

I.M. SKAUGEN  
90 years with a forward-looking view



I.M. Skaugen ASA  
3Q 2007



## I.M. Skaugen ASA

IMS – Innovative Maritime Solutions

I.M. Skaugen ASA is a Marine Service Company engaged in the hassle free transport of petrochemical gases and LPG, ship-to-ship transfer of crude oil and LNG, as well as construction of smaller and specialized high quality marine vessels

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October 9th, 2007

## IMSK – 3rd Quarter 2007

### **The I.M. Skaugen Group (IMSK) today announces positive third quarter results**

The pre-tax profit was USD12.8 million for the 3Q07 compared to USD2.9 million for the 3Q06. The result of the 3Q07 on an EBITDA basis was USD18.6 million compared to USD8.8 million for the 3Q06 and USD8.2 million in 2Q07. Net pre-tax profit at the end of 3Q07 is USD21.3 million vs USD10.9 million at full year 2006.

I.M. Skaugen (IMS) is engaged in three business units; through Norgas, Skaugen Marine Construction (SMC) and Skaugen PetroTrans (SPT). Norgas comprises the group's gas transportation activities, SMC is responsible for the new ship building activities in China. SPT is involved in ship-to-ship transfer of crude oil and LNG.

**Norgas** had a satisfactory performance for the 3Q07, benefiting from the continuing momentum of the global markets for petrochemical gases with acceptable returns. High utilization of the fleet resulting in acceptable overall earnings for the fleet. This despite higher operational costs in general; increasing our "vessel break-even cost levels" resulted in the best quarter ever for Norgas. It is expected that the volumes to be transported, and thus high utilization, will remain strong through the final quarter of the year.

**Skaugen Marine Construction (SMC)**, IMS's business unit responsible for all aspects of the company's newbuilding programmes. The first vessel completed as part of this program, the 3,200 CBM LPG carrier "Mei Wen Ti", was delivered to its buyers in 3Q07 and IMS took delivery of the second 3,200 LPG ship, "Qin Shi Huang" in 3Q07. The sale resulted in a gain of USD5.3 million for SMC. These vessels built to highest quality at expected cost, by SMC and with the cooperation of our Chinese Joint Venture partners. The cost of construction of these gas carriers are significantly below of comparable industry prices. We have experienced an increase in the construction costs of the SMC vessels compared to plan due to a substantial increase of raw materials (basic metal prices) and specially stainless steel prices in addition to higher cost for ship components. Our newbuilding program enables us however to renew and expand our fleet, with vessels that will offer special capabilities and added flexibility, at attractive price levels.

**Skaugen PetroTrans (SPT)** experienced a quarter with challenging trading conditions. High chartering-in cost of tankers, to cover customer contracts, have continued to impact the business so far this year and this was in 3Q07 compounded by a reduction in volumes to be handled on behalf of our customers through much of third quarter. The short term excess tanker capacity we had could not be utilized in the low returning spot markets at satisfactory rates. The excess capacity resulted from lower volumes arising from unplanned maintenance activities at offloading centres and a drawing down of US oil stocks. On the positive side, the latest Aframax tanker was delivered to SPT – bringing to three the number of new buildings now in the fleet – and this will significantly benefit future weighted average vessel costs. With rates still holding firm for the time charter market that company's performance looks set to improve in the medium – to long term.

### **New initiatives this quarter**

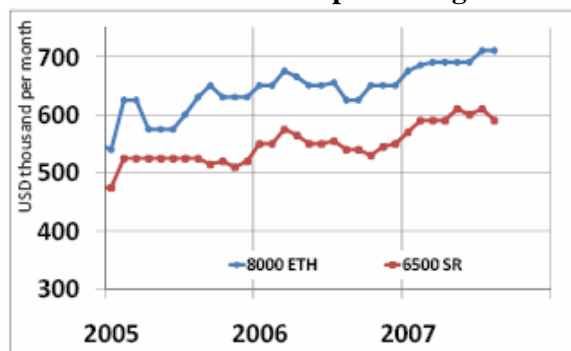
Norwegian utility provider Lyse Gass and I.M. Skaugen have joined forces to create a unique LNG "small scale" supply chain for the Nordic markets. It is expected to come on-stream in 2010, creating the North European market leader in LNG. The partners will jointly establish and own Nordic LNG AS that will be the company responsible for the logistic and sales of the LNG made by the liquefaction plant.

A new 50/50 joint venture with GATX Corporation has been created. This new joint venture will assume the ownership of the first four 10,000 cbm sized Multigas carriers.

IMS also announced an order for four 12,000cbm sized "Multigas" carriers that are capable of LNG transportation in addition to the petchem gases we normally carry. Two of these new larger ships have been confirmed and two will be reconfirmed by end 2007.

## The Gas Carriers: A satisfactory performance as the markets remains steady

### Petrochemical ships earnings



Average earnings in US\$ per day / per calendar month in the spot market excluding waiting time, alternatively short-term time-charter

Source: Inge Steensland

**Norgas** generated an EBITDA of USD12 million in 3Q07 (USD9.5 million in 2Q07 and USD9.3 million in 3Q06).

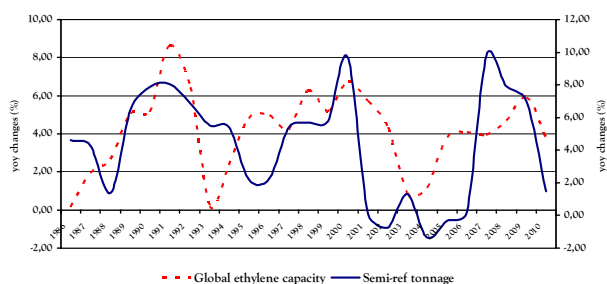
The company benefited from particularly strong levels of shipments of ethylene out of the Middle East to both Europe and southeast Asia. Saudi Arabian volumes increased as a result of the temporary closure of a domestic polyethylene plant necessitating the use of downstream plants in other countries. This situation is expected to continue into the fourth quarter. There were also sizeable volumes out of Iran, especially when compared to the usual level of activity for this time of year, ensuring that the number of overall voyages for the quarter was particularly encouraging.

Idle time for the 3Q07 totalled at 2.6 per cent compared to 12.6 per cent in 3Q06 and 14 per cent for the whole of 2006.

The firm order book for vessels in the semi-ref sector (4,000-22,000cbm) presently stands at 37 per cent of the total fleet (total fleet is 696,168 cbm or 68 vessels) with estimated deliveries of 112,146 cbm in 2007, 210,984 cbm in 2008 and 373,038 cbm in 2009/2010. Despite this historically high figure of new ships being built, in comparison to existing ship capacity, the expected growth in the global petrochemical production capacity in total is also going to be high by historical standards. This should see that many of these new vessels absorbed as older tonnage is scrapped and freight demand continues to increase due to changes in trading pattern.

We do however expect that with this significant new shipping capacity that is expected to come online during 2008/09, vessel utilization and rates could be affected as increased capacity in this period will outpace demand. Our view is that with the healthy growth in world GDP running at around 4-5% p.a, the increased ocean transportation demand from movements out of the Middle East and increased intra-Asia trade; demand for our services should offset any such rise in tonnage supply.

### Supply and demand balance – based on global ethylene capacity



## SMC: The second vessel delivered as new builds progress

**Skaugen Marine Construction (SMC)** generated an EBITDA of USD8.6 million in 2Q07 (USD0.1 million in 2Q07 and negative USD0.4 million in 3Q06).

SMC is in charge of the construction and management of IMS' new builds program that encompasses design, engineering, supervision, procurement, cost and quality control. A successful lower cost fleet renewal program is imperative for Norgas' future development, to both retain its market position and to enter into new markets.



**Summargas 2: Qin Shi Huang**

Followed Mei Wen Ti, Summargas 2: Qin Shi Huang delivered in August.

The Skaugen Wuzhou Shipbuilding Co. Ltd and the joint venture Shenghui Gas & Chemical Systems are two key joint ventures created to assist us to undertake the SMC projects. Skaugen Wuzhou Shipbuilding has invested in the necessary infrastructure at the Taizhou-based shipyard to improve quality, productivity and safety. Shenghui currently specialises in the fabrication of structured non-standard pressure vessels, spherical tanks and cryogenic steel structures - all used in the marine and petrochemical industry.

We are of the opinion that the newbuild program at SMC is going to ensure a competitive advantage for Norgas with low cost vessels compared to our competitors when delivered. We also see that we will benefit financially from third party business as the sale of one of the SMC built vessels demonstrate. For our Company we will thus benefit from the China knowledge we have amassed during several years of work in China and the additional risks we are taking to achieve this competitive position.



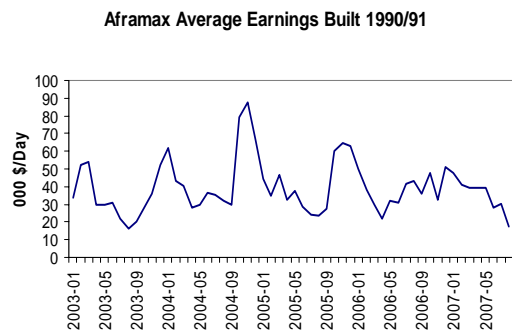
The SMC new builds have been delayed somewhat as per end of 3Q07 due to some delays in technical data – or production design development and delivery of major components. Cost wise, the company has seen some increase in basic material prices resulting in increased cost of all types of steel construction, particularly stainless steel for the cargo plants tanks and of various components. In addition non-construction cost as well as an appreciation of the RMB and Euro against USD have added to the cost. The non-construction part of the cost increase is due to the fact that we have built up a larger presence of our own people in connection with these projects to monitor quality and financial controls and to complement certain know-how resources needed where our alliance partners in China are lacking these.

SMC is saddened to report the news of an accident resulting in loss of life at one of its facilities in September. The company takes its health and safety obligations very seriously and will do all it can to ensure that lessons are learnt and procedures set in place are followed to avoid such tragic events in the future.

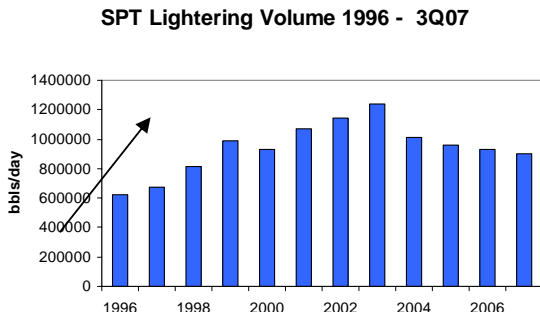
IMS announced that it has placed an order for four 12,000cbm sized "Multigas" carriers. Two of these have been confirmed and two will be reconfirmed by end 2007. These four larger hulls will, however, being built by the Ding Heng Shipyard, while the cargo plants will be constructed at Shenghui Gas & Chemical Systems Company. IMS now has 8 carriers of the unique Multigas design combining the technology to carry LNG with the capability to carry ethylene and various LPG cargoes.

## SPT: Delivery of new vessels will improve operational costs

**SPT** generated an EBITDA of negative USD1.0 million in 3Q07 (negative USD0.3 million for the 2Q07 and USD1.4 million for the 3Q06).



Source: Clarkson



SPT, the largest lightering company in the world, provides ship-to-ship transfer of crude oil and LNG, primarily in the waters of the US coasts. The company handles around one million barrels of oil a day, equating to roughly 11 per cent of US seaborne oil imports.

SPT is a 50/50 joint venture between IMS and Teekay ([www.teekay.com](http://www.teekay.com)), and retains a strong customer base due to its industry-leading standards of customer service, particularly with regard to safety and dependability.

The third quarter saw a continuation of tough trading conditions for SPT. The company remains burdened by the need to charter in tankers at high costs to meet contract obligations, though the fleet renewal program will help to alleviate this situation over the coming months. The weak spot tanker market that evolved in 3Q07 will make conditions difficult also in 4Q07. SPT has now some excess tanker capacity short term that is difficult to employ in a profitable way.

SPT took delivery of the third newbuild vessel, SPT Conqueror, during this quarter and these vessels should begin operations during 4Q07 in US Gulf. Between now and spring 2008 the company will take delivery of a further three Aframax tankers, all on 15-year (10 year fixed, with a five-year option) bareboat agreements. These new additions in SPT's fleet will provide the company with much greater flexibility in its activities and reduce considerably the need to hire-in further vessels, lowering operational costs.

European lightering activities are continuing to grow steadily with business in the Mediterranean particularly encouraging. Lightering support operations have also been satisfactory in the US west coast.

As SPT maintains its push to develop the LNG lightering market, the third quarter saw the completion of trials of ship-to-ship lightering of LNG in US coastal waters – the first of their kind. One further trial is expected before full approval of this service is achieved.

Despite the tough competitive situation industry-leading service levels are a key differentiator of SPT's business. On-time performance reached 96 per cent in September, utilisation for the quarter was at 93 per cent and idle time was at just four per cent.

## Operating Statistics

	YTD 3Q07	2006	2005	2004	2003	2002	2001
Norgas idle time	2,9 %	14,0 %	12,3 %	9,0 %	6,2 %	10,0 %	13,2 %
Norgas offhire days	5,4 %	1,9 %	5,0 %	5,3 %	5,8 %	7,5 %	4,8 %
Norgas dry dockings	4	4	5	5	4	6	7
SPT no. of full service lightering operations	334	503	552	617	736	686	611
SPT no. of support lighterings	184	183	95	96	144	147	170
SPT tanker operating days	2 661	3 884	3 904	3 659	3 963	3 960	3 337
SPT daily lightering volume (bbls/d)	904 000	928 000	957 000	1 009 000	1 236 000	1 142 000	1 069 000
SPT share of US							
Seaborne crude imports	10,7 %	10,9 %	10,8 %	11,2 %	14,5 %	14,4 %	14,0 %

IMSK - Share Price, NOK	3Q07	2006	2005	2004	2003	2002	2001
End of each Q/year	55,50	44,00	58,88	38,63	35,50	18,75	18,38
Average daily	54,01	49,34	48,88	37,30	24,87	18,39	17,45

## IMS: Key Financial balance sheet ratios

	3Q07	2006	2005	2004	2003	2002	2001
EBITDA MUSD	34,8	34,6	46,3	28,0	24,8	25,8	33,9
EBIT MUSD	25,3	21,1	34,4	13,2	9,8	13,7	17,5
Gain from sale of fixed assets MUSD	4,7	-	-	1,2	19,3	N/A	N/A
Net result before tax and variance on derivative MUSD	21,0	10,1	28,9	6,0	20,3	4,8	10,4
Net debt MUSD	90,2	78,7	83,4	89,8	93,0	64,0	55,8
Net interest bearing debt MUSD	143,4	112,2	89,8	86,2	92,0	66,0	60,0
Equity ratio*	31,0 %	33,0 %	30 %	33 %	33 %	36 %	36 %
Interest rate coverage ratio**	4,11	3,5	5,16	3,3	3,3	5,90	6,57
Total liquidity MUSD	105,0	81,2	83,0	25,0	39,2	34,6	35,6
Book equity MUSD (excl. majority interests)	126,9	105,2	82,9	80,60	72,00	71,30	66,50
Book equity per share USD	4,65	3,86	3,24	3,37	3,13	3,25	12,00
Dividend per share NOK ****	1,75	2,50	1,88	1,75	5,00	1,75	7,50
Buyback shares / Convertible bond MUSD	0,05	-	3,30	5,20	-	0,70	2,80
<b>NOK/USD</b>							
Exchange rate	3Q07	2006	2005	2004	2003	2002	2001
Year/Period End	5,49	6,28	6,73	6,04	6,68	6,98	9,01
AVG rate	6,00	6,45	6,44	6,75	7,08	7,98	9,00

Key Financial balance sheet ratios 2005 and 2004 are in accordance with IFRS. Previous periods are in accordance with NGAAP

\*Book equity divided by total assets

\*\*EBITDA divided by net interest expenses

\*\*\*Current assets divided by current liabilities

\*\*\*\* Dividend for 2006 was paid in Dec 2005.

- **Book equity is USD126.9 million or NOK25.50 per share**
- **Book equity ratio at 31 per cent**
- **Current ratio of 642 per cent**
- **Interest coverage at 4.11 and net interest bearing debt at USD143.4 million**

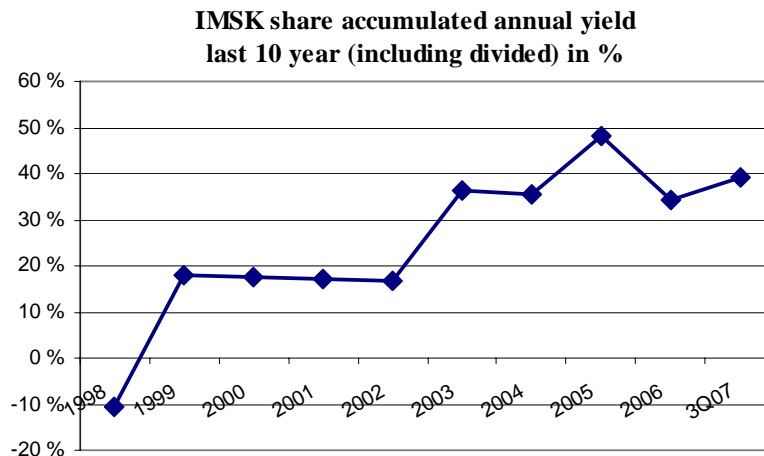
The book equity, excluding minority interest, totaled USD126.9 million or USD4.65/NOK25.50 per share. The book equity represents about 31 per cent of the total assets. The net debt at the end of 3Q07 was USD90.2 million and the net interest-bearing debt totaled USD143.4 million. The ratio between current assets and current liabilities is 642 per cent.

Total liquidity as of the end of 3Q07 was USD105 million, which is regarded as sufficient for the company's ongoing business activities. The working capital requirements going forward will be higher than in the past due to the newbuilding requirements. Interest coverage ratio (EBITDA / Net interest cost) was 4.11 for the period ended of September 2007, as against 3.5 for 2006.

## IMSK – Share price

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IMSK - Share Price, NOK	3Q07	2006	2005	2004	2003	2002	2001
End of each Q/year	55,50	44,00	58,88	38,63	35,50	18,75	18,38
Average daily	54,01	49,34	48,88	37,30	24,87	18,39	17,45



During the first nine months of 2007 the IMSK share price increased by 22 percent. The 12 months yield including dividends has been 25.8 percent. Dividend paid in March equals to NOK1.75 per share. Average annual yield over the last 10 years has been 39 per cent.

### **IMSK – SE/Societas Europea**

The Board of Directors of I.M. Skaugen ASA has resolved to commence a process of transform the company from a Norwegian Joint Stock Public Company (ASA) to an European Joint Stock Public Company (Societas Europea /SE-company). The rational for the transformation to a SE company is to achieve flexibility with regards to future internationalization of the Company. Extraordinary General Meeting is scheduled for 18<sup>th</sup> October 2007 at 09.00 hours to approve the change.

## Segment Information

The Group consists of three segments: Norgas (gas transportation), SMC - Skaugen Marine Construction - manages all our newbuilding activities in China and SPT (lightering activity). The operating businesses are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The segmentation is in line with the Group's internal management and reporting structure.

<i>Total IMS Group</i>					
USD '000	3Q07	3Q06	3Q07 Accum	3Q06 Accum	2006
Gross Freight Revenue	53 418	44 783	142 157	145 047	193 237
Operating revenue manufacturing services	24 109	18 562	32 196	18 562	13 412
<b>Revenues</b>	<b>77 527</b>	<b>63 345</b>	<b>174 353</b>	<b>163 609</b>	<b>206 649</b>
Voyage related expenses	(16 585)	(11 254)	(41 231)	(38 955)	(52 969)
Vessels operating cost and t/c hire	(24 299)	(21 034)	(67 865)	(70 621)	(96 848)
Cost of goods sold	(15 260)	(18 670)	(23 137)	(18 670)	(13 397)
Other operating cost/administrative costs	(1 683)	(2 243)	(4 310)	(5 477)	(3 493)
Unallocated	(1 030)	(1 280)	(2 995)	(4 175)	(5 350)
<b>EBITDA*</b>	<b>18 670</b>	<b>8 864</b>	<b>34 815</b>	<b>25 711</b>	<b>34 592</b>

<i>Norgas - Petrochemical Gas and LPG</i>					
USD '000	3Q07	3Q06	3Q07 Accum	3Q06 Accum	2006
Gross Freight Revenue	27 075	22 379	72 535	70 248	90 992
<b>Revenues</b>	<b>27 075</b>	<b>22 379</b>	<b>72 535</b>	<b>70 248</b>	<b>90 992</b>
Voyage related expenses	(7 182)	(6 075)	(18 791)	(18 399)	(23 612)
Vessels operating cost and t/c hire	(6 549)	(5 257)	(19 062)	(15 612)	(24 184)
Other operating cost/administrative costs	(1 321)	(1 694)	(3 223)	(4 515)	(1 425)
<b>EBITDA*</b>	<b>12 023</b>	<b>9 353</b>	<b>31 459</b>	<b>31 722</b>	<b>41 771</b>

<i>SMC - Construction Activities</i>					
USD '000	3Q07	3Q06	3Q07 Accum	3Q06 Accum	2006
Operating revenue manufacturing services	18 268	18 562	37 758	18 562	29 587
<b>Revenues</b>	<b>18 268</b>	<b>18 562</b>	<b>37 758</b>	<b>18 562</b>	<b>29 587</b>
Cost of goods sold	(9 419)	(18 670)	(28 699)	(18 670)	(29 572)
Other operating cost/administrative costs	(226)	(343)	(679)	(343)	(1 272)
<b>EBITDA*</b>	<b>8 623</b>	<b>(451)</b>	<b>8 380</b>	<b>(451)</b>	<b>(1 257)</b>

<i>SPT - Shuttle tanker Lightering</i>					
USD '000	3Q07	3Q06	3Q07 Accum	3Q06 Accum	2006
Gross Freight Revenue	26 343	22 404	69 622	74 799	102 245
<b>Revenues</b>	<b>26 343</b>	<b>22 404</b>	<b>69 622</b>	<b>74 799</b>	<b>102 245</b>
Voyage related expenses	(9 403)	(5 179)	(22 440)	(20 556)	(29 357)
Vessels operating cost and t/c hire	(17 750)	(15 777)	(48 803)	(55 009)	(72 664)
Other operating cost/administrative costs	(136)	(206)	(408)	(619)	(796)
<b>EBITDA*</b>	<b>(946)</b>	<b>1 242</b>	<b>(2 029)</b>	<b>(1 385)</b>	<b>(572)</b>

<i>Unallocated</i>					
USD '000	3Q07	3Q06	3Q07 Accum	3Q06 Accum	2006
Unallocated	(1 030)	(1 280)	(2 995)	(4 175)	(5 350)
<b>EBITDA*</b>	<b>(1 030)</b>	<b>(1 280)</b>	<b>(2 995)</b>	<b>(4 175)</b>	<b>(5 350)</b>

<i>Eliminations</i>					
USD '000	3Q07	3Q06	3Q07 Accum	3Q06 Accum	2006
Operating revenue manufacturing services	5 841	0	(5 562)		(16 175)
<b>Revenues</b>	<b>5 841</b>	<b>0</b>	<b>(5 562)</b>	<b>0</b>	<b>(16 175)</b>
Cost of goods sold	(5 841)	0	5 562		16 175
<b>EBITDA*</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# I.M Skaugen Consolidated

## Basis for preparation

These consolidated condensed financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting".

## Significant accounting policies

The accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2006. These consolidated condensed financial statements should be read in conjunction with the 2006 annual financial statements, which include a full description of the Group's accounting policies.

USD 000	2007	2006	2007	2006	2006
<b>Profit and Loss Accounts</b>	1.1.-30.09	1.1.-30.09	1.7.-30.09	1.7.-30.09	1.1.-31.12
Gross freight revenues	142 157	145 483	53 419	45 219	193 237
Operating revenues manufacturing services	21 355	3 564	13 267	3 564	13 412
<b>Revenues</b>	<b>163 512</b>	<b>149 047</b>	<b>66 686</b>	<b>48 783</b>	<b>206 649</b>
Voyage related expenses incl. marketing	(41 231)	(38 956)	(16 586)	(11 255)	(52 969)
Time-charter hire	(41 812)	(48 565)	(15 465)	(13 400)	(63 763)
Cost of goods sold	(12 296)	(3 672)	(4 419)	(3 672)	(13 397)
Depreciation	(9 471)	(8 028)	(2 908)	(2 703)	(13 532)
Gains from sale of vessels	4 731	-	523	-	-
Other operating expenses vessels	(30 362)	(25 925)	(10 548)	(8 527)	(36 604)
Other operating expenses/administration costs	(2 995)	(6 218)	(998)	(3 065)	(5 276)
<b>Operating profit</b>	<b>30 076</b>	<b>17 683</b>	<b>16 285</b>	<b>6 161</b>	<b>21 108</b>
Result from investments in associates	(155)	277	(250)	54	383
Financial Income	1 849	1 400	700	494	4 053
Financial Expenses	(10 318)	(9 487)	(3 672)	(3 864)	(16 053)
Gains/losses on exchange	(374)	(159)	(249)	68	671
<b>Net result before variances on derivative of CB</b>	<b>21 078</b>	<b>9 714</b>	<b>12 814</b>	<b>2 913</b>	<b>10 162</b>
Variance on derivative of the convertible bond (CB)	-	766	-	-	766
<b>Net result before taxes</b>	<b>21 078</b>	<b>10 480</b>	<b>12 814</b>	<b>2 913</b>	<b>10 928</b>
Taxes	(2 000)	-	(2 000)	-	(292)
<b>Net result for the year</b>	<b>19 078</b>	<b>10 480</b>	<b>10 814</b>	<b>2 913</b>	<b>10 636</b>
Minority interests	2 091	837	-	102	953
Majority interests	16 987	9 643	10 814	2 812	9 683
Earnings per share	0.62	0.36	0.40	0.10	0.36
Diluted earnings per share	0.62	0.33	0.40	0.10	0.33

USD 000	30.9.2007	30.9.2006	30.6.2007	30.6.2006	31.12.2006
<b>Balance Sheets</b>					
<b>Fixed Assets</b>					
Intangible fixed assets	11 049	5 990	13 050	5 990	11 075
Tangible fixed assets	162 406	172 145	164 370	160 214	156 558
Financial long-term assets	34 412	14 084	28 293	30 878	15 749
<b>Total Fixed Assets</b>	<b>207 867</b>	<b>192 219</b>	<b>205 713</b>	<b>197 082</b>	<b>183 382</b>
<b>Current Assets</b>					
Projects under construction/prepayments	45 996	0	33 451	0	19 853
Receivables and other current assets	36 372	36 907	51 297	36 907	42 227
Cash and Bank deposits	105 049	103 586	95 314	105 448	82 283
<b>Total Current Assets</b>	<b>187 417</b>	<b>140 493</b>	<b>180 062</b>	<b>142 355</b>	<b>144 363</b>
Non-current assets classified as held for sale	9 356	-	0	0	6 313
<b>Total Assets</b>	<b>404 640</b>	<b>332 712</b>	<b>385 775</b>	<b>339 437</b>	<b>334 058</b>
<b>Equity</b>					
Paid in equity	81 514	80 576	81 514	80 576	81 566
Retained earnings	27 214	18 409	16 400	15 597	17 988
Other reserves	16 875	5 784	15 163	5 784	5 677
Minority interest	1 378	5 667	1 378	4 779	5 784
<b>Total Equity</b>	<b>126 981</b>	<b>110 436</b>	<b>114 455</b>	<b>106 736</b>	<b>111 015</b>
<b>Liabilities</b>					
Long term liabilities	248 478	190 492	242 938	211 862	193 790
Fair value on conversion right Convertible bond	0	0	0	0	-
Other current liabilities	29 181	31 784	28 382	20 839	29 253
<b>Total Liabilities</b>	<b>277 659</b>	<b>222 276</b>	<b>271 320</b>	<b>232 701</b>	<b>223 043</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>404 640</b>	<b>332 712</b>	<b>385 775</b>	<b>339 437</b>	<b>334 058</b>

USD 000	2007	2006	2007	2006	2006
<b>Statement of Changes in Equity</b>	<b>1.1.-30.09</b>	<b>1.1.-30.09</b>	<b>1.7.-30.09</b>	<b>1.7.-30.09</b>	<b>1.1.-31.12</b>
<b>Equity at start of period</b>	<b>111 015</b>	<b>86 918</b>	<b>114 455</b>	<b>106 736</b>	<b>86 918</b>
Convertible bonds	-	13 444	-	-	13 975
Fair value adjustments	11 198	107	1 712	-	-
Acquisition treasury shares	(52)	-	-	-	-
Minority interest	(6 497)	787	-	787	787
Dividends	(7 761)	(1 300)	-	-	(1 301)
Net result	16 987	9 641	10 814	2 809	9 683
Net result Minority interest	2 091	836	-	101	953
<b>Equity at end of period</b>	<b>126 981</b>	<b>110 433</b>	<b>126 981</b>	<b>110 433</b>	<b>111 015</b>

USD 000	2007	2006	2007	2006	2006
<b>Statement of Cash Flow</b>	<b>1.1.-30.09</b>	<b>1.1.-30.09</b>	<b>1.7.-30.09</b>	<b>1.7.-30.09</b>	<b>1.1.-31.12</b>
Cash flow from Operations	(9 549)	15 783	6 850	4 110	20 341
Cash flow from Investments	(6 198)	(36 056)	4 171	1 416	(40 246)
Cash flow from Financing	39 513	39 865	(1 286)	(8 363)	18 169
<b>Net changes in cash and cash equivalents</b>	<b>23 766</b>	<b>19 592</b>	<b>9 735</b>	<b>(2 837)</b>	<b>(1 736)</b>
<b>Cash and cash equivalents at start of period</b>	<b>81 283</b>	<b>83 019</b>	<b>95 314</b>	<b>105 448</b>	<b>83 019</b>
<b>Cash and cash equivalents at end of period</b>	<b>105 049</b>	<b>102 611</b>	<b>105 049</b>	<b>102 611</b>	<b>81 283</b>

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*If you have any questions, please contact:*

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*Listed on the Oslo Stock Exchange, I.M. Skaugen ASA (IMSK) – [www.skaugen.com](http://www.skaugen.com) - is a Marine Transportation Service Company engaged in the hassle free transportation of petrochemical gases and LPG, ship-to-ship transfer of crude oil and LNG, as well as the design and construction of smaller and specialized high quality marine vessels.*

*IMSK is a fully integrated shipping company that designs, builds, owns, mans and manages our own ships. IMSK customers are major international companies in the oil and petrochemical industry, whom we serve worldwide from our operations in Dubai (UAE), Freeport and Houston (Texas), Oslo (Norway), Singapore Sunderland (UK), Nanjing, Shanghai, Taizhou, Zhangjiagang and Wuhan (China). IMSK operates recruitment and training programmes in St. Petersburg (Russia) and Wuhan (China) for the crewing of vessels.*

*IMSK employs approx. 1,500 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 (China) and a small number of workboats for Skaugen PetroTrans (SPT).*

*IMSK has a comprehensive newbuilding project in China where it has one LPG vessels of three 3,200 cbm; three purpose designed combination carriers with LPG/Ethylene/VCM and Organic chemicals carrying capability and up to ten advanced 10,000-12,000 cbm LNG/LPG/Ethylene gas carriers are on order for Norgas for delivery from beginning 2007 and onwards. IMSK has invested in infrastructure with both a shipyard and a cargo plant maker in China to ensure innovative and flexible vessels at low cost. Six new, purpose designed and built "Aframax sized tankers", are on order for delivery to SPT on a long term Bareboat charter and for delivery from May 2007 until spring 2008.*

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