

OVERSEAS SHIPHOLDING GROUP INC
 Form 4
 December 18, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 BLACKLEY IAN T

2. Issuer Name and Ticker or Trading Symbol
 OVERSEAS SHIPHOLDING GROUP INC [OSG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 666 THIRD AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/17/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 COO of OSG Ship Mgt. (UK) Ltd.

NEW YORK, NY 10017

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock, par value \$1.00 per share | 12/17/2008 | | A | 1,648 (1) | A \$ 0 7,916 (2) | D | |
| Common Stock, par value \$1.00 per share | | | | | 450 | I (3) | (3) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Stock Option (right to buy) | \$ 40.95 | 12/17/2008 | | A | 6,930 | ⁽⁴⁾ 12/17/2018 | Common Stock | 6,930 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BLACKLEY IAN T 666 THIRD AVENUE NEW YORK, NY 10017 | | | COO of OSG Ship Mgt. (UK) Ltd. | |

Signatures

/s/James I. Edelson, Attorney-in-Fact, pursuant to power of attorney previously filed 12/18/2008

**Signature of Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These shares of common stock were granted pursuant to the Overseas Shipholding Group, Inc. 2004 Stock Incentive Plan (the "2004 Plan") and are subject to vesting restrictions. The reporting person becomes vested in one fourth of such shares on each of the first, second, third and fourth anniversaries of the date of grant.
 - (2) Of these 7,916 shares of common stock, 6,682 shares are subject to vesting restrictions as of December 18, 2008.
 - (3) The reporting person indirectly owns these shares of common stock through the Overseas Shipholding Group, Inc. 2000 Employee Stock Purchase Plan.
 - (4) The option to purchase these shares of common stock was granted pursuant to the 2004 Plan and will become exercisable as to one third of such shares on each of the first, second and third anniversaries of the date of grant.

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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