

IMSK - Wuhan Marine Equipment Industry Park - Another Joint Venture established in China

China Changjiang National Shipping (Group) Corp., Wuhan Hi-Tech State Holding Group Co, and I.M. Skaugen ASA (25 per cent) have entered into a joint venture agreement to create and manage the Wuhan Marine Equipment Industry Park in Wuhan, Hubei Province, China. The Government has now provided the company with all its licenses to commence operations.

The joint venture company is established to develop and manage the industrial park. The company will perform park planning and development as well as property management, construction of facilities and provide training, consultancy services and assistance for establishment of new entities.

The concept of a marine equipment industry park in Hubei was initiated during a visit by the Governor H.E Luo Qingquan of the Hubei Province to Norway and on the invitation of the Norwegian Minister of Trade and Industry; Mr Borge Brende in the spring of 2005. The industry park will promote development of the shipbuilding industry in Hubei, enhance the manufacturing level of marine related equipment in China for ships, bringing advanced domestic and international marine equipment manufacturers into Hubei Province, and to make the Marine Industrial Park as a manufacturing, sales and service base of the key marine equipment; this in order to satisfy the development demand of the rapidly growing shipbuilding industry of China.

This industry park has received full supports from the provincial government with various tax preferential policies towards to the companies that establish in the Park. The Park will offer "one-stop" services on behalf of the government to its investors who are willing to set up their business in this Park. A construction and business agreement has been entered into between East Lake Hi Tech development Zone and Wuhan Marine Equipment Industry Park. The agreement provides ample land at preagreed prices for the development of the park and for the benefit of those establishing in the park.

I.M. Skaugen ASA.

IMS now have 9 companies in China of which 7 are joint ventures established, or under the formation/approval process in China, to support its strategic approaches in China.

If you have any questions, please contact:

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Listed on the Oslo Stock Exchange, **I.M. Skaugen ASA** (IMSK) is a Marine Transportation Service Company engaged in the safe transport of petrochemical gases and LPG, and the ship-to-ship transfer of crude oil. Our customers are major, international companies in the oil and petrochemical industry, whom we serve worldwide from our operations in Dubai, Freeport (Texas), Houston (Texas), Nanjing, Oslo, Shanghai, Singapore and Wuhan. I.M. Skaugen operates recruitment and training programmes in St. Petersburg, Russia and Wuhan, China for the crewing of its vessels.

The Group employs approximately 1,100 people and currently operates 44 vessels worldwide. The fleet comprises petrochemical gas and LPG carriers, Aframax tankers, vessels and barges for the transportation of gases on the Yangtze River and a small number of workboats for Skaugen PetroTrans.

The Group has also six new, purpose designed and built "Aframax sized tankers" on order for delivery to SPT on a long term Bareboat charter and commencing during 2007.