

# **I.M. Skaugen SE - IMSK agree to an offer to sell its 50 per cent share in Shenghui Gas and Chemical System Co Ltd, based in ZhangJiaGang in the Jiangsu Province, China.**

IMS has agreed terms, and signed a binding Equity Transfer Agreement, for the sale of its 50 per cent holding in the Chinese manufacturing company Shenghui Gas and Chemicals Systems Co Ltd (SGCS). The buyer is Liangzhong Investment Co. Ltd, China that is also a major shareholder with 45.41% of its shares. The Buyer will arrange his own financing to secure the purchase.

A RMB 10 mill non-refundable down payment was, as per the agreement, paid into IMS' accounts and the remainder of the purchase price will be paid by end November 2013. The agreements and repatriation of our funds are subject to customary Chinese government approvals. The agreed price of our shares are RMB 259 mill or about USD 42 mill and will generate a book gain of about USD 6.1 mill.

The sale of SGCS is in line with IMS' focus on our core business; Liquefied Gas Transportation, and our plan to visualize the potential values in the IMS' core businesses. The investment in SGCS was initially made for strategic reasons in order to secure high quality manufacturing capabilities for the supply of the cargo containment and cooling systems for IMS' new-building program of nine specialized gas carrying vessels in the period between the years 2006 to 2011. Six of these were "MG ships" which are designed to also transport LNG. After the delivery of these ships our investment in SGCS became non-strategic and we initiated the process of making a profitable exit in order to concentrate our business on Liquefied Gas Transportation.

Says Morits Skaugen, the CEO of IMS; *"We are proud to both have been the largest shareholder and a contributor to the Shenghui company since 2006. We provided the company with money and technology and its vision to focus on the LNG value chain. We have then seen the further use of advanced technology to see its growth in the employment of Chinese in the new factories that has been made in China. When we made our equity investment of USD 11 mill in 2006 the Shenghui company had a turnover of RMB 145 mill and expected this year is over RMB 1 billion. SGCS has thus since IMS' equity investment was made in 2006 developed rapidly and it has been able to grow sevenfold in turnover while EBIT margins have been kept stable at above 10%. This has been quite an achievement by the management of this company; considering that no further equity injections have been made since by its shareholders since our initial investment was made in 2006"*

I.M. Skaugen SE

*If you have any questions, please contact:*

*Bente Flø, Chief Financial Officer, on telephone +47 23 12 03 00 or by e-mail: [bente.flo@skaugen.com](mailto:bente.flo@skaugen.com). This press release is also available on the Internet at our website: <http://www.skaugen.com>.*

*I.M. Skaugen SE is a Marine Transportation Service Company, with a focus on Innovative Maritime Solutions. Our core activity is the seaborne transport and logistics of liquefied gases, such as petrochemical gases, LPG and now also LNG.*

*The I.M. Skaugen Group of companies (IMS) currently operates a fleet of 30 vessels worldwide of which 17 are gas carriers within the core business area. We are also capable to provide on- and off-shore LNG terminal management as well as ship to ship transfer services of LNG/LPG and on a global basis. We have in-house capabilities for the development and design of specialized high quality gas carriers for our niche markets and we recruit, train and employ our own team of seafarers.*

*IMS employs approximately 2,000 people globally out of which 700 are within our core gas activity, and with 23 nationalities represented. We manage and operate our activities and service our clients from our offices in Singapore, Oslo, Shanghai, St. Petersburg, Houston, Sunderland and Bahrain.*

This information is subject of the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.