

Norgas Cathinka released from Indonesia

On April 8th 2013 in the late evening our vessel "Norgas Cathinka" and its crew and cargo arrived safely at the entrance of Singapore port; having been released from its more than 6 month detention in Indonesia. All our crew, save for two, are also released or has been allowed to leave the country. Two of our colleagues remain in custody in Indonesia awaiting completion of a trial re their role in the events leading to the collision and the loss of lives. The "Norgas Cathinka" was on departure escorted to an agreed point by police launch to ensure she was safe for a simultaneous release of an "out of court settlement" payment that we and our insurance providers have made to the owners of the ferry "Bahuga Jaya".

This situation came from an unfortunate accident in the Sunda Strait in Indonesian waters on September 26th 2012 involving our ship "Norgas Cathinka" in a collision. The incident leading to the tragic loss of life for 7 passengers and 1 crew member, on the Indonesian flag ferry called "Bahuga Jaya" that lost its stability due to the impact. The stability was probably lost due to the shifting of the cargo (trucks) onboard. The ferry "Bahuga Jaya" was 40 years old and evidently not maintained for its trade. It was probably unseaworthy and did most probably sink for reasons of fatigue and/or construction modification leading to its failure.

The sinking caused in our views the loss of lives and not the collision itself. The loss of lives was also caused by the lack of proper procedures on the ferry to evacuate passengers in an emergency and with inadequate lifesaving procedures and equipment. The available data from the VDR data (Black Box) on our ship makes it possible to reconstruct the events leading to the collision. From this it is evident that our vessel is not the vessel that caused the collision.

This accident was the worst accident, involving loss of lives, for our Company since a tragic sinking by a ship and by enemy torpedoes during Second World War and thus a low in our history - and we all need to make sure it will never happen again. We do sincerely regret the loss of lives and we do consider it an avoidable accident that should not have happened and we do much regret the part we played in it.

We understand that the National Safety Transportation Committee of Indonesia (NTSC) will publish its report on its findings re the accident soon. We have been cooperating with all Indonesian authorities to ensure there is an open and transparent process with fair and impartial investigations and we do hope the NTSC will provide assurances of same when their final report is published. The NTSC has relied on the VDR from our ship to develop a factual analysis of the events leading to the collision. The NTSC report will be produced by a cooperation between flag state (Singapore MPA) and port state; and as per the IMO guidelines. The Governments of Philippines, China and the two shipping companies involved have been encouraged to comment on its findings. In our view the NTSC report has, in its draft form that we made comments upon, the appearance of being balanced and factual and give clear recommendations on the core issue resulting in the collision. The report does not, as of yet and in our view, cover sufficiently the reasons leading to the sinking of the ferry and the loss of lives - and this is in our view necessary in order to learn from the accident and take the corrective action to make the ferry operation safer. The recommendations given to our company by NTSC re navigational issues on our ship are clear and we have already taken substantive measures to implement and improve and change ! - and will enforce this as we proceed. We are working hard with all relevant entities to secure the release of our two crew members still in Indonesia.

I.M. Skaugen SE

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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 39 vessels worldwide of which 19 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.

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