I.M. Skaugen SE
1H Result 2015

20 August 2015

I.M. Skaugen SE

Innovative Maritime Solutions

www.skaugen.com

I.M. Skaugen SE – Result 1H 2015

I.M. Skaugen SE's (IMSK) core business is liquefied gas transportation. The fleet of 15 advanced gas carriers is operated in a revenue sharing pool managed by Norgas Carriers Pte Ltd. The Norgas Carriers segment generated revenues of **USD 50.6 mill** in 1H 2015 of which **USD 32.9 mill** was IMS' share on a proportional consolidated basis.

USD mill (except per share data)	2Q		1Q	1H		FY
1H15 Highlights	**2015**	**2014**	**2015**	**2015**	**2014**	**2014**
EBIT	(4.9)	(3.8)	(3.7)	(8.5)	(7.5)	(14.2)
Financial items, investments, associates and tax	4.4	(3.0)	(0.9)	3.4	(5.9)	(12.9)
Net result	(0.5)	(6.8)	(4.6)	(5.1)	(13.4)	(27.1)
Total assets	155	216.7	156.6	155	216.7	173.5
Net debt	71.1	97.7	77.7	71.1	97.7	70.9
Interest rate coverage ratio	(1.3)	(0.8)	(1.0)	(1.3)	(1.1)	(1.0)
Total liquidity	6.5	21.8	10.3	6.5	21.8	26.5
Equity ratio *	25.1%	26.7%	25.2%	25.1%	26.7%	25.4%
Book equity	39.0	57.9	39.4	39.0	57.9	44.1
Book equity per share	1.44	2.14	1.46	1.44	2.14	1.63
EPS	(0.02)	(0.25)	(0.17)	(0.19)	(0.50)	(1.00)

** book equity/total assets*

USD'000	*2Q*		*1Q*	*1H*		*FY*
Segment reporting	**2015**	**2014**	**2015**	**2015**	**2014**	**2014**
Gross Revenue gas transportation activities managed by IMS	22 007	29 627	28 599	50 606	63 735	130 245
EBITDA gas transportation activites managed by IMS	(2 936)	(2 005)	1 045	(1 891)	(1 491)	4 218
Gross Freight Revenue-Gas Transportation Activity	15 926	17 931	16 943	32 869	38 841	81 064
Revenues gas transportation activities	**15 926**	**17 931**	**16 943**	**32 869**	**38 841**	**81 064**
Voyage related expenses	(4 521)	(7 103)	(4 678)	(9 199)	(15 429)	(32 182)
Charter hire	(7 354)	(5 706)	(7 354)	(14 708)	(11 412)	(23 504)
Other operating cost	(8 067)	(8 727)	(7 250)	(15 317)	(17 034)	(31 522)
Depreciation and amortization	(483)	(1 495)	(685)	(1 168)	(2 988)	(6 038)
Gains/losses from restructuring and sale of assets	-	2 086	-	-	2 086	3 696
Segment operating profit (EBIT)	**(4 499)**	**(3 014)**	**(3 024)**	**(7 523)**	**(5 936)**	**(8 486)**
General administration and legal expenses	(404)	(698)	(614)	(1 018)	(1 589)	(5 526)
Depreciation	-	-	-	-	-	(97)
Share of investments of other joint ventures	7 615	(495)	(30)	7 585	117	288
Financial revenues	120	-	1 400	1 520	(6 159)	443
Financial expenses	(3 338)	(2 472)	(2 366)	(5 704)	128	(12 985)
Other	-	(81)	-	-	-	(757)
Net result	**(506)**	**(6 760)**	**(4 634)**	**(5 140)**	**(13 439)**	**(27 120)**

IMSK PERFORMANCE 1H 2015

The I.M. Skaugen Group (IMSK) had a negative result for 2Q15 of USD 0.5 mill, compared to a negative of USD 4.6 mill for 1Q15. 1H15 was a negative USD 5.1 mill, compared to a negative result of USD 13.4 mill in 1H14.

EXECUTIVE SUMMARY

The Group's economic performance in 1H15 improved compared to the same period last year as did the performance in 2Q15 compared to 1Q15. The successful divestment of the SPT related activities - the global ship to ship transfer/lightering business, contributed positively and were able to offset unsatisfactory performance of the Norgas Carrier business.

The sale of the SPT related activities will enhance the Group's balance sheet and working capital position and enable the Group to better execute on its LNG strategy. The acquisition of the options to purchase the two LNG carriers Norgas Unikum and Bahrain Vision will enable us to further develop our small scale LNG activities with enhanced value creation potential for IMSK and our shareholders.

We continue to see the full year effect of the reduction in shore based manpower and thus the associated expenses. Comparing 1H14 to 1H15 we see a cost reduction of more than 30%.

During 2Q15 we continued to do spot LNG voyages in Asia. We loaded LNG from a large conventional LNG import terminal and delivered to a smaller LNG hub for onward distribution with trucks and via pipeline. Our vessel design with an extra upper manifold enables loading from conventional large scale LNG terminals without any extra modifications needed to the terminal. These voyages do also confirm that our Multigas vessels can earn a premium when in LNG trade compared to the current petrochemical market. We have signed contracts to continue to do LNG spot voyages in Asia in 2H15.

The underlying performance of Norgas Carriers was however unsatisfactory in 1H15. The shortages in supply of the key petrochemical gases; ethylene, propylene and butadiene were the main contributors to the weak 1H15 results. This situation led to reduced demand for sea borne transportation and especially in Asia. These shortages came from further declines in exports volumes from the major producers in the Gulf region and from the now permanent reductions in exports of petrochemicals from Japan and Korea. Historically Japan and Korea have been the main suppliers to China, who now will have import its deficit through long-haul trade. The major part of the Norgas fleet was positioned in Asia in 1H15 since a focus on Asia has been the strategy of the company. Due to this Norgas carriers suffered very high idle time and had an unacceptable performance. We also maintained ships in the Gulf region for contracts of affreightment (COA) clients. The low volumes under these contracts in 2Q15 contributed to the low utilization in 1H15.

While the trade in Asia was subdued we do see more activity in the West of Suez region. During the second quarter we re-positioned additional vessels in our fleet to the trading areas West of Suez targeting new business. With a shortage of repositioning cargo available; this had a negative impact on the result in 2Q15. Following the repositioning of the fleet, our commercial presence West of Suez has been re-enforced. As a result of these active measures taken we are seeing positive effects on utilization of our fleet going into 3Q15.

Although the oil price is lower compared with recent years, volatility is still high and the uncertainty about future prices has had a negative impact on the amount of trade in petrochemicals. However long term - a low oil price in absolute terms should be good for the petrochemicals industry since it will lower production costs and thus lower the price of the end-products (plastic) – stimulating demand.

We now see that many more power plants are actively searching for solutions to use LNG instead of diesel and heavy fuel oil or naphtha as feedstock. Many of these power plants will require sea-borne small scale LNG solutions. This creates a good momentum for projects in the small scale LNG market, especially in Asia where electricity is the prerequisite for economic growth and this will drive the growth in demand for power generating capacity.

By completion of the SPT transaction IMSK reconfirms its focus on its core business activity – managed by Norgas Carriers; *to provide logistics solutions for seaborne regional distribution of liquefied gases such as LNG, ethane, petrochemical gases as well as LPG*. The company's unique fleet of flexible and state-of-the-art gas carriers makes it well positioned to capitalize on:

1. *Growing demand for small scale LNG logistics solutions.*
2. *Growing demand for seaborne export of LPG, Petchems and Ethane from the USA.*
3. *A recovery in seaborne export of petrochemicals from Iran following the country's agreement with the P5+1 in July.*
4. *Long-haul trade replacing short haul trade of Petchems to China from the Gulf region and Iran as well from the US, due to structural supply shortages in Asia.*

SMALL SCALE LNG

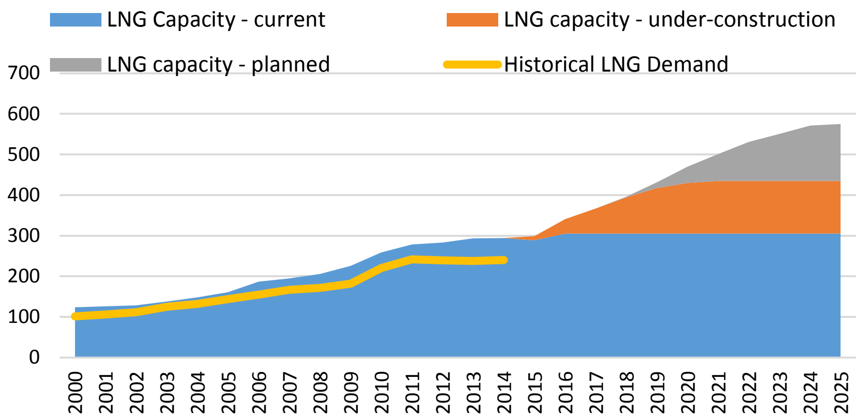
The IMS vision is to provide cost effective and environmentally friendly natural gas based energy to power plants not able to connect to gas pipeline networks. This solution will in the long run replace diesel, naphtha and HFO – all fuels with a more negative environmental foot-print than gas. LNG is the better solution for now, solving the emissions problem at source.

We believe that oil and its derivatives are far too valuable commodities to be used for power generation and heating/cooling purposes as well as transportation. Oil and its derivatives should in the future be used more for petrochemical end-user purposes and for life sciences. For power generation, transportation and cooling/heating there is ample supply of natural gas that can provide a more economical solution than refined products such as diesel, naphtha and heavy fuel oil.

The initial goal is to employ our existing fleet of 6 smaller LNG capable gas carriers, which allows for instant start-up of the LNG projects. Our experience in LNG terminal design and management will also be used to support the development of new projects for LNG distribution to ensure a rapid start-up. After a long period with too little available LNG supply and high prices compared to oil and oil related products, LNG prices have now fallen to a greater extent than the competing oil products. The supply of LNG has also increased to the point where there will now been an extended period where installed LNG supply capacity will outpace LNG demand. After a few years of flat demand, there is still be more than 130 million tons LNG capacity under construction and a further 140 million tons capacity that are likely to take FID in the coming years. This bodes well for LNG supply to the small scale LNG markets of cost effective LNG (Fig 1).

The lower oil price has also made many governments more willing to remove or reduce fuel subsidies and price controls. This again will make the cost of diesel and other oil related feedstock for power plants more expensive and LNG a more attractive alternative.

Fig 1 - LNG supply and demand (mt)



Source: South Court Ltd

We now enjoy a viable economic margin between LNG for power generation and diesel, naphtha and HFO. Therefore, the savings on the fuel bill for a power plant will be able to finance the conversion cost of power plants as well as financing receiving terminals and re-gas facilities.

One example of the momentum we see in the small scale LNG market is Indonesia; where electricity is the prerequisite for economic growth and thus driving the demand for power generating capacity. There is currently a number of processes running with the objective to install more than 3,000 MW of gas based power generation capacity in over 40 island based locations. This would imply an LNG demand of more than 2.5 million tons of LNG per year and could require more than 15 small scale LNG vessels over time.

IMS and Norgas long term commitment in shipping and gas transportation has built a leading brand with reputation of trust and service - notably thanks to our integrated corporate model. We have the largest existing small scale LNG fleet with “ships on the water” and can deliver gas in 3-12 months by using our small scale LNG technology we have helped develop, a technology that will be used for the key projects we are pursuing. We have both the hardware (vessels) and the software (know-how) - to execute and execute faster than our competition and reap the benefit for the clients of their savings.

All of these potential longer term LNG contracts, will enable the Company to realize the potential value of our know-how and in the vessels owned and/or controlled by the Company. Such longer term contracts will, if and when completed, enable us to either refinance some of these vessels and/or develop new co-ownership structures. Such employment and structures will not only match local regulations for cabotage, but will also enable us to repay our mortgage debt obligations on these ships as well as repaying IMSK bond debt when due.

PETROCHEMICAL GASES AND LPG

The market for long haul transport of petrochemical gases contracted further in the second quarter. This provided challenging conditions for trade. In spite of demand for products in Asia, the shortage of supply from the Gulf region and Asia led to a reduction in demand for transport, in particularly in the East of Suez region.

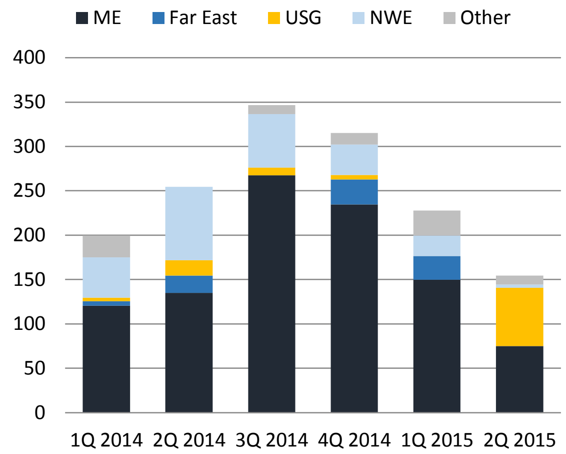
Ethylene exports from, the so far dominant GCC region, were curtailed by planned and unplanned shutdowns, shortage of feed-gas and also an increased down-stream usage (Fig 2). In Asia ethylene exports from Japan were reduced due to permanent shut downs. Korea has now started to consume much of their surplus products that used to be exported. Going forward, this structural shortage of ethylene in Asia will necessitate import from either the Gulf region and Iran or the US.

We are starting to see the effect of US shale oil and gas boom on the petrochemical trades. Exports of ethylene from the US Gulf (USG) area were markedly up in the second quarter (Fig 2). The lower feed-stock costs (ethane) and expanding production capacity, provide a solid base for US Gulf based exports of ethylene going forward.

For the same reason (US shale oil and gas), the availability of low cost LPG and propane has led to increased US based propylene production from PDH plants (propylene de-hydrogenation plants, which converts propane to propylene). As a result long haul exports of propylene from the US increased significantly and the 2Q15 export volumes were ahead of what had been exported the previous four quarters (Fig 3).

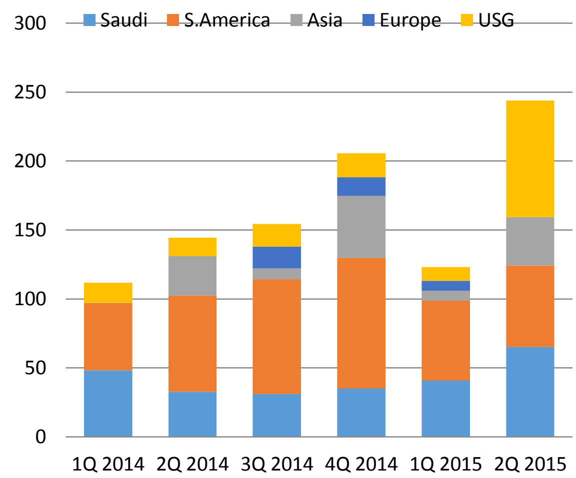
The current decline in ton-miles for the long haul trade of petrochemicals and especially ethylene has been somewhat compensated by the increased US export of LPG. LPG exports from the US continues to grow and in 2Q15 it had increased more than three-fold compared to beginning of 2013 (Fig 4). Even though the exports to Asia will use larger vessel, we see an

Fig 2 - Global LH Ethylene Exports (kt)



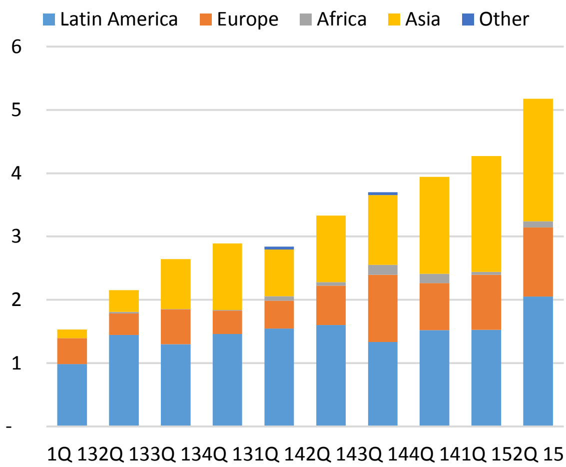
Source: Internal, shiptracks and various brokers

Fig 3 - Global LH Propylene Exports (kt)



Source: Internal,

Fig 4 - US LPG Export by Destination (mt)

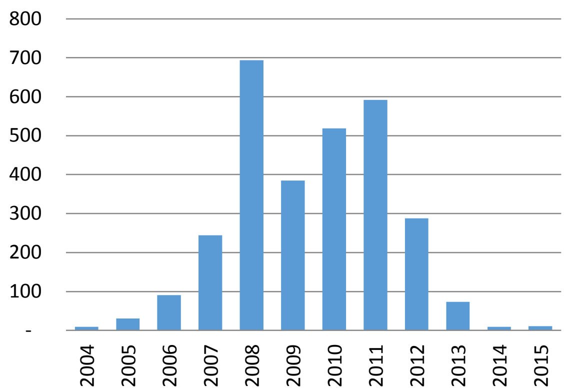


Source: IHS Waterbourne

increased usage of vessels sizes from our segment for the regional trades to the Americas and to Europe. The prospects of future growth in LPG exports from the US is also supported by the increase in export terminal capacity. We will also see the same positive effect on the demand for ton-miles from the emerging exports of ethane from the US. Initially the ethane will be used as feed-stock for petrochemical plants over-seas, but at current price levels (below natural gas in the US), it is also likely that ethane will be used as a general fuel or for power plants. Like for LPG, there is ample export terminal capacity planned for US exports of ethane.

The largest potential game changer on the horizon for the ethylene markets is the lifting of the Iran sanctions which now seem to be very plausible after the agreement reached in July. Iran is not yet an active participant in the export of ethylene, but we do expect the country to resume its position as the largest exporter in the world as sanctions are lifted and trade is eased (Fig 5).

Fig 5 - Iran Ethylene Exports (kt)



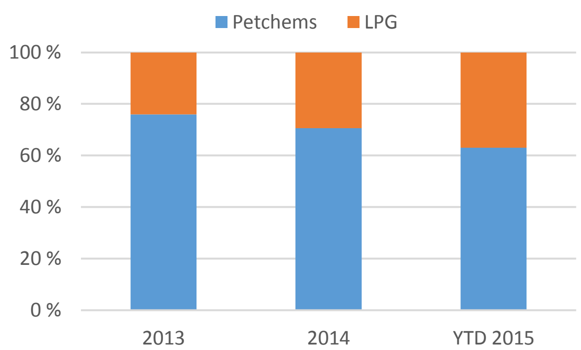
Source; Internal

China will probably not be able to build sufficient ethylene capacity to supply its growing downstream capacity and it will have to import the short fall from overseas. Even though they plan large ethylene capacity expansion from CTO (Coal to Olefins) and MTO (Methanol to Olefins) projects, these will be for integrated projects and will not have spare capacity to supply ethylene for the growth in non-integrated plants. We expect further cancellations or delays of such projects due to growing environmental awareness in China. The Asian region will therefore remain structurally short on ethylene capacity after the permanent closures in Japan and expansion of downstream capacities in Korea. With the expected increase in demand, the shortfall in supply is like to increase going forward. In order to meet their demand China and other countries in Asia will have to import increasing amounts of ethylene. This will be long haul sourcing and from the Gulf region, Iran and the US, who all enjoy the benefits of low cost feed-stock.

SUPPLY OF TONNAGE VS DEMAND FOR TRANSPORTATION

The current order book for our market segment (semi-ref/ethylene vessels; 8-23k cbm) has not changed in any material way in 1H15. The only recent changes we have noted are a few delayed deliveries with at least five larger ethylene vessels scheduled for 2015 deliveries that have been pushed into 2016. The order book is expected to add 35% to the current fleet's capacity in cbm terms. More than 80% of the order book capacity are vessels larger than 20k cbm. Currently close to 90% of these larger vessels are occupied in LPG trade and the new builds are likely to follow the same pattern and go into the growing LPG trade out of the USA.

Fig 6 - Product mix Eth vessels 8-23 cbm

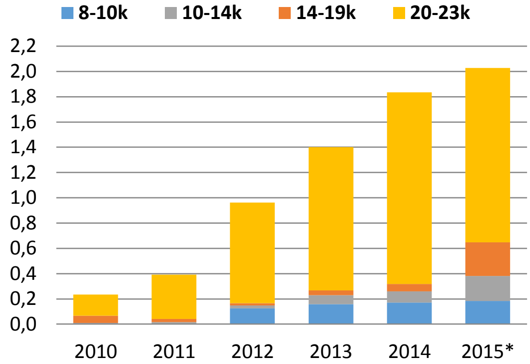


Source: Internal

Other non-petrochemical trade like LPG, VCM, ammonia, ethane and LNG is continuing to occupy a larger percentage of the ethylene fleet (Fig 6). The trend is similar for the types of vessels used for US LPG exports where we see a marked increase in the use of vessels 10-14K cbm (Fig 7).

We thus do not currently see the order book in our segment as a threat as most of the ships will enter the growing LPG trades and see it as to be more in line with future demand, which should lead to an improved utilization for the fleet going forward.

Fig 7 - US LPG export on 8-23k cbm vessels (mt)



Source: IHS Waterbourne

AGREEMENTS IN 2Q 2015

IMS completed the closing of the sale of its 50% economic interest in the SPT activities being the global ship to ship transfer/lightering business to Teekay Corporation. Teekay Corporation owned the other half of the business in a JV with IMSK that was established in 2003. Teekay Corp. has sold the business entirely onto Teekay Tankers (TNK). IMSK has in the process also acquired the right to purchase two Multigas type gas carriers of 12,000 cbm, built in 2011 and that are currently on a longer term lease to IMSK from Teekay LNG Partners LP. The sale of the SPT business was made against a consideration of USD 45.5 mill on 100% basis that for our share will constitute a book gain of about USD 7.0 mill for IMSK.

The divestment of our share in the SPT activities will improve the group's balance sheet and net working capital position with approximately USD 21.7 mill, which should enable the company to execute on its small scale LNG strategy.

CORPORATE ACTIVITIES

We have no capex commitments, apart from the planned maintenance of our fleet, and we have no bond debt maturing in 2015.

OUTLOOK

We will continue our strategy to transform the focus of the company from mainly a LPG and Petchem transporter into a company that supplies energy solutions in the form of LNG. Our revenue base will from this gradually change from short term spot and COA business into long term contract business for small scale LNG logistics. Transport of LNG is more demanding than other gas products and will require special ships. The prospective LNG contracts in the energy field are thus more rewarding, both in terms of rates and in terms of duration.

We expect the growing demand in China and Asia for Petchems and the increasing deficit from Asian production will lead to an increased demand for long haul trade of Petchems. Products will be sourced from the two low cost regions; Iran when sanctions are lifted as well as the US. The demand in ton miles for our market segment of vessels will be further supported by the growth in LPG and ethane export from the US.

The unique Norgas fleet of flexible state-of-the-art gas carriers makes the company well positioned to benefit from the expected growth in all these segments of the market.

I.M. Skaugen SE Consolidated

USD'000 Income Statements - Equity method	2015 1.1. - 30.6	2014 1.1. - 30.6	2015 1.4. - 30.6	2014 1.4. - 30.6	2014 1.1. - 31.12
Gross freight revenues	31 913	38 692	15 733	20 761	75 252
Revenues	**31 913**	**38 692**	**15 733**	**20 761**	**75 252**
Share of investments in strategic joint ventures/associates	101	149	-	149	380
Voyage related expenses	(8 646)	(15 429)	(4 176)	(8 326)	(28 831)
Charter hire	(14 708)	(11 412)	(7 354)	(5 706)	(23 504)
Depreciation and amortisation	(1 168)	(2 988)	(584)	(1 493)	(5 765)
Gains from sale of fixed assets	-	2 086	-	-	3 696
Other operating expenses vessels	(15 015)	(17 034)	(8 052)	(8 307)	(29 895)
Other operating expenses/general admin and legal expenses	(1 018)	(1 589)	(404)	(891)	(5 526)
Operating profit	**(8 541)**	**(7 525)**	**(4 837)**	**(3 813)**	**(14 193)**
Financial revenue	1 520	418	120	328	443
Financial expenses	(5 704)	(6 577)	(3 404)	(3 290)	(12 601)
Gains/losses on exchange	-	128	-	(597)	(300)
Share of investments in other joint ventures/associates	7 585	117	7 615	612	288
Net result before taxes	**(5 140)**	**(13 439)**	**(506)**	**(6 760)**	**(26 363)**
Taxes	-	-	-	-	(757)
Changes in deferred tax	-	-	-	-	-
Net result for the period	**(5 140)**	**(13 439)**	**(506)**	**(6 760)**	**(27 120)**
Attributable to:					
Equity holders of the company	(5 140)	(13 439)	(506)	(6 760)	(27 120)
Earnings per share - basic and diluted	(0.19)	(0.50)	(0.02)	(0.25)	(1.00)

USD'000 Statement of Comprehensive Income	2015 1.1. - 30.6	2014 1.1. - 30.6	2015 1.4. - 30.6	2014 1.4. - 30.6	2014 1.1. - 31.12
Net result for the period	**(5 140)**	**(13 439)**	**(506)**	**(6 760)**	**(27 120)**
Other comprehensive income:					
Currency translation differences	-	-	-	-	(77)
Other comprehensive income	**-**	**-**	**-**	**-**	**(77)**
Items that will not be reclassified to profit and loss					
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**-**	**(77)**
Total comprehensive income for the period	**(5 140)**	**(13 439)**	**(506)**	**(6 760)**	**(27 197)**
Comprehensive income attributable to:					
Equity holders of the company	(5 140)	(13 439)	(506)	(6 760)	(27 197)

USD'000 **Balance Sheets - Equity method**	**30.06.2015**	**30.06.2014**	**31.03.2015**	**31.03.2014**	**31.12.2014**
Non-current assets					
Deferred tax assets	2 500	2 500	2 500	2 500	2 500
Non-current other debtors	9 222	8 831	9 561	8 176	9 900
Tangible fixed assets	78 496	130 731	78 570	132 075	78 564
Investments in strategic associates and joint ventures	7 668	7 155	7 668	7 433	7 568
Investments in other associates and joint ventures	1 940	5 962	6 103	4 922	6 133
Non-current financial assets	10 215	447	10 215	447	10 215
Total non-current assets	**110 041**	**155 626**	**114 617**	**155 553**	**114 880**
Current Assets					
Receivables and other current assets	21 851	29 762	21 764	29 087	22 089
Other financial assets	16 524	9 500	9 877	9 500	9 877
Cash and Bank deposits	6 552	21 773	10 350	61 893	26 503
Total Current Assets	**44 927**	**61 035**	**41 991**	**100 480**	**58 469**
Total Assets	**154 968**	**216 661**	**156 608**	**256 033**	**173 349**
Equity					
Paid in equity	81 319	81 319	81 319	81 319	81 319
Retained earnings	(54 556)	(35 659)	(54 050)	(28 901)	(49 416)
Other reserves	12 190	12 192	12 190	12 191	12 190
Total Equity	**38 953**	**57 852**	**39 459**	**64 609**	**44 093**
Liabilities					
Long term liabilities	69 279	98 029	84 711	89 001	73 588
Current interest bearning liabilities	21 814	45 026	3 928	84 536	31 938
Derivative financial instruments	19 391	5 866	21 979	4 565	17 082
Other current liabilities	5 531	9 888	6 531	13 322	6 648
Total Liabilities	**116 015**	**158 809**	**117 149**	**191 424**	**129 256**
Total Equity and Liabilities	**154 968**	**216 661**	**156 608**	**256 033**	**173 349**

USD'000 **Statement of Changes in Equity**	**2015** **1.1. - 30.6**	**2014** **1.1. - 30.6**	**2015** **1.4. - 30.6**	**2014** **1.4. - 30.6**	**2014** **1.1. - 31.12**
Equity at start of period	**44 093**	**71 290**	**39 459**	**64 611**	**71 290**
Comprehensive income for the period					(77)
Net result	(5 140)	(13 439)	(506)	(6 760)	(27 120)
Equity at end of period	**38 953**	**57 851**	**38 953**	**57 851**	**44 093**

USD'000 Statement of Cash Flow	2015 1.1. - 30.6	2014 1.1. - 30.6	2015 1.4. - 30.6	2014 1.4. - 30.6	2014 1.1. - 31.12
Cash Flow from Operations:					
Received payments of gross revenues	31 668	33 590	15 766	17 366	80 033
Payments of operating expenses	(40 231)	(46 428)	(21 335)	(24 983)	(95 379)
Payment of taxes	-	-	-	-	(757)
Net Cash Flow from Operations	**(8 563)**	**(12 838)**	**(5 569)**	**(7 617)**	**(16 103)**
Cash Flow from Investments:					
Payments of purchase of fixed assets	(590)	(1 501)	-	(51)	(1 561)
Receipts from sale of fixed assets	-	11 058	-	50	62 070
Investment in associates	-	-	-	-	(186)
Proceeds from sale of shares and parts in other companies	11 823	-	11 823	-	-
Receipts / Payments of Financial assets	(6 647)	-	(6 647)	-	(10 165)
Net Cash Flow from Investments	**4 586**	**9 557**	**5 176**	**(1)**	**50 158**
Cash Flow from Financing:					
Receipts from raising new long-term debt	-	34 000	-	-	34 000
Repayment of long-term debt	(10 389)	(61 923)	-	(29 402)	(88 458)
Received payments of interest	240	-	120	-	443
Payment of interest	(5 825)	(6 387)	(3 525)	(3 100)	(12 901)
Net Cash Flow from Financing	**(15 974)**	**(34 310)**	**(3 405)**	**(32 502)**	**(66 916)**
Net change in cash and cash equivalents	(19 951)	(37 591)	(3 798)	(40 120)	(32 861)
Cash and cash equivalents beginning of	26 503	59 364	10 350	61 893	59 364
Cash and cash equivalents end of period	**6 552**	**21 773**	**6 552**	**21 773**	**26 503**

Notes to the consolidated financial statements

Note 1 - Accounting principles

I.M. Skaugen SE is ultimate parent company of the I.M. Skaugen Group. I.M. Skaugen SE is a public listed company traded on the Oslo Stock Exchange. The company's address is Karenslyst Allè 8B, 0278 Oslo, Norway

Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34-Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with IFRS. The interim financial statements are unaudited.

Significant accounting principles

The accounting policies applied are consistent with those of the previous financial year. None of the new standards, interpretations and amendments, effective for the financial year ending 31 December 2014 are expected to have a material impact on the group.

Estimates and judgments

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
In preparing these condensed interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

Note 2 - Net interest bearing liabilities

(USD'000)	YTD1H15	YTD1H14	FY2014
Loans from financial institutions - floating interest rate	36 094	55 742	38 549
Bonds	33 185	42 287	35 038
Derivative financial instruments	19 391	5 866	17 082
Current portion interest bearing debt (incl. Bonds)	21 814	45 026	31 938
Total interest bearing debt	**110 484**	**148 921**	**122 607**
Cash and cash equivalent	(6 552)	(21 773)	(26 503)
Net interest bearing liabilities	**103 932**	**127 148**	**96 104**

Note 3 - Transactions with related parties

In the normal course of the conduct of its business, the Group enters into a number of transactions with related parties. I.M. Skaugen considers these arrangements to be on reasonable market terms.

Note 4 - Non-current assets

(USD'000)	YTD1H15	YTD1H14	FY2014
Net carrying amount beginning	78 564	141 142	141 142
Investment in non-current assets	1 100	1 501	1 561
Sale of non-current assets	-	-8 922	(58 374)
Depreciation and impairment	(1 168)	(2 990)	(5 765)
Net carrying amount end	**78 496**	**130 731**	**78 564**

Note 5 - Investments in associates and joint ventures

The share of result and balance sheet items from investments in associates and joint ventures are recognised based on equity method in the interim financial statements. The figures below show our share of revenues and expenses, total assets, total liabilities and equity:

Strategic Joint Ventures

(USD'000)	YTD1H15	YTD1H14	FY2014
Gross revenue	906	996	2 461
EBIT	158	153	465
Net result	101	149	380
Non-current assets	7 938	8 342	8 228
Current assets	5 541	1 176	5 868
Total assets	**13 479**	**9 518**	**14 096**
Total equity closing balance	**7 668**	**7 155**	**7 568**
Non-current liabilities	3 911	-	4 200
Current liabilities	1 900	2 363	2 328
Total Liabilities	**5 811**	**2 363**	**6 528**

Other Joint Ventures

(USD'000)	YTD1H15	YTD1H14	FY2014
Gross revenue	242	14 137	29 598
EBIT	76	(244)	744
Net result	**7 585**	**117**	**288**
Non-current assets	-	13 628	10 413
Current assets	1 940	8 712	8 932
Total assets	**1 940**	**22 340**	**19 345**
Total equity closing balance	**1 940**	**5 962**	**6 133**
Non-current liabilities	-	-	-
Current liabilities	-	16 378	13 212
Total Liabilities	**-**	**16 378**	**13 212**

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1st January to 30th June 2015 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the interim report includes a fair review of important events that have occurred during the first six months or the financial year and their impact on the condensed set of financial statements, a description of principal risks and uncertainties for the remaining six months of the financial year, and majority related parties transactions

Oslo, 20th August 2015

I.M. Skaugen SE
Board of Directors

I.M. Skaugen SE

If you have any questions, please contact:

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This press release is also available on the Internet at our website: www.skaugen.com.

I.M. Skaugen SE is a Norway based Marine Transportation Service Company, with a focus on Innovative Maritime Solutions. Our core business activity is to provide logistics solutions for seaborne regional distribution of liquefied gasses such as LNG, petrochemical gases, ethane as well as LPG.

The Skaugen Group of companies currently operates a fleet of 15 advanced gas carriers. In this fleet we have 6 innovative and unique vessels with the capacity to transport LNG in addition to petrochemical gases and LPG. We recruit, train and employ our own team of seafarers.

IMS employs approximately 500 team members globally and with nearly 30 nationalities represented. We manage and operate our activities and service our clients from our offices in Singapore, Oslo and Houston.

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