

OVERSEAS SHIPHOLDING GROUP INC  
Form 424B5  
March 05, 2010

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PROSPECTUS SUPPLEMENT  
(TO PROSPECTUS DATED MARCH 4, 2010)

3,500,000 Shares

OVERSEAS SHIPHOLDING GROUP, INC.

Common Stock

We are offering 3,500,000 shares of our common stock, par value \$1.00 per share.

Our common stock is traded on The New York Stock Exchange under the symbol "OSG." On March 4, 2010, the last reported sale price of our common stock was \$46.99 per share.

Investing in our common stock involves risks. See "Risk Factors" on page S-8 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL
Public Offering Price	\$ 45.50	\$ 159,250,000
Underwriting Discounts and Commissions	\$ 0.17	\$ 595,000
Proceeds to Overseas Shipholding Group, Inc. (Before Expenses)	\$ 45.33	\$ 158,655,000

Delivery of the common stock to purchasers will be made on or about March 9, 2010.

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Sole Book-Running Manager

Goldman, Sachs & Co.

The date of this Prospectus Supplement is March 5, 2010.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT, THE ACCOMPANYING PROSPECTUS OR IN ANY FREE WRITING PROSPECTUS FILED BY US WITH THE SEC. WE HAVE NOT, AND THE UNDERWRITER HAVE NOT, AUTHORIZED ANYONE ELSE TO PROVIDE YOU WITH DIFFERENT OR ADDITIONAL INFORMATION. IF ANYONE PROVIDES YOU WITH DIFFERENT OR INCONSISTENT INFORMATION, YOU SHOULD NOT RELY ON IT. WE ARE NOT, AND THE UNDERWRITER ARE NOT, MAKING AN OFFER TO SELL THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER AND SALE IS NOT

PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION IN THIS PROSPECTUS SUPPLEMENT, THE ACCOMPANYING PROSPECTUS, ANY FREE WRITING PROSPECTUS OR ANY DOCUMENT INCORPORATED BY REFERENCE IS ACCURATE AS OF ANY DATE OTHER THAN THEIR RESPECTIVE DATES. OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS MAY HAVE CHANGED SINCE THOSE DATES.

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## ABOUT THIS PROSPECTUS SUPPLEMENT

As used in this prospectus supplement, unless otherwise specified or where it is clear from the context that the term only means issuer, the terms “OSG,” the “we,” “us,” and “our” refer to Overseas Shipholding Group, Inc. and its consolidated subsidiaries.

This document is in two parts. The first part is the prospectus supplement, which adds to and updates information contained in the accompanying prospectus, and describes our common stock offering. The second part is the accompanying prospectus, dated March 4, 2010, which provides more general information, some of which may not apply to this offering. For information about our common stock, see “Description of Common Stock” in the accompanying prospectus. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus filed by us with the SEC. Neither we nor any of the underwriter have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus, or any document incorporated by reference in this prospectus supplement or the accompanying prospectus, is accurate as of any date other than the date on the front cover of the applicable document. Neither the delivery of this prospectus supplement nor any distribution of securities pursuant to this prospectus supplement shall, under any circumstances, create any implication that there has been no change in the information set forth or incorporated by reference into this prospectus supplement or in our affairs since the date of this prospectus supplement. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus supplement and the accompanying prospectus in any jurisdiction where it is unlawful to make such offer or solicitation.

Before purchasing any securities, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading “How to Obtain More Information” and “Incorporation by Reference” in this prospectus supplement.

## HOW TO OBTAIN MORE INFORMATION

We file annual, quarterly and interim reports, proxy and information statements and other information with the SEC. These filings contain important information, which does not appear in this prospectus. The reports and other information can be inspected and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Copies of this material can be obtained by mail from the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website (<http://www.sec.gov>) that contains reports, proxy and information statements and other materials that are filed through the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended, or the Securities Act, with respect to the securities offered by this prospectus. This prospectus does not contain all of the information in the registration statement. We have omitted certain parts of the registration statement, as permitted by the rules and regulations of the SEC. You may inspect and copy the registration statement, including exhibits, at the SEC's public reference facilities or website. Statements contained in this prospectus concerning the contents of any document we refer you to are not necessarily complete and in each instance we refer you to the applicable document filed with the SEC for more complete information.

## INCORPORATION BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus, which means that we may disclose important information to you by referring you to other documents that we have filed or will file with the SEC. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, until this offering has been completed. We are not, however, incorporating by reference any documents or portions thereof whether specifically listed below or filed in the future, that are not deemed "filed" with the SEC, including any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K.

- Definitive Proxy Statement on Schedule 14A, as filed on April 30, 2009.
- Annual Report on Form 10-K for the year ended December 31, 2009, as filed on March 1, 2010.
- Current Reports on Form 8-K dated and filed on the following dates:

Dated	Filed
March 4, 2010	March 4, 2010
February 1, 2010	February 3, 2010
January 22, 2010	January 22, 2010
January 6, 2010	January 8, 2010

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You may request a copy of these filings at no cost, other than exhibits to such documents which are not specifically incorporated by reference into such documents or this prospectus, by calling our Investor Relations department at (212) 578-1699 or by writing to 666 Third Avenue, New York, NY 10017.

## FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference herein and therein may include forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. All statements other than statements of historical fact should be considered to be forward-looking statements.

This prospectus supplement contains forward-looking statements regarding the outlook for tanker and articulated tug/barge markets, and our prospects, including prospects for certain strategic alliances and investments. There are a number of factors, risks and uncertainties that could cause actual results to differ from the expectations reflected in these forward-looking statements, including:

- changes in production of or demand for oil and petroleum products, either globally or in particular regions;
  - the outcome of our negotiations with Maersk Oil Qatar AS;
  - resolution of possible claims against us by Bender Shipbuilding and Repair Co., Inc.;
  - prospects for the growth of the Gas segment;
- greater than anticipated levels of newbuilding orders or less than anticipated rates of scrapping of older vessels;
  - changes in trading patterns for particular commodities significantly impacting overall tonnage requirements;
    - changes in the global economy and various regional economies;
    - risks incident to vessel operation, including accidents and discharge of pollutants;
    - unanticipated changes in laws and regulations; increases in costs of operation;
    - drydocking schedules differing from those previously anticipated;
    - our ability to attract and retain experienced, qualified and skilled crewmembers;
  - changes in credit risk of counterparties, including shipyards, suppliers and financial lenders;
- delays (including failure to deliver) or cost overruns in the building of new vessels or the conversion of existing vessels for other uses; the cost and availability of insurance coverage;
  - the availability of suitable vessels for acquisition or chartering-in on terms we deem favorable;
- changes in the pooling arrangements in which we participate, including withdrawal of participants or termination of such arrangements;
  - estimates of future costs and other liabilities for certain environmental matters and compliance plans; and
- projections of the costs needed to develop and implement our strategy of being a market leader in the segments in which we compete.

We assume no obligation to update or revise any forward-looking statements. Forward-looking statements in this prospectus supplement and written and oral forward-looking statements attributable to us or our representatives after the date of this prospectus supplement are qualified in their entirety by the cautionary statement contained in this paragraph and in other reports hereafter filed by us with the Securities and Exchange Commission. Please read “Risk Factors” on page S-8 and incorporated by reference in this prospectus supplement for a list of important factors that could cause our actual results of operations or financial condition to differ from the expectations reflected in these forward-looking statements.

We are offering to sell, and seeking offers to buy, the securities described in this prospectus supplement and the accompanying prospectus only where offers and sales are permitted. Since information that we file with the SEC in the future will automatically update and supersede information contained in this prospectus supplement and the accompanying prospectus, you should not assume that the information contained herein or therein is accurate as of any date other than the date on the front of the document.

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## PROSPECTUS SUPPLEMENT SUMMARY

The following is a summary of some of the information contained in this prospectus supplement. It is not complete and may not contain all the information that is important to you. To understand this offering fully, you should read carefully the entire prospectus supplement, including the risk factors beginning on page S-9 and the financial statements incorporated by reference in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein. Unless the context requires otherwise, references to “we,” “us,” “our,” and “OSG” shall mean Overseas Shipholding Group, Inc. and its consolidated subsidiaries. Any capitalized terms used and not defined in this prospectus supplement have the meaning assigned to them in the accompanying prospectus or our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, incorporated by reference herein.

### Overseas Shipholding Group, Inc.

We are one of the world’s leading bulk shipping companies engaged primarily in the ocean transportation of crude oil and petroleum products. At December 31, 2009, we owned or operated a modern fleet of 106 vessels (aggregating 10.9 million deadweight tons and 864,800 cubic meters) of which 84 vessels operated in the international market and 22 operated in the U.S. Flag market. Our newbuilding program of owned and chartered-in vessels totaled 23 International and U.S. Flag vessels, bringing our total owned, operated and newbuild fleet to 129 vessels.

Our vessel operations are organized into strategic business units and focused on market segments: crude oil, refined petroleum products, U.S. Flag and gas. The International Flag Crude Tanker unit manages International Flag ULCC, VLCC, Suezmax, Aframax, Panamax and Lightering tankers; the International Flag Product Carrier unit principally manages LR1 and MR product carriers and the U.S. Flag unit manages most U.S. Flag vessels. Through joint venture partnerships, we operate four LNG carriers and, beginning in 2010, two Floating Storage and Offloading (“FSO”) service vessels. Dedicated chartering and commercial personnel manage specific fleets while our technical ship management operations and corporate departments support our global operations.

We generally charter our vessels to customers either for specific voyages at spot rates or for specific periods of time at fixed daily amounts. Spot market rates are highly volatile, while time and bareboat charter rates are fixed for specific periods of time and provide a more predictable stream of Time Charter Equivalent Revenues.

### Business Strategy

We are committed to providing safe, reliable transportation services to our customers while ensuring the safety of our crews, vessels and the environment. We are also committed to creating long-term shareholder value by executing on a growth strategy designed to maximize returns in all economic cycles. We believe we can successfully deliver benefits to both customers and shareholders by creating a rewarding and challenging work environment for all employees.

Our growth strategy is focused on four elements:



### Sector Leadership

We seek to maintain or achieve market leading positions in each of the primary markets in which we operate: crude oil, products and U.S. Flag. We have expanded our fleet through organic growth and acquisitions of companies that have expanded our market presence, the scale of our fleet and service offerings.

### Fleet Optimization

We believe that we can improve returns in any shipping cycle by taking a portfolio approach to managing our business. This approach includes operating a diverse set of vessels that trade in different markets; participating in commercial pools that maximize vessel utilization; managing a fleet of owned and chartered-in tonnage that provides for flexibility and optionality; and trading our fleet in both the spot and time charter markets to enhance returns.

### Superior Technical Ship Management

We are committed to operational excellence across our fleet. Our high-quality, modern fleet is operated by experienced crews supported by skilled shore side personnel. One hundred percent of our owned international flag fleet is double hull. Our Safety Management System is designed to ensure that operational practices and procedures are standardized fleet wide and those seafarers and vessel operations meet or exceed all applicable safety, regulatory and environmental standards established by International and U.S. maritime laws.

### Financial Flexibility

We believe our strong balance sheet, comparatively high credit rating and level of unencumbered assets provide significant financial flexibility. We have been able to access both the unsecured bank markets and the public debt markets, allowing us to borrow substantial amounts on an unsecured basis. This financial flexibility permits us to pursue attractive business opportunities.

### Fleet Highlights

As of December 31, 2009, our owned, operated and newbuild fleet aggregated 129 vessels. Of this total, 101 vessels are International Flag and 28 vessels are U.S. Flag. The Marshall Islands is the principal flag of registry of our International Flag vessels. At a time when customers are demonstrating an increasingly clear preference for modern tonnage based on concerns about the environmental risks associated with older vessels, 100% of our owned International Flag fleet is double hull.

### Corporate Information

We were incorporated in the State of Delaware in 1969. Our principal executive offices are located at 666 Third Avenue, New York, New York 10017. Our telephone number is (212) 953-4100 and our website address is [www.osg.com](http://www.osg.com). The contents of our website are not part of this prospectus supplement or accompanying prospectus. The information on or accessible through our website is not incorporated by reference into this filing.

### THE OFFERING

Common stock offered by us	3,500,000 shares
Common stock to be outstanding immediately following the offering	30,403,262 shares (1)
Use of Proceeds	<p>The net proceeds, after deducting underwriting discounts and estimated expenses, to us from the sale of the common stock offered hereby will be approximately \$158,130,000, which we will use for general corporate purposes, including, without limitation, capital expenditures and working capital.</p> <p>We may use a portion of the net proceeds from this offering to pay down certain of our existing debt, including our revolving credit facilities. We have not yet determined the amount of net proceeds, if any, to be used for the foregoing purpose.</p>
Risk Factor	See “Risk Factors” and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
New York Stock Exchange Symbol	OSG

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(1) The number of shares of our common stock to be outstanding immediately after the offering as shown above is based on 26,903,262 shares of common stock outstanding as of March 1, 2010 and excludes as of that date shares of our common stock issuable upon exercise of outstanding stock options, shares of our common stock reserved for issuance under our equity compensation plan and outstanding but unvested restricted stock units.

The number of shares of our common stock to be outstanding after the offering does not take into account:

- 1,614,366 shares of our common stock reserved for issuance upon the exercise of outstanding stock options at a weighted average exercise price of \$50.32 per share;
- 639,564 shares of our common stock reserved for future awards under our equity compensation plan; and
- 236,303 shares of our common stock reserved for issuance in connection with our outstanding restricted stock units and performance share units.

## RISK FACTORS

Before investing in our securities, you should carefully consider the risk factors described in “Risk Factors” in our Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31, 2009 and subsequent filings containing updated disclosures of such factors, together with other information contained in this prospectus supplement and any related free writing prospectus and the other information that we have incorporated by reference. If any of these risk factors were actually to occur, our business, financial condition or results of operations could be materially adversely affected. Any capitalized terms used and not defined in this prospectus supplement have the meaning assigned to them in the accompanying prospectus or our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, incorporated by reference herein.

### Risks Relating to Owning Our Common Stock and This Offering

Future sales of our common stock in the public market could cause our stock price to fall.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. As of March 1, 2010, we had 26,903,262 shares of common stock outstanding, all of which shares, other than shares held by certain officers which are subject to a 90 day lock-up agreements in connection with this offering, were eligible for sale in the public market, subject in some cases to the volume limitations and manner of sale requirements under Rule 144. In addition, all of the shares offered under this prospectus supplement and the accompanying prospectus will be freely tradeable without restriction or further registration upon issuance.

Our financial results may vary significantly from period to period which may reduce our stock price.

Our financial results may fluctuate as a result of a number of factors, many of which are outside of our control, which may cause the market price of our common stock to fall. For these reasons, comparing our operating results on a period-to-period basis may not be meaningful, and you should not rely on our past results as an indication of our future performance. Our financial results may be negatively affected by any of the risk factors listed in this “Risk Factors” section and, in particular, the following risks:

- failure to estimate or control contract costs;
- adverse judgments or settlements in legal disputes;
- expenses related to acquisitions, mergers or joint ventures;
- other one-time financial charges;
- fluctuations due to revenue recognition under strategic alliance agreements; and
- fluctuations due to the effects of inflation.

In addition, the public trading price for our common stock may be affected by a number of factors, including but not limited to:

- changes in earnings estimates, investors' perceptions, recommendations by securities analysts or our failure to achieve analysts' earning estimates;
  - quarterly variations in our or our competitors' results of operations;
- general market conditions and other factors unrelated to our operating performance or the operating performance of our competitors;
  - future sales of our common stock;
  - future issuance and/or sale of preferred stock;
  - future sales of debt securities;