

IMSK - SPT Comments on Effect of Hurricane Katrina

Houston and Oslo -- SPT a 50% owned subsidiary of IM Skaugen ASA (IMSK), a leading "ship to ship transfer" provider off the US waters today issued comments on the impact from Hurricane Katrina.

The Company had only a brief interruption at the height of the storm, and all of its vessels were within days operating at pre-storm utilization levels and that there was no physical damage to its fleet nor injury to the crews aboard the vessels. In anticipation of Katrina, SPT either positioned its vessels outside the hurricane impact area or kept the vessels in ports off the area of the storm, which reduced any potential for impact from the hurricane. The Company has a policy and procedures to limit impact of the hurricanes on its activities in the area and these were followed. In total, the Company estimates it lost very few operating days to Katrina related delays. For those areas that have been impacted by Katrina, such as the refineries in Louisiana and Mississippi, SPT is currently off loading at alternative ports to be able to meet its customers' needs. Most pipelines are operating now, the LOOP is operational and more refineries are getting back into operation. The reduced capacity in the oil import infrastructure will last for some time and will cause volumes of crude oil to be imported to be lower for some days or weeks, but crude vessels will also be employed as storage vessels. Overall utilization will thus not be impacted to a great extent.

We are sad to experience the impact to the many areas we serve on a regular basis and the community as a whole, but we are relieved that there were no injuries to our crew. We are working to contact crewmembers who live in the affected areas and who were not aboard any of our units during the storm. So far, contacts have successfully been established with almost all of these individuals and are pleased to have learned of their safety.

The "ship to ship transfer" industry is a versatile concept for import of crude oil and the ability of the industry to adopt to changing weather conditions and circumstances makes it a consistent safe, reliable and efficient service provider for the US oil imports. SPT handles about one million barrels oil per day off US waters and this is about 11 percent of US sea-borne crude-oil imports.