

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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	:	
<i>In re</i>	:	Chapter 11
	:	
Overseas Shipholding Group., <i>et al.</i> , ¹	:	Case No. 12-20000 (PJW)
	:	
Debtors.	:	Jointly Administered
	:	
	:	Re: D.I. 1086, 1134, 1491
-----	X	

**THIRD NOTICE OF DEBTORS' ENTRY INTO ADDITIONAL AGREEMENTS
WITH PRICEWATERHOUSECOOPERS LLP**

PLEASE TAKE NOTICE that on March 21, 2013, the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered the Order under 11 U.S.C. §§ 327 and 328 Authorizing (I) Employment and Retention of PricewaterhouseCoopers LLP as Independent Auditor, Accountant and Tax Advisor to the Debtors and Debtors in Possession *Nunc Pro Tunc* to the Petition Date and (II) Waiver of Certain Information Requirements of Local Rule 2016-2 (D.I. 1086) (the "PwC Retention Order");² and

PLEASE TAKE FURTHER NOTICE that pursuant to Paragraph 12 of the PwC Retention Order, Overseas Shipholding Group, Inc. ("OSG") and certain of its affiliates, as debtors and debtors in possession (collectively, the "Debtors"), may seek to enter into additional agreements with PricewaterhouseCoopers LLP ("PwC") for services not originally contemplated by the PwC Retention Order (each an "Additional Agreement") by filing such Additional Agreements with the Bankruptcy Court; and

¹ A complete list of all Debtors in these jointly administered cases can be found at <http://www.kcellc.net/osg>, by contacting Debtors' counsel or by reviewing the joint administration order in these cases, located at D.I. 38 in Case No. 12-20000. The Debtors' mailing address for purposes of these Chapter 11 cases is: 1301 Avenue of the Americas, 42nd Floor, New York, NY 10019.

² All capitalized terms used but not defined herein shall have the meanings ascribed to them in the PwC Retention Order.



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PLEASE TAKE FURTHER NOTICE that in accordance with the procedures set forth in the PwC Retention Order, the Debtors hereby provide notice (this “Notice”) that they have entered into an Additional Agreement with PwC, in the form of a letter agreement dated as of March 21, 2014 (as attached hereto as Exhibit A, the “2014 Audit Additional Agreement”), and have hereby filed the 2014 Audit Additional Agreement with the Bankruptcy Court to permit PwC to provide an integrated audit of the consolidated financial statements of OSG at December 31, 2014 and for the year then ending and review of OSG’s internal controls as of December 31, 2014; and

PLEASE TAKE FURTHER NOTICE that in accordance with the procedures set forth in the PwC Retention Order, the Debtors have also entered into an Additional Agreement with PwC, in the form of a letter agreement dated as of April 13, 2014 (as attached hereto as Exhibit B, the “AI Pool Audit Additional Agreement”), to allow PwC to audit the financial statements of Aframax International at December 31, 2013 and for the year then ending; and

PLEASE TAKE FURTHER NOTICE that to the extent there are any objections to the 2014 Audit Additional Agreement or the AI Pool Audit Additional Agreement (together, the “Noticed Agreements”),³ they must be filed with the Bankruptcy Court within twenty-one (21) days of the filing of this Notice, at which point the Debtors will promptly schedule a hearing before the Bankruptcy Court; and

PLEASE TAKE FURTHER NOTICE that, for the avoidance of doubt, all references in the PwC Retention Order to the “Agreements” shall include the Noticed Agreements, all references in the PwC Retention Order to “Fees,” “Reimbursements,” and “Hourly Fees” shall include such fees, reimbursements, and hourly fees specified in the Noticed Agreements, and all

³ The summaries of the Noticed Agreements in this Notice are qualified in all respects in their entirety by the terms of the Noticed Agreements, and, in the event of any inconsistency, the terms of the Noticed Agreements shall control.

provisions of the PwC Retention Order shall apply to the Noticed Agreements, including, without limitation, the application of the provisions in Paragraphs 3 and 4 of the PwC Retention Order with respect to any limitations of liability, indemnification, contribution and reimbursement to the Noticed Agreements. In the event of any inconsistency between the terms of the Noticed Agreements and the PwC Retention Order, the terms of the PwC Retention Order shall control.

Dated: June 17, 2014
Wilmington, Delaware

CLEARY GOTTlieb STEEN & HAMILTON LLP

James L. Bromley (admitted *pro hac vice*)
Luke A. Barefoot (admitted *pro hac vice*)
One Liberty Plaza
New York, New York 10006
Telephone: (212) 225-2000
Facsimile: (212) 225-3999

- and -

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ William M. Alleman, Jr.
Derek C. Abbott (No. 3376)
Daniel B. Butz (No. 4227)
William M. Alleman, Jr. (No. 5449)
1201 North Market Street
P.O. Box 1347
Wilmington, Delaware 19801
Telephone: (302) 658-9200
Facsimile: (302) 658-3989

*Counsel for the Debtors
and Debtors in Possession*

Exhibit A

2014 Audit Additional Agreement



March 21, 2014

Mr. Ian Blackley, Chief Financial Officer
Overseas Shipholding Group, Inc.
1301 Avenue of the Americas, 42nd Floor
New York, New York 10019

Dear Mr Blackley:

The purpose of this letter is to confirm our understanding of the terms of our engagement as independent accountants of Overseas Shipholding Group, Inc. and Subsidiaries (the "Company").

December 31, 2014 Integrated Audit of the Consolidated Financial Statements and Internal Control Over Financial Reporting - Services and related report

We will perform an integrated audit of the consolidated financial statements of the Company at December 31, 2014 and for the year then ending and of the effectiveness of the Company's internal control over financial reporting as of December 31, 2014. Upon completion of our work, we will provide the Company with our report on the audit work referred to above. If for any reason we are unable to complete our integrated audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of this engagement.

In conjunction with the annual financial statement audit, we will perform reviews of the Company's unaudited consolidated quarterly financial information for each of the first three quarters in the year ending December 31, 2014, before the information is released to shareholders and other stakeholders. These reviews will be conducted in accordance with the standards established by the Public Company Accounting Oversight Board (the "PCAOB") and are substantially less in scope than an audit. Accordingly, a review may not reveal material modifications necessary to make the quarterly financial information conform with generally accepted accounting principles. We will communicate to the audit committee and management any matters that come to our attention as a result of the review that we believe may require material modifications to the quarterly financial information to make it conform with accounting principles generally accepted in the United States. If for any reason relating to the affairs or management of the Company we are unable to complete our review, we will notify the audit committee and management.

You confirm that the requirements for audit committee pre-approval under the Sarbanes-Oxley Act of 2002 have been complied with relating to this engagement.



Our responsibilities and limitations

The objective of a financial statement audit is the expression of an opinion on the financial statements. We will be responsible for performing the audit in accordance with the standards established by the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. The audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We will consider the Company's internal control over financial reporting in determining the nature, timing and extent of auditing procedures necessary for expressing our opinion on the financial statements.

The objective of an audit of internal control over financial reporting is the expression of an opinion on the effectiveness of the Company's internal control over financial reporting. We will be responsible for performing the audit in accordance with the standards established by the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. The audit will include obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances.

Under the standards established by the PCAOB, the existence of one or more material weaknesses will require us to issue an adverse opinion regarding the effectiveness of the Company's internal control over financial reporting.

All significant deficiencies and material weaknesses relating to internal control over financial reporting identified while performing our work will be communicated in writing to management and the audit committee. All deficiencies in internal control over financial reporting (i.e., those deficiencies in internal control over financial reporting that are of a lesser magnitude than significant deficiencies) identified while performing our work will be communicated in writing to management of the Company, and the Audit Committee will be informed when such a communication has been made. We will communicate in writing to the Board of Directors of the Company if we conclude that the oversight of the Company's external financial reporting and internal control over financial reporting by the Company's audit committee is ineffective.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness of internal control over financial reporting from December 31, 2014, the date of our audit of the Company's internal control over financial reporting, to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We will design our audit to obtain reasonable, but not absolute, assurance of detecting errors or fraud that would have a material effect on the financial statements as well as other illegal acts having a direct and material effect on financial statement amounts, and of identifying material weaknesses in internal control over financial reporting. Absolute assurance is not attainable due to the nature of audit evidence and the characteristics of fraud. Also, an audit is not designed to detect errors or fraud that are immaterial to the



financial statements or other illegal acts having an indirect or immaterial financial statement impact or deficiencies in internal control over financial reporting that, individually or in combination, are less severe than a material weakness. It is important to recognize that there are inherent limitations in the auditing process. An audit is based on the concept of selective testing of the data underlying the financial statements, which involves judgment regarding the areas to be tested and the nature, timing, extent and results of the tests to be performed. Accordingly, there is some risk that a material misstatement of the financial statements or a material weakness in internal control over financial reporting would remain undetected. Because of the characteristics of fraud, an audit designed and executed in accordance with the standards established by the PCAOB may not detect a material misstatement due to fraud. Characteristics of fraud include (i) concealment through collusion among management, employees, or third parties; (ii) withheld, misrepresented, or falsified documentation; and (iii) the ability of management to override or instruct others to override what otherwise appears to be effective controls. Further, while effective internal control over financial reporting reduces the likelihood that errors, fraud or other illegal acts will occur and remain undetected, it does not eliminate that possibility. For these reasons we cannot ensure that errors, fraud or other illegal acts, if present, will be detected. However, we will communicate to the audit committee and management of the Company, as appropriate, any such matters identified during our audit.

We also are responsible for determining that the audit committee is informed about certain other matters related to the conduct of our audit, including (i) any disagreements with management about matters that could be significant to the Company's financial statements or our report thereon; (ii) any serious difficulties encountered in performing the audit; (iii) information relating to our independence with respect to the Company; and (iv) other matters related to the Company's financial statements including its significant accounting policies and practices, including critical accounting policies and alternative treatments within accounting principles generally accepted in the United States. Lastly, we are responsible for ensuring that the audit committee receives copies of certain written communications between us and management, including management representation letters and written communications on accounting, auditing, internal control or operational matters.

The financial statement audit and the audit of the Company's internal control over financial reporting will not be planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

Management's responsibilities

The Company's management is responsible for the financial statements, including disclosures, and information referred to above and for establishing and maintaining effective internal control over financial reporting. In this regard, management is responsible for establishing policies and procedures that pertain to the maintenance of accounting records, the authorization of receipts and disbursements, the safeguarding of assets, the proper recording of transactions in the accounting records, and for reporting financial information in conformity with accounting principles generally accepted in the United States. Management also is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us (i) about all known or suspected fraud affecting the entity involving (a) management, (b) employees who have significant roles in internal control over financial reporting, and (c) others where the fraud could have a material effect on the financial statements; and (ii) of its



knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others. Management is responsible for (i) adjusting the financial statements to correct material misstatements relating to accounts or disclosures and for affirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us are immaterial, both individually and in the aggregate, to the financial statements taken as a whole; and (ii) notifying us of all deficiencies in the design or operation of internal control over financial reporting identified as part of management's assessment, including separately disclosing to us all such deficiencies that it believes to be significant deficiencies or material weaknesses in internal control over financial reporting. Management also is responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities. Furthermore, management of the Company is responsible for:

- Establishing and maintaining internal control over financial reporting;
- Evaluating the effectiveness of the Company's internal control over financial reporting using suitable control criteria;
- Supporting its evaluation with sufficient evidential matter, including documentation, and
- Presenting a written assessment of the effectiveness of the Company's internal control over financial reporting as of the end of the Company's most recent fiscal year.

As part of management's responsibility for the financial statements and the effectiveness of internal control over financial reporting, management is responsible for making available to us, on a timely basis, all of the Company's financial records and relevant information and company personnel to whom we may direct inquiries. Management is responsible for maintaining evidential matter, including documentation of the design of controls to provide reasonable support for management's assessment of the operating effectiveness of internal control over financial reporting.

As required by the standards of the PCAOB, we will make specific inquiries of management and others about the representations embodied in the financial statements and the internal control over financial reporting. Standards of the PCAOB also require that at the conclusion of the engagement we obtain a letter from management that confirms certain representations made during the audit of the financial statements and internal control over financial reporting. The results of our tests, the responses to our inquiries and the written representations comprise the evidential matter we intend to rely upon in forming our opinion on the financial statements and the effectiveness of the Company's internal control over financial reporting. Similarly, the results of our analytical procedures, the responses to our inquiries and the written representations obtained comprise the basis for our review on the unaudited quarterly financial information.

Document retention

The Company agrees to maintain documentation sufficient to support its assessment of internal control over financial reporting as of December 31, 2014 for a period of seven years from the date of our audit report.

Other documents

Standards established by the PCAOB require that we read any annual report (or similar document) that contains our audit report. The purpose of this procedure is to consider whether other information in the



annual report, including the manner of its presentation, is materially inconsistent with information appearing in the financial statements or management's assessment of the effectiveness of the Company's internal control over financial reporting. We assume no obligation to perform procedures to corroborate such other information as part of our audit.

With regard to electronic filings, such as in connection with the SEC's Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system, you agree that, before filing any document in electronic format with the SEC with which we are associated, management of the Company will advise us of the proposed filing on a timely basis. We will provide the Company with a signed copy of our report(s) and consent(s). These manually signed documents will serve to authorize the use of our name prior to any electronic transmission by the Company. For our files, management of the Company will provide us with a complete copy of the document as accepted by EDGAR.

The Company may wish to include our report on these financial statements and internal control over financial reporting in a registration statement proposed to be filed under the Securities Act of 1933 or in offering materials for other securities offerings, including without limitation offerings under Rule 144A and other offerings exempt from registration under the Securities Act of 1933. You agree that the aforementioned audit report, or reference to our Firm, will not be included in any such offering without our prior permission or consent. Any agreement to perform work in connection with an offering, including an agreement to provide permission or consent, will be a separate engagement.

Additionally, regulations established by certain non-U.S. countries include a requirement for the auditor to be registered in that country if the Company offers its securities to the public in the non-U.S. country or provides financial information to a non-U.S. regulator or government. The potential consequences of our non-compliance with these regulatory regimes in a timely manner can be severe for both our Firm and the Company. Accordingly, you will notify us of (i) your current or planned offerings of securities on a regulated market in a non-U.S. country or (ii) when you have provided or plan to provide audited financial statements to a non-U.S. regulator or government in connection with your access to its public capital markets, whether or not you include or refer to our report or include reference to our Firm.



Agreement not to demand jury trial

In the unlikely event that differences concerning our services or fees should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, the Company and PricewaterhouseCoopers LLP agree not to demand a trial by jury in any action, proceeding or counterclaim arising out of or relating to our services and fees for this engagement. Notwithstanding anything herein to the contrary, to the fullest extent permitted by applicable law, each of the parties: (i) agrees that any claim, action or proceeding seeking any relief whatsoever arising out of, or in connection with, this Agreement or the transactions contemplated hereby, shall be brought only in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), if brought prior to the entry of a final decree closing the Chapter 11 Cases (as defined below); (ii) agrees to submit to the jurisdiction of the Bankruptcy Court, pursuant to the preceding clause; (iii) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of such action brought in any such court or any claim that any such action brought in such court has been brought in an inconvenient forum; (iv) agrees that the mailing of process or other papers in connection with any such action or proceeding in the manner provided in this Agreement or any other manner as may be permitted by law shall be valid and sufficient service thereof; and (v) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law. To the extent that the Bankruptcy Court abstains from or declines to exercise such jurisdiction, and following entry of such final decree, all claims, counterclaims, demands, controversies, disputes, actions or causes of action of any nature or character arising out of or in connection with this Agreement or the transactions contemplated hereby, whether legal or equitable, known or unknown, contingent or otherwise, shall be brought and resolved solely in the United States District Court for the Southern District of New York and any appellate courts thereto, or if federal jurisdiction is lacking, then in the Supreme Court of the State of New York, New York County, and any appellate courts thereto. The parties agree not to assert any claim, defense, or argument that the United States District Court for the Southern District of New York or, as applicable, the Supreme Court of the State of New York, New York County, or any appellate court thereto, is not a proper venue or is an inconvenient forum to hear any such claims.

Other PricewaterhouseCoopers LLP firms and subcontractors

PricewaterhouseCoopers LLP is the U.S. firm of the global network of separate and independent PricewaterhouseCoopers firms (exclusive of PricewaterhouseCoopers LLP, the "Other PwC Firms"). PricewaterhouseCoopers LLP may, in its discretion, draw on the resources of and/or subcontract to its subsidiaries, the Other PwC Firms and/or third party contractors and subcontractors (each, a "PwC Subcontractor"), in each case within or outside the United States in connection with the provision of the services and/or for internal, administrative and/or regulatory compliance purposes. The Company agrees that PricewaterhouseCoopers LLP may provide information PricewaterhouseCoopers LLP receives in connection with this agreement to the PwC Subcontractors for such purposes. PricewaterhouseCoopers LLP will be solely responsible for the provision of the services (including those performed by the PwC Subcontractors) and for the protection of the information provided to the PwC Subcontractors.

Timing and fees

Completion of our work is subject to, among other things, 1) appropriate cooperation from the Company's personnel, including timely preparation of necessary schedules; 2) timely responses to our inquiries; and



3) timely communication of all significant accounting, financial, and internal control over financial reporting matters. When and if for any reason the Company is unable to provide such schedules, information and assistance, PricewaterhouseCoopers LLP and you will mutually revise the fee to reflect additional services, if any, required of us to complete our work.

Our fee estimates are based on the time required by the individuals assigned to the engagement. We will bill you based on the number of hours incurred multiplied by the hourly rates shown below:

National Office	\$910 - \$1,025
Partner/Principal	\$860 - \$930
Senior Manager / Director	\$615 - \$775
Manager	\$430 - \$615
Senior Associate	\$280 - \$470
Associate	\$160 - \$430

We agree not to increase our hourly rates during the term of this project

We also will bill the Company for our reasonable out-of-pocket expenses, any applicable sales, use or value added tax, and our internal per ticket charges for booking travel. Amounts billed for services performed by PricewaterhouseCoopers LLP or PwC Subcontractors shall be considered fees and not expenses and will be billed at rates determined by PricewaterhouseCoopers LLP based on experience, skill and other factors or as otherwise agreed by the parties.

Invoices rendered are due and payable upon receipt.

Any additional services that may be requested and we agree to provide will be the subject of separate arrangements.

Other matters

PricewaterhouseCoopers LLP is owned by professionals who hold CPA licenses as well as by professionals who are not licensed CPAs. Depending on the nature of the services we provide, non-CPA owners may be involved in providing services to you now or in the future.

In the event we are requested or authorized by the Company or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such a request.

The Company agrees that it will not, directly or indirectly, agree to assign or transfer this engagement letter or any rights, obligations, claims or proceeds from claims against PricewaterhouseCoopers LLP arising under this engagement letter to anyone, except to an entity with which the Company merges or an



entity which acquires all or substantially all of the assets of the Company and where, in either case, the assignee entity agrees to be bound by this provision. Any assignment or transfer by the Company in violation of this paragraph shall be void and invalid.

This engagement letter reflects the entire agreement between us relating to the services covered by this letter. It replaces and supersedes any previous proposals, correspondence and understandings, whether written or oral. The agreements contained in this engagement letter shall survive the completion or termination of this engagement.

* * * * *



We are pleased to have the opportunity to provide services to Overseas Shipholding Group, Inc. and Subsidiaries. If you have any questions about this letter, please discuss them with Andre Chabanel (973) 236-4549. If the services and terms outlined in this letter are acceptable, please sign one copy of this letter in the space provided and return it to me. You may return the signed copy by hand, by mail, by air courier, by facsimile to my attention at (813) 741-5475,, or attached to an email as a pdf, jpeg or similar file type sent to me at Andre.Chabanel@us.pwc.com.

Very truly yours,

Andre Chabanel

cc: Audit Committee Members

The services and terms as set forth in this letter are agreed to.

Overseas Shipholding Group, Inc.

By: (s/s)

[Signature]
Ian Blackley
Chief Financial Officer

(Date)

4/25/14



By: (s/s)
Robert Johnston
Chief Executive Officer

(Date)

Senior management of the Company is authorized by Overseas Shipholding Group Inc.'s Audit Committee, to whom PricewaterhouseCoopers LLP will directly report, to execute this letter.

By: (s/s) TH Robards
Thomas Robards
Audit Committee Chair

4/28/14
(Date)



By:

(s/s)


Robert Johnston
Chief Executive Officer

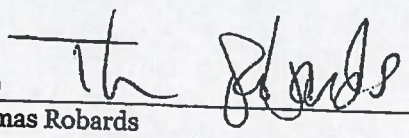
(Date)

4/24/14

Senior management of the Company is authorized by Overseas Shipholding Group Inc.'s Audit Committee, to whom PricewaterhouseCoopers LLP will directly report, to execute this letter.

By:

(s/s)


Thomas Robards
Audit Committee Chair

(Date)

4/28/14

Exhibit B

AI Pool Audit Additional Agreement



April 13, 2014

Cpt. Ian Blackley, Chief Financial Officer
Overseas Shipholding Group, Inc.
1301 Avenue of the Americas, 42nd Floor
New York, New York 10019

Dear Cpt. Blackley:

The purpose of this letter is to confirm our understanding of the terms of our engagement by OSG International, Inc. (the "Company" or the "Pool Manager") as independent accountants of Aframax International (the "Pool").

Services and related report

We will audit the financial statements of the Pool at December 31, 2013 and for the year then ending. Upon completion of our audit, we will provide the Company with our written audit report on the financial statements referred to above. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other matter paragraph(s). If for any reason relating to the affairs or management of the Pool we are unable to complete the audit, we may decline to issue a report as a result of this engagement.

Our responsibilities and limitations

Our audit will be conducted with the objective of our expressing an opinion on the financial statements. We will conduct our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements referred to above are free from material misstatement in accordance with accounting principles generally accepted in the United States of America. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we consider internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. However, any significant deficiencies and material weaknesses, and other deficiencies



(i.e., those deficiencies in internal control over financial reporting that are of a lesser magnitude) relating to internal control over financial reporting identified during our audit will be communicated to the Company.

We will design our audit to obtain reasonable, but not absolute, assurance of detecting errors or fraud that would have a material effect on the financial statements as well as other illegal acts having a direct and material effect on financial statement amounts. Absolute assurance is not attainable due to the nature of audit evidence and the characteristics of fraud. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose errors or fraud that did not cause a material misstatement of the financial statements. It is important to recognize that there are inherent limitations in the auditing process. An audit is based on the concept of selective testing of the data underlying the financial statements, which involves judgment regarding the areas to be tested and the nature, timing, extent and results of the tests to be performed. An audit is, therefore, subject to the limitation that material errors or fraud or other illegal acts having a direct and material financial statement impact, if they exist, may not be detected. Because of the characteristics of fraud, particularly those involving concealment through collusion, falsified documentation and management's ability to override controls, an audit designed and executed in accordance with auditing standards generally accepted in the United States may not detect a material fraud. Further, while effective internal control reduces the likelihood that errors, fraud or other illegal acts will occur and remain undetected, it does not eliminate that possibility. For these reasons we cannot ensure that errors, fraud or other illegal acts, if present, will be detected. However, we will communicate to the Company, as appropriate, any such matters identified during our audit.

The audit will not be planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

Management's responsibilities

Our audit will be conducted on the basis that management acknowledges and understands that they have responsibility for the preparation and fair presentation of the financial statements referred to above in accordance with accounting principles generally accepted in the United States of America. Management also acknowledges and understands their responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management is responsible for informing us (i) about all known or suspected fraud affecting the entity involving (a) management, (b) employees who have significant roles in internal control over financial reporting, and (c) others where the fraud could have a material effect on the financial statements; and (ii) of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others. Management is responsible for (i) adjusting the financial statements to correct material misstatements and for affirming to us that the effects of any uncorrected misstatements aggregated by us are immaterial, both individually and in the aggregate, to the financial statements taken as a whole; and (ii)



notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of the Pool's internal control over financial reporting that are reasonably likely to adversely affect the Pool's ability to record, process, summarize and report external financial data reliably in accordance with generally accepted accounting principles. Management also is responsible for identifying and ensuring that the Pool complies with the laws and regulations applicable to its activities.

Management also acknowledges and understands their responsibility for providing us, on a timely basis, with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters; additional information that we may request from management for the purpose of the audit; and unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. As required by auditing standards generally accepted in the United States, we will make specific inquiries of management and others about the representations embodied in the financial statements and the effectiveness of internal control over financial reporting. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit. The results of our audit tests, the responses to our inquiries and the written representations comprise the evidential matter we intend to rely upon in forming our opinion on the financial statements.

Management acknowledges that internal auditors providing direct assistance to support our audit will be allowed to follow our instructions and management will not intervene in the work the internal auditors perform for us in a direct assistance capacity.

Other documents

Auditing standards generally accepted in the United States require that we read any annual report (or similar document) that contains our audit report. The purpose of this procedure is to consider whether other information in the annual report, including the manner of its presentation, is materially inconsistent with information appearing in the financial statements. We assume no obligation to perform procedures to corroborate such other information as part of our audit.

The Company may wish to include our report on these financial statements in a registration statement proposed to be filed under the Securities Act of 1933 or in offering materials for other securities offerings, including without limitation offerings under Rule 144A and other offerings exempt from registration under the Securities Act of 1933. You agree that the aforementioned audit report, or reference to our Firm, will not be included in any such offering without our prior permission or consent. Any agreement to perform work in connection with an offering, including an agreement to provide permission or consent, will be a separate engagement.

Additionally, regulations established by certain non-U.S. countries include a requirement for the auditor to be registered in that country if the Company offers its securities in the non-U.S. country or provides financial information to a non-U.S. regulator or government. The potential consequences of our non-compliance with these regulatory regimes in a timely manner can be severe for both our Firm and the Company. Accordingly, you will notify us of (i) your current or planned offering of securities in



a non-U.S. country or (ii) when you have provided or plan to provide audited financial statements to a non-U.S. regulator or government in connection with your access to its capital markets, whether or not you include or refer to our report or include reference to our Firm.

Release and indemnification

Because of the importance of oral and written representations to an effective audit, the Company releases PricewaterhouseCoopers LLP and its personnel from any and all claims, liabilities, costs and expenses attributable to any knowing misrepresentation by management. Further, in no event shall PricewaterhouseCoopers LLP be liable to the Company, whether a claim be in tort, contract or otherwise (a) for any amount in excess of the total professional fees paid by the Company under this engagement letter; or (b) for any consequential, indirect, lost profit or similar damages relating to PricewaterhouseCoopers LLP's services provided under this engagement letter, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of PricewaterhouseCoopers LLP relating to such services.

In addition, the Company agrees to indemnify and hold harmless PricewaterhouseCoopers LLP and its personnel from any and all claims, liabilities, costs and expenses relating to PricewaterhouseCoopers LLP's services under this engagement letter, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of PricewaterhouseCoopers LLP relating to such services.

In the event that our report is subsequently included in a filing with the Securities and Exchange Commission (unless our report is included as a result of Rule 3-05 or Rule 3-14 of Regulation S-X), we and the Company hereby agree that the preceding two paragraphs in this "Release and Indemnification" section of this letter and any paragraphs covering the same issues in our previous engagement letters for previously issued reports included in the filing will be null and void and will no longer confer any rights or obligations on the parties. Such engagement letters will be deemed to be amended accordingly at the time of such filing, without further action by either party. Any letters so amended will remain in full force and effect unless otherwise amended by the parties.

Agreement not to demand jury trial

In the unlikely event that differences concerning our services or fees should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, the Company and PricewaterhouseCoopers LLP agree not to demand a trial by jury in any action, proceeding or counterclaim arising out of or relating to our services and fees for this engagement. Notwithstanding anything herein to the contrary, to the fullest extent permitted by applicable law, each of the parties: (i) agrees that any claim, action or proceeding seeking any relief whatsoever arising out of, or in connection with, this Agreement or the transactions contemplated hereby, shall be brought only in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), if brought prior to the entry of a final decree closing the Chapter 11 Cases (as defined below); (ii) agrees to submit to the jurisdiction of the Bankruptcy Court, pursuant to the preceding clause; (iii) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of such action brought in any such court or any claim that any such action brought in such court has been brought in an inconvenient forum; (iv) agrees that the mailing of process or other papers in connection



with any such action or proceeding in the manner provided in this Agreement or any other manner as may be permitted by law shall be valid and sufficient service thereof; and (v) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law. To the extent that the Bankruptcy Court abstains from or declines to exercise such jurisdiction, and following entry of such final decree, all claims, counterclaims, demands, controversies, disputes, actions or causes of action of any nature or character arising out of or in connection with this Agreement or the transactions contemplated hereby, whether legal or equitable, known or unknown, contingent or otherwise, shall be brought and resolved solely in the United States District Court for the Southern District of New York and any appellate courts thereto, or if federal jurisdiction is lacking, then in the Supreme Court of the State of New York, New York County, and any appellate courts thereto. The parties agree not to assert any claim, defense, or argument that the United States District Court for the Southern District of New York or, as applicable, the Supreme Court of the State of New York, New York County, or any appellate court thereto, is not a proper venue or is an inconvenient forum to hear any such claims.

Other PricewaterhouseCoopers LLP firms and subcontractors

PricewaterhouseCoopers LLP is the U.S. firm of the global network of separate and independent PricewaterhouseCoopers firms (exclusive of PricewaterhouseCoopers LLP, the "Other PwC Firms"). PricewaterhouseCoopers LLP may, in its discretion, draw on the resources of and/or subcontract to its subsidiaries, the Other PwC Firms and/or third party contractors and subcontractors (each, a "PwC Subcontractor"), in each case within or outside the United States in connection with the provision of the services and/or for internal, administrative and/or regulatory compliance purposes. The Company agrees that PricewaterhouseCoopers LLP may provide information PricewaterhouseCoopers LLP receives in connection with this agreement to the PwC Subcontractors for such purposes. PricewaterhouseCoopers LLP will be solely responsible for the provision of the services (including those performed by the PwC Subcontractors) and for the protection of the information provided to the PwC Subcontractors.

You agree that neither you nor any group entity will bring any claim, whether in contract, tort (including negligence) or otherwise against any Other PwC Firms in respect of this engagement letter or in connection with the services herein. In the event that our report is subsequently included in a filing with the Securities and Exchange Commission (unless our report is included as a result of Rule 3-05 or Rule 3-14 of Regulation S-X), for independence purposes we and the Company hereby agree that the immediately preceding sentence will be null and void and will no longer confer any rights or obligations on the parties. This letter will be deemed to be amended accordingly at the time of such filing, without further action by either party. The amended letter will remain in full force and effect unless otherwise amended by the parties

Timing and fees

Completion of our work is subject to, among other things, 1) appropriate cooperation from the Company's personnel, including timely preparation of necessary schedules, 2) timely responses to our inquiries, and 3) timely communication of all significant accounting and financial reporting matters. When and if for any reason the Company is unable to provide such schedules, information and



assistance, PricewaterhouseCoopers LLP and you will mutually revise the fee to reflect additional services, if any, required of us to complete the audit. Such revisions will be set forth in the form of the attached "Amendment to Existing Engagement Letter."

Our fee estimates are based on the time required by the individuals assigned to the engagement. We estimate our fees for this audit engagement will be \$121,200, subject to the terms and conditions above.

We will advise you should any other circumstances arise which may cause actual time to exceed that estimate.

We also will bill the Company for our reasonable out-of-pocket expenses, any applicable sales, use or value added tax, and our internal per ticket charges for booking travel. Amounts billed for services performed by PricewaterhouseCoopers LLP or PwC Subcontractors shall be considered fees and not expenses and will be billed at rates determined by PricewaterhouseCoopers LLP based on experience, skill and other factors or as otherwise agreed by the parties.

Our fees and out-of-pocket expenses and internal charges will be billed as follows:

<u>Date</u>	<u>Fee Amount</u>
May 15, 2014	\$85,000
June 15, 2014	\$36,200

Invoices rendered are due and payable upon receipt.

Any additional services that may be requested and we agree to provide will be the subject of separate arrangements.

Other matters

PricewaterhouseCoopers LLP is owned by professionals who hold CPA licenses as well as by professionals who are not licensed CPAs. Depending on the nature of the services we provide, non-CPA owners may be involved in providing services to you now or in the future.

In the event we are requested or authorized by the Company or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such a request.

The Company agrees that it will not, directly or indirectly, agree to assign or transfer this engagement letter or any rights, obligations, claims or proceeds from claims against PricewaterhouseCoopers LLP arising under this engagement letter to anyone, except to an entity with which the Company merges or



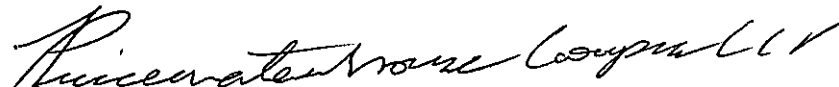
an entity which acquires all or substantially all of the assets of the Company and where, in either case, the assignee entity agrees to be bound by this provision. Any assignment or transfer by the Company in violation of this paragraph shall be void and invalid.

This engagement letter reflects the entire agreement between us relating to the services covered by this letter. It replaces and supersedes any previous proposals, correspondence and understandings, whether written or oral. The agreements contained in this engagement letter shall survive the completion or termination of this engagement.

* * * * *

We are pleased to have the opportunity to provide services to Aframax International. If you have any questions about this letter, please discuss them with Andre Chabanel at (973) 263 - 4549. If the services and terms outlined in this letter are acceptable, please sign one copy of this letter in the space provided and return it to me. You may return the signed copy by hand, by mail, by air courier, or attached to an email as a pdf, jpeg or similar file type sent to me at andre.chabanel@us.pwc.com.

Very truly yours,


PricewaterhouseCoopers LLP

The services and terms as set forth in this letter are agreed to.

**OSG International, Inc., as Pool Manager of
Aframax International**

By: _____

Cpt. Ian Blackley, Chief Financial Officer

Date

5/27/14.