I.M. Skaugen SE - Preliminary Result 2015

23 February 2016

I.M. Skaugen SE
Innovative Maritime Solutions
www.skaugen.com

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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 112.5 mill** in 2015 of which **USD 63.6 mill** was IMS' share on a proportional consolidated basis.

USD mill (except per share data)	FY			4Q	
2015 Highlights - Unaudited	**2015**	**2014**	**2013**	**2015**	**2014**
EBIT	(17.0)	(14.2)	23.6	(2.2)	(4.7)
Financial items, investments, associates and tax	12.1	(12.9)	(4.5)	(1.8)	(4.5)
Net result	(4.9)	(27.1)	18.4	(4.0)	(9.2)
Total assets	155.5	173.5	262.6	155.5	173.5
Net debt	85.6	70.8	94.2	85.6	70.9
Interest rate coverage ratio	(2.6)	(1.0)	0.2	(2.6)	(0.6)
Total liquidity	8.2	26.5	59.4	8.2	26.5
Equity ratio *	25.1%	25.4%	27.2%	25.1%	25.4%
Book equity	39.2	44.1	71.3	39.2	44.1
Book equity per share	1.44	1.63	2.63	1.44	1.63
EPS	(0.18)	(1.00)	0.68	(0.15)	(0.34)

** book equity / total assets*

USD'000	*FY*			*4Q*	
Segment reporting - Unaudited	**2015**	**2014**	**2013**	**2015**	**2014**
Gross Revenue gas transportation activities managed by IMS	112 529	130 245	172 042	33 201	30 314
EBITDA gas transportation activites managed by IMS	(1 678)	4 218	21 451	1 668	1 546
Gross Freight Revenue-Gas Transportation Activity	63 595	81 064	110 652	18 369	20 700
Revenues gas transportation activities	**63 595**	**81 064**	**110 652**	**18 369**	**20 700**
Voyage related expenses	(16 585)	(32 182)	(37 939)	(3 886)	(8 081)
Charter hire	(29 870)	(23 504)	(22 730)	(7 519)	(6 500)
Other operating cost	(27 878)	(31 522)	(41 576)	(8 368)	(6 949)
Depreciation and amortization	(3 159)	(6 038)	(9 574)	(971)	(1 796)
Segment operating profit (EBIT)	**(13 897)**	**(8 486)**	**30 616**	**(2 375)**	**(1 016)**
General administration and legal expenses	(2 914)	(5 526)	(2 493)	25	(3 440)
Depreciation	(28)	(97)	(212)	138	(22)
Share of investments of other joint ventures	20 436	288	4 896	576	(271)
Financial revenues	2 270	443	4 753	429	(30)
Financial expenses	(10 612)	(12 985)	(18 455)	(2 730)	(3 528)
Other	(176)	(757)	(681)	(121)	(907)
Net result	**(4 921)**	**(27 120)**	**18 424**	**(4 058)**	**(9 214)**

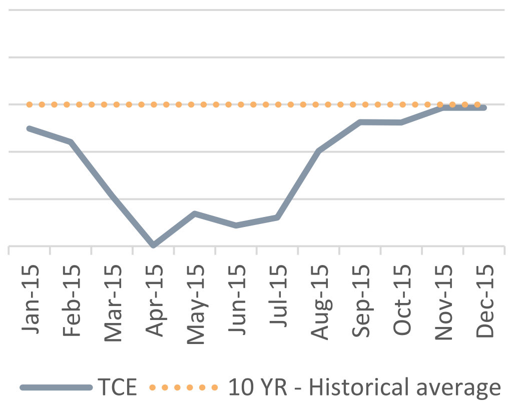
IMSK PERFORMANCE 2015 - SUMMARY OF THE YEAR

The I.M. Skaugen Group (IMSK) had a negative result for 2015 of USD4.9 mill, compared to a negative USD27.1 mill for 2014.

The year was another challenging year to achieve what we have set out as goals and thus tried to accomplish. We are pleased about progress made in many areas and the hard work to accomplish this, but the negative results and cash flow due to the market conditions and trading of the ships is a disappointment.

Utilization of the Norgas fleet improved in 2H15 and as a result the underlying earnings per vessel increased with 40% in 3Q15 compared to 2Q15, and in 4Q15 the earnings increased by another 23% compared to 3Q15. From a low point in April the earnings at year doubled (fig 1). The average earnings of the fleet is right now back at or above the 10-year historical average. We have further managed to improve the forward contract coverage for our fleet in 2H15.

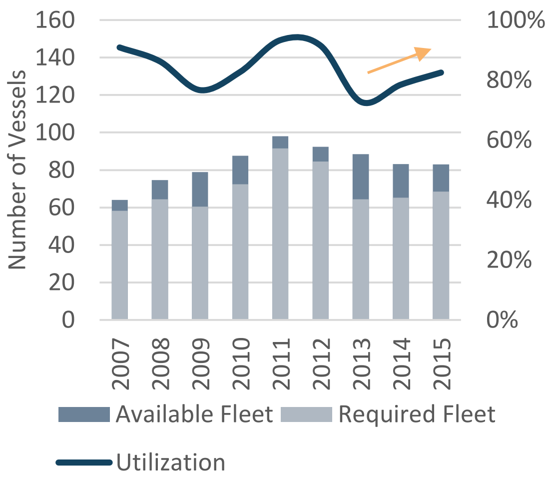
fig 1. Norgas fleet TCE vs historical average



Source: Internal

This improved performance in 2H15 is supported by an overall improvement in the market conditions. We experience growth in the Atlantic market for seaborne transportation of LPG and petrochemicals and we see that Far East Asia is increasingly short on products that more often needs to be covered by long haul transport. At the same time excess supply is brought on stream in the US (LPG, petrochemical gas and ethane) and also from Iran following the lifting of sanctions in January 2016. This drives a fundamental increase in ton-miles and a gradual improvement in the overall utilization of the semi-ref/ethylene capable fleet (fig 2.).

fig 2. SR/ETH fleet utilization



Source: Shiptracks, brokers

The lower oil price should further support our LPG and petrochemical gas business. Lower product prices stimulate end user demand, as plastic prices are reduced consumption increases. LPG is being more and more used as feedstock in the petrochemical industry and for transportation and power generation. The lower oil price and the high growth in ethane and LPG supply from the shale revolution in the US will further boost the demand for shipping of petrochemicals as well as for LPG and ethane. There are also other pockets of excess petrochemical gas emerging from a revival of naphtha based crackers in Europe who has seen remarkable margin improvements along with the drop in the oil price. The naphtha based production creates many by-products such as butadiene which in turn generate additional trading opportunities.

In 2015 we successfully performed several LNG voyages in Asia and this continued into 2016. We loaded LNG from a large export terminal in Asia and delivered the LNG to a smaller re-distribution hub. This LNG hub services the regional small scale LNG client base. The main use for the LNG is the fast growing transport market either in the form of LNG or converted into CNG (compressed natural gas). This contract confirms the versatility and flexibility our Multigas carriers have in terms of loading LNG from any source of LNG. It also re-confirms the USD premium our vessels can achieve when performing LNG trade compared to the petrochemical market. These premiums are achievable in the Small Scale LNG niche as we are able to make use our unique know-how built up over many years, Multigas technology and innovative maritime solutions.

We believe that we are seeing the time for Small Scale LNG (SSLNG) developing as we have envisioned for many years; bringing LNG to power generation and replace diesel or naphtha. Lower oil and derivative prices are positive for demand – leading to converging energy prices supporting regional and short haul trade. Lower oil prices have also enabled many countries to reduce and remove subsidies on diesel, supporting the competitive position of gas. Supply of LNG is further set to exceed demand, increasing the need to develop new markets for LNG («stranded customers» without access to pipeline gas) through fast-track and flexible supply solutions. Finally, we should also see increased push for more environmental friendly solutions (LNG vs Diesel/HFO) supporting development of Small Scale LNG solutions.

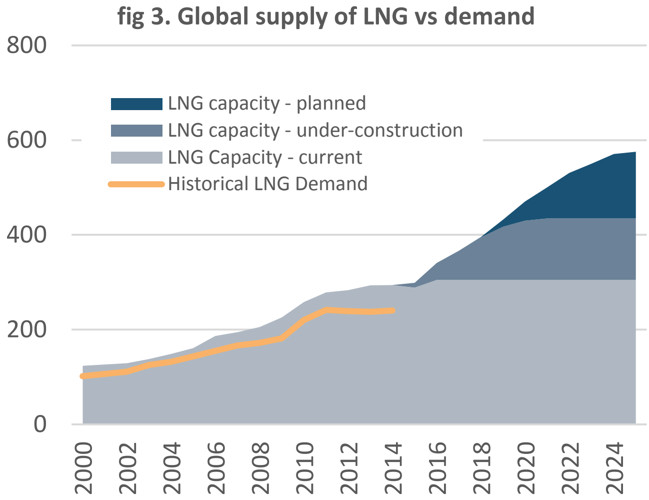
Since mid-2010 our shore based teams and organization have been centralized, simplified and aligned with the reduction business activities from three into the one operation of a Norgas fleet of 15 vessels. This resulted in some one-off costs in the 1H of the year, but with reduction in headcount and subsequent reduced overhead cost going forward. Since this initiative was taken we have seen a continued sharp downwards trend in administration costs and the trend is expected to continue in 2016. Similarly, we are working harder to reduce vessel operating costs, and have experienced a positive trend throughout the year and into 2016. This trend has been supported by a lower USD/EUR exchange rate as well as positive impacts of lower oil prices on consumables.

A successful sale of the SPT related activities in July 2015 enhanced the Group's balance sheet and working capital position – an initiative taken to enable the Company to better execute on its LNG strategy. As an integral part of the SPT transaction, IMSK was granted two purchase options for two of its leased Multigas vessels in 2015; one for the vessel Bahrain Vision, and one for the vessel Norgas Unikum. In February 2015 we completed a refinancing, where maturity of IMSK12 and a cross currency swap was deferred to June 2016. The intention with the transaction was to “buy time” for the company to be able to execute its LNG strategy.

SMALL SCALE LNG – regional redistribution of LNG and mainly for the power sector.

IMSK vision is to become the leading, go-to specialist for Small Scale LNG (SSLNG) logistics solutions within 5 years and to employ all of the groups 6 Multigas carriers on LNG contracts within 2018. The value of LNG contracts based on comparable rates achieved for Small Scale LNG vessels indicate that there is much to gain commercially vs trading the 6 vessels in the traditional LPG/petrochemical market with regards to both the level of earnings and the duration of the contracts. With our fleet of six smaller LNG carriers, we can provide a LNG logistics solution with a very short lead time. In addition to transporting the LNG, our vessels can be used to provide a stop-gap solution for LNG storage and re-gas while a more permanent infrastructure is developed. Our small scale concept can provide cost savings within 3-12 months' lead time as compared to the customer waiting at least another 3-4 years in order to build a vessel and a permanent land based re-gas facility.

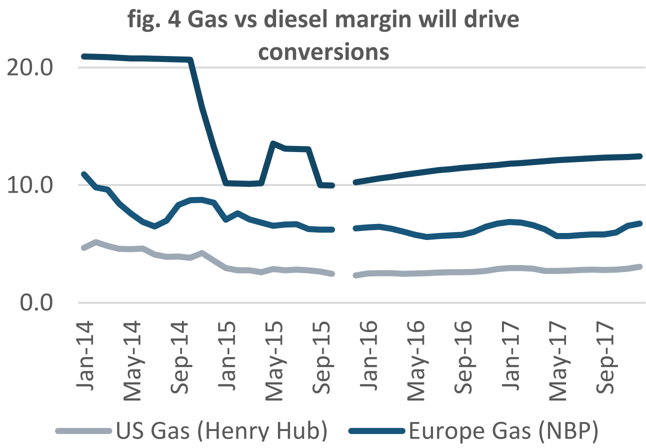
From the historical position where LNG was not readily available and priced based on oil indexation, we currently have an abundance of LNG supply (fig3.). Pricing is increasingly based on the supply and demand of LNG. The LNG infrastructure is expanding, not only with more production units coming on stream but also new import terminals. We also note the trend that existing conventional LNG import terminals are commissioned for re-export of LNG. However, no matter which source of LNG, our Multigas vessels are designed for maximum flexibility and will be able to load at most types of LNG sources.



Source: South Cort Ltd

Looking at the potential markets for our small-scale LNG concept, islands in South East Asia, the Caribbean and the Mediterranean are all within economical distance from a LNG source for our Multigas vessels. The same is true for most coastal locations in the developing economies in Asia, Africa and The Americas. We see the strongest interest for our concept from the growing economies in Asia where energy is needed "yesterday" to support growth of the local economies. We also note an increasing interest from the regional markets which in the future will benefit from low cost US based LNG. Smaller power plants will provide the base load for these supply chains and thereafter will the local transport and industrial markets be developed from the existing LNG infrastructure long term.

The lower oil price has also allowed many Governments to remove fuel subsidies and make the local energy markets more transparent and more competitive. This will open up for many smaller users, like island based power plants, to switch their energy source from diesel to gas, supplied in the form of LNG - and make significant savings in the process, as well as the environmental benefits (fig 4).



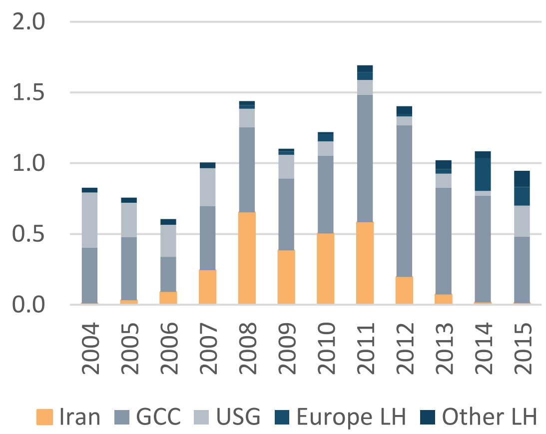
Source: South Cort Ltd, internal

PETROCHEMICAL GASES AND LPG

Norgas Carriers is directly involved in the 8-17k cbm part or segment of the semi-ref / ethylene market. These are the vessels that primarily cover long-haul transportation of petrochemicals and short/medium haul transportation of LPG.

In the period 2011 to 2013 we witnessed a decline in ton-miles for long haul petrochemical gases and an increase in ton miles for Liquefied petroleum gas (LPG). The additional LPG volumes have not been enough to cover for the shortfall or decline in the long haul petrochemical gas trade (since these LPG cargoes were mostly carried on the larger Handy size vessels). We therefore experienced a sharp reduction in the overall fleet utilization in this period. The decline is driven by lack of supply of petrochemical gases, especially ethylene and mainly out of the Gulf region or Gulf Co-operation Council (GCC) and Iran (decline from 1,5 to 0,5 mill tons per annum of exports – fig 4). The lowe supply of products from GCC/Iran region was often replaced by short haul seaborne volumes from Japan and Korea up to 2013 and into Far East Asia incl of China.

fig 5. Long Haul ethylene exports



Source: Shiptracks, brokers

From 2013/14 there has been a gradual, but slow recovery in long haul seaborne petrochemical trade driven by increased propylene volumes. This combined with strong growth in LPG trade. In the same period the volumes available from Japan and Korea for short haul transportation has been reduced and we have seen a general lack of petrochemical product available for seaborne transportation. This recovery has however not been enough to lead to an increase in freight rates for our sized vessels before 2H15.

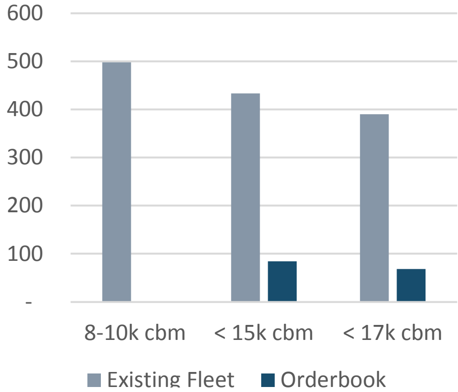
Going into 2016 we now see additional surplus of lower cost supply of petrochemical gas, and this is primarily expected to come from both Iran and the US (ethane based production). Iran accounted for approximately 30% of long haul ethylene exports pre – sanctions introduced in 2012. In January 2016, sanctions against Iran was finally lifted. 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 country in the world.

At the same time as supply is set to grow in the US and Iran, we see a continued further reduction in supply and exports from both South Korea and Japan, as well as development of costal non-integrated downstream facilities in China. Far East Asia and South East Asia is thus expected to be increasingly short of ethylene. The lack of supply will need to travel longer haul to fill the demand deficit in Far East Asia. Some of the volumes from Iran and US will probably also find its way to Europe. The additional supply of LPG and Ethane from US will also play a significant role in the recovery for our markets. These products are supply driven and not demand driven and lower prices will stimulate demand.

VESSEL SUPPLY

There have been no major changes to the current order book for semi-ref vessels during 4Q15. The order book for vessels in the 8-17K cbm set to grow by 12% (fig 6). At the same time about 13% of this part of the fleet are more than 25 years and will thus be exiting the competitive fleet in the same period which means there is virtually no growth in this part of the fleet. The larger than 17k cbm vessels on order (26 vessels) are all expected to be absorbed into the growing LPG (and possibly also ethane) trade on the back of increased US and Iranian exports and specially when new US based export terminal capacity will come on-line in 2016.

fig 6. SR/ETH fleet – 8-17k cbm order book ('000 cbm)



Source: Clarcksons

Where traditionally ethylene vessels were trading ethylene, today, more ethylene vessels have been trading in other gases. The key product that is the driver for this development is LPG, which has seen significant growth in the last few years. In 2013, 11% of the 8-17k cbm ethylene fleet was trading LPG and in 2015, the share of LPG volume has grown to nearly 25%.

The current order book for similar sized vessels for small scale LNG and liquefied gas transportation is virtually zero. For smaller LNG vessels we can note a global order book of only five smaller sized LNG vessels where three are targeted for marine bunkering operations and one vessels is tied up in a long term charter contract. Also, the remainder of the current sailing fleet of small scale LNG vessels is currently tied up in longer charter agreements. This gives the Company a continued and unique position to provide suitable LNG tonnage for our clients in the near to medium term.

CORPORATE ACTIVITIES

We did not acquire or order any ships during the year and as such have no capex commitments, apart from the planned maintenance of our fleet. We did however acquire purchase options on two small scale LNG carriers. Due to the fact that we managed all of our restructuring efforts in 2015, the equity ratio has remained stable at just above 25% during the year and ended at 25.1% (2014: 25.4 %). Our target is to have an equity ratio of at least 30 %. Book equity per share was USD 1.44 (NOK 12.7) by year end.

The Company is engaged in disputes with MAN group in Augsburg, Germany regarding purchase of 12 marine diesel engines. We believe that the MAN company has fraudulently misrepresented the fuel consumption on many of these engines for us and for many other clients and that these engines consume more fuel than promised and agreed when we agreed to acquire these. MAN has admitted to manipulating the FAT tests (and thus the outright fraud) when it comes to 3 of our engines. We have received documents from MAN that shows that these manipulations have been performed on a regular basis for more than 10 years and allegedly was discontinued only in 2011 and evidently affecting many clients and thus many engines. MAN was awarded and accepted a fine in Augsburg local court for the manipulations in march 2013. MAN refuses to compensate our Company for our losses despite of the admitted fraud. MAN also refuses to disclose any material information re the fraud linked to our engines. We thus have had to pursue these claims by litigation.

OUTLOOK

The Company is currently assessing alternatives for a shorter term deferment of the maturity in June 2016 of our debt obligations, a postponement which would allow us to benefit from the encouraging results of the groups commercial initiatives in both the LNG and the LPG/petrochemical gas segments. The potential longer-term LNG contracts we are pursuing will allow us to visualize the inherent value of our LNG R&D, knowhow and expertise built up over time and the value of our LNG capable vessels we own and/or control. The financial markets are challenging and debt financing is hard to attract for a company of our structure. This is a particular challenge for our company going forward and one the Company is putting a lot of efforts into.

We remain cautiously positive and expect a gradual recovery of the trading opportunities in the longer haul petrochemical gas markets. The recovery that we have seen in 2H15 is expected to continue into 2016/17. We see these quite encouraging signs for 1Q16 vs 1H15 and also vs 2H15. The prevailing situation with lower oil and energy prices should support the growth in demand for the liquefied gasses we transport as well as fuel a faster development of the innovative small-scale LNG business. The continuing growth in global LPG trade will provide complementary trade for our fleet but also ensure a higher utilization of the global gas carrier fleet within our market segment.

LNG will be available at competitive prices and molecule owners (LNG producers) are hard pressed to try to develop new markets for LNG with new clients and new distribution channels and sooner rather than later. During 2015 great efforts and resources have been put to ensure IMSK's LNG "proof of concept", but we are still not there yet. The company is currently developing 4 specific LNG projects to supply power plants with LNG and on the back of these projects we could deploy our fleet of LNG capable vessels in in 2016/2017. Our focus has been projects or countries with a required early start-up within 2016/17, and all such projects could enable the company to utilize the unique Small Scale LNG competence and knowhow developed over the past 10 years.

I.M. Skaugen SE Consolidated

USD'000 *Unaudited* Income Statements - Equity method	2015 1.1. - 31.12	2014 1.1. - 31.12	2015 1.10. - 31.12	2014 1.10. - 31.12
Gross freight revenues	60 302	75 252	16 542	15 237
Revenues	**60 302**	**75 252**	**16 542**	**15 237**
Share of investments in strategic joint ventures/associates	482	380	319	31
Voyage related expenses	(15 649)	(28 831)	(2 950)	(4 730)
Charter hire	(29 870)	(23 504)	(7 519)	(6 500)
Depreciation and amortisation	(2 813)	(5 765)	(761)	(1 448)
Gains from sale of fixed assets	-	3 696	-	1 610
Other operating expenses vessels	(26 568)	(29 895)	(7 900)	(5 322)
Other operating expenses/general admin and legal expenses	(2 914)	(5 526)	25	(3 440)
Operating profit	**(17 030)**	**(14 193)**	**(2 244)**	**(4 562)**
Financial revenue	1 763	443	122	(30)
Financial expenses	(10 421)	(12 601)	(2 098)	(3 144)
Gains/losses on exchange	507	(300)	(293)	(450)
Share of investments in other joint ventures/associates	20 436	288	576	(271)
Net result before taxes	**(4 745)**	**(26 363)**	**(3 937)**	**(8 457)**
Taxes	(176)	(757)	(121)	(757)
Changes in deferred tax		-	-	-
Net result for the period	**(4 921)**	**(27 120)**	**(4 058)**	**(9 214)**
Attributable to:				
Equity holders of the company	(4 921)	(27 120)	(4 058)	(9 214)
Earnings per share - basic and diluted	(0.18)	(1.00)	(0.15)	(0.34)

USD'000 *Unaudited* Statement of Comprehensive Income	2015 1.1. - 31.12	2014 1.1. - 31.12	2015 1.10. - 31.12	2014 1.10. - 31.12
Net result for the period	**(4 921)**	**(27 120)**	**(4 058)**	**(9 214)**
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	**(4 921)**	**(27 197)**	**(4 058)**	**(9 214)**
Comprehensive income attributable to:				
Equity holders of the company	(4 921)	(27 197)	(4 058)	(9 214)

USD'000 *Unaudited* Balance Sheets - Equity method	31.12.2015	31.12.2014	30.09.2015	30.09.2014	30.09.2015
Non-current assets					
Deferred tax assets	2 500	2 500	2 500	2 500	2 500
Non-current other debtors	11 304	9 900	11 642	9 146	11 642
Tangible fixed assets	77 246	78 564	77 612	130 231	77 612
Investments in strategic associates and joint ventures	7 675	7 568	7 694	7 518	7 694
Investments in other associates and joint ventures	848	6 133	831	6 404	831
Non-current financial assets	10 200	10 215	23 993	447	23 993
Total non-current assets	**109 773**	**114 880**	**124 272**	**156 246**	**124 272**
Current Assets					
Receivables and other current assets	20 434	22 089	17 894	29 004	17 894
Other financial assets	17 124	9 877	8 540	9 500	8 540
Cash and Bank deposits	8 162	26 503	8 415	15 948	8 415
Total Current Assets	**45 720**	**58 469**	**34 849**	**54 452**	**34 849**
Total Assets	**155 493**	**173 349**	**159 121**	**210 698**	**159 121**
Equity					
Paid in equity	81 319	81 319	81 319	81 319	81 319
Retained earnings	(54 337)	(49 416)	(50 279)	(35 793)	(50 279)
Other reserves	12 191	12 190	12 190	7 858	12 190
Total Equity	**39 173**	**44 093**	**43 230**	**53 384**	**43 230**
Liabilities					
Long term liabilities	66 216	73 588	66 020	72 831	66 020
Current interest bearning liabilities	19 181	31 938	21 107	66 731	21 107
Derivative financial instruments	21 952	17 082	22 121	8 488	22 121
Other current liabilities	8 971	6 648	6 643	9 264	6 643
Total Liabilities	**116 320**	**129 256**	**115 891**	**157 314**	**115 891**
Total Equity and Liabilities	**155 493**	**173 349**	**159 121**	**210 698**	**159 121**

USD'000 *Unaudited* Statement of Changes in Equity	2015 1.1. - 31.12	2014 1.1. - 31.12	2015 1.10. - 31.12	2014 1.10. - 31.12	2015 1.1. - 30.9
Equity at start of period	**44 093**	**71 290**	**43 230**	**53 384**	**44 093**
Comprehensive income for the period	-	(77)	-	-	-
Net result	(4 921)	(27 120)	(4 058)	(9 214)	(863)
Equity at end of period	**39 172**	**44 093**	**39 172**	**44 170**	**43 230**

USD'000 *Unaudited* Statement of Cash Flow	2015 1.1. - 31.12	2014 1.1. - 31.12	2015 1.10. - 31.12	2014 1.10. - 31.12
Cash Flow from Operations:				
Received payments of gross revenues	62 039	80 033	18 524	25 120
Payments of operating expenses	(78 324)	(95 379)	(28 466)	(26 394)
Payment of taxes	(176)	(757)	(121)	(757)
Net Cash Flow from Operations	**(16 461)**	**(16 103)**	**(10 063)**	**(2 031)**
Cash Flow from Investments:				
Payments of purchase of fixed assets	(1 495)	(1 561)	(395)	767
Receipts from sale of fixed assets	-	62 070	-	51 012
Investment in associates	-	(186)	-	(23)
Proceeds from sale of shares and parts in other companies	12 876	-	1 053	-
Receipts/Payment of Financial Assets	7 750	(10 165)	10 847	(10 165)
Net Cash Flow from Investments	**19 131**	**50 158**	**11 505**	**41 591**
Cash Flow from Financing:				
Receipts from raising new long-term debt		34 000	-	-
Repayment of long-term debt	(12 353)	(88 458)	(1 000)	(25 814)
Received payments of interest	1 763	443	1 403	443
Payment of interest	(10 421)	(12 901)	(2 098)	(3 634)
Net Cash Flow from Financing	**(21 011)**	**(66 916)**	**(1 695)**	**(29 005)**
Net change in cash and cash equivalents	(18 341)	(32 861)	(253)	10 555
Cash and cash equivalents beginning of	26 503	59 364	8 415	15 948
Cash and cash equivalents end of period	**8 162**	**26 503**	**8 162**	**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, Norw ay

Basis of preparation

Reporting. They do not include all disclosures that w ould otherw ise be required in a complete set of financial statements and should be read in conjunction w ith the annual financial statements for the year ended 31 December 2014, w hich have been prepared in accordance w ith IFRS. The interim financial statements are unaudited.

Significant accounting principles

The accounting policies applied are consistent w ith 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 w ere 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)	*FY2015*	*FY2014*
Loans from financial institutions - floating interest rate	36,558	38,549
Bonds	29,658	35,038
Derivative financial instruments	21,952	17,082
Current portion interest bearing debt (incl. Bonds)	19,181	31,938
Total interest bearing debt	**107,349**	**122,607**
Cash and cash equivalent	(8,162)	(26,503)
Net interest bearing liabilities	**99,187**	**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 w ith related parties. I.M. Skaugen considers these arrangements to be on reasonable market terms.

Note 4 - Non-current assets

(USD'000)	*FY2015*	*FY2014*
Net carrying amount beginning	78,564	141,142
Investment in non-current assets	1,495	1,561
Sale of non-current assets		(58,374)
Depreciation and impairment	(2,813)	(5,765)
Net carrying amount end	**77,246**	**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)	*FY2015*	*FY2014*
Gross revenue	2,045	2,461
EBIT	840	465
Net result	482	380
Non-current assets	8,111	8,228
Current assets	5,297	5,868
Total assets	**13,408**	**14,096**
Total equity closing balance	**7,675**	**7,568**
Non-current liabilities	3,697	4,200
Current liabilities	2,036	2,328
Total Liabilities	**5,733**	**6,528**

Other Joint Ventures

(USD'000)	*FY2015*	*FY2014*
Gross revenue	242	29,598
EBIT	76	744
Net result	**19,860**	**288**
Non-current assets	-	10,413
Current assets	846	8,932
Total assets	**846**	**19,345**
Total equity closing balance	**846**	**6,133**
Non-current liabilities		-
Current liabilities	-	13,212
Total Liabilities	**-**	**13,212**

Oslo, 23rd February 2016

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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