

# IMSK - Extraordinary General Meeting

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The Board of Directors are now; Erik Eik (chairman), Bertel Steen (deputy chairman), Ingelise Arntsen, Nils Gregusson, Liselott Kilaas, Jon-Aksel Torgersen, Karen Helene Ulltveit-Moe, Christian Wessel. Deputy Members to the Board; Morits Skaugen.

The shareholders present were given information about the current operations of the Company.

The EBITDA result for Norgas during 1H06 is generally as expected and in line with last year. The 2Q06 for Norgas is somewhat weaker than 1Q06. The main reason is reduced customer volumes, and increased "commercial idle time", due to scheduled maintenance shut downs at petrochemical plants. Norgas has now secured customer contracts and corresponding vessel coverage for its gas carriers, in all Middle East countries with ethylene export and import. Recently we signed agreements with Iran for its exports and we now have a longer term agreement (2 + 2 years) with Sabic, in Saudi Arabia, for its export program.

SPT, however, is experiencing a negative development in 1H06 compared to same period in 2005. This is due to increased tanker cost, and higher bunker cost and port charges, which has resulted in negative margins on our contracts. SPT strategy has been to remain short on tonnage in anticipation of lower time charter tanker cost. However, the tanker market has remained strong for a longer period than we expected. We believe the margins and the EBITDA will improve in 2H06, as we expect lower time charter rates upon redelivery of certain vessels and being able to replace these with lower cost vessels. In mid 2007 we will commence operations of our 6 specially designed Aframax tankers. These will cover about 60% of our tanker needs, and come in at historically attractive rates.

I.M. Skaugen ASA

*If you have any questions, please contact:*

*Bente Flø, Chief Financial Officer, on telephone +47 23 12 03 30/+47 91 64 56 08 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>.*

*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 a comprehensive newbuilding project in China where we have two LPG vessels of 3200 cbm; three purpose designed combination carriers with LPG/Ethylene/VCM and Organic chemicals carrying capability and four advanced 10,000 cbm LNG/LPG/ethylene gas carriers are on order for Norgas for delivery from late 2006 and onwards.. There is an agreement to purchase up to six additional such 10,000 cbm vessels. IMS has invested in infrastructure with both a shipyard and 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 commencing during 2007.*