this Transfer Notice by signing where indicated below.

The Company hereby [consents to] [rejects] the proposed transfer referenced in the Transfer Notice.

Overseas Shipholding Group, Inc.

By: _____

Name:

Title: