

# ISSUANCE OF BOND LOAN AND OFFER TO REPURCHASE IMSK01

I.M. Skaugen ASA (Bus.reg.No. 977 241 774) has decided to issue a 5-years bond loan, denominated in USD, with a total borrowing limit equivalent to USD 100 million, with a minimum subscription of USD 60 million. The minimum amount has been subscribed. Coupon is 3-month Libor plus 2.80 percentage points. An application will be made for the bond loan to be listed at Oslo Børs. I.M. Skaugen has appointed Fearnley Fonds ASA as Manager of the offering.

In connection with the issuance of the new 5 year bond loan, I.M. Skaugen ASA intend to offer the bondholders of IMSK01, ISIN NO 001 022640.0, to repurchase the bonds. IMS has a call option at 105 for these bonds in June 2006. Repurchase price that IMS will offer is 106,66, a margin of 3-month Nibor plus 1% percentage points to the call date 2 June 2006. The offer to repurchase the IMSK01 and disbursement date for the new bond loan is expected to be 14 December 2005. The acceptance of the offer must be in possession of Fearnley Fonds ASA no later than 9th December 2005 at 16:00 hours (Oslo time). The offer is not conditional to acceptance from 100 percent of the bondholders.