



I.M. SKAUGEN

Oslo, 16 November 2009



IMSK – I.M. SKAUGEN NAMES FIRST VESSEL IN INNOVATIVE MULTIGAS SERIES

The I.M. Skaugen Group (IMSK) yesterday named the first ship in its new series of Multigas carriers, the Norgas Innovation, in a ceremony at the Skaugen JV Shenghui Gas & Chemical Systems' facilities in Zhangjiagang, north of Shanghai, China.

At the ceremony, Morits Skaugen, CEO of I.M. Skaugen, stated: "This is an important day for everybody at the company and especially for those concerned in the development of these highly advanced gas carriers. We have been responsible for all elements in this project - from initial design right through to construction. The vessel is built at our joint venture facilities in China – and I am delighted that the first of these unique and highly specialized gas carriers will soon be demonstrating first-hand why we decided to construct such an innovative, industry-leading ship."

The 10,000 cbm sized vessel, named "Norgas Innovation", will initially enter the fleet of Norgas Carriers, the I.M. Skaugen company involved in the maritime transportation of petrochemical gases and LPG. However, this first Multigas vessel will, in the second half of 2010, be dedicated to Nordic LNG (www.nordiclng.com) and their Mini LNG business in Scandinavia.

Nordic LNG - a joint venture between Lyse and I.M. Skaugen - will supply natural gas to 'stranded' customers who do not have access to pipeline networks. The Multigas vessel will be used to transport the LNG directly industrial to end-users as well as to Nordic LNG's own hub

terminals for onward distribution. End user markets include also the maritime fuel market, where LNG will replace bunker oils.

Small-scale LNG will enable industrial users and power plants in these stranded markets to switch from oil based processes and power generation to more cost efficient gas and with a significant reduction of CO₂ and other emissions. The environmental impact of switching to gas are indisputable; 25-30% less CO₂ emission, 80% less NO_x and 100% reduction of both SO_x and particulate matters.

Environmental benefits would also be gained in maritime bunker markets. As legislation covering the shipping industry becomes tighter, emissions of sulphur dioxide (SO_x) and nitrogen oxides (NO_x) must be reduced and, eventually, this will also apply to CO₂.

The long term future of heavy fuel oil as bunkers is questionable, both in terms of dependency on oil and not at least with regards to emissions. Natural gas in contrast gives a far more environmentally friendly combustion and in addition there appear to be greater reserves available than oil. Thus natural gas in liquid form (LNG) as marine bunkers has the potential to be the solution for the shipping industry to cope with its emission challenges in the years to come. By running their vessels on LNG ship owners will be able to solve their emission problems at the source and avoid the need for auxiliary equipment such as scrubbers and selective catalytic reduction (SCR) units.

To make LNG a real alternative to traditional fuel oil and diesel oil bunkers, a suitable infrastructure has to be developed. This means that LNG has to be shipped from either LNG liquefaction plants or traditional LNG import terminals to smaller regional hubs. There, LNG-fueled ships can bunker either directly or from smaller LNG bunker vessels serving the hub. Our Multigas carriers are ideally suited to this 'breaking-bulk' LNG depot supply activity.

During a year in LNG trade Norgas Innovation would contribute a net reduction of CO₂ emissions with more than 300.000 tons of CO₂ – by providing the LNG that allows customers to switch to natural gas. This means during her life time – Norgas Innovation will reduce CO₂ emissions with more than 7 million tons of CO₂.

The flexibility inherent in the cargo-handling system enables the Multigas ships to move between the LNG, LPG and petrochemical gas trades as commercial circumstances dictate, However, it is the ability to handle LNG at cryogenic temperatures which makes these ships particularly notable. Skaugen is poised to play a pioneering role in the local and regional distribution of LNG at a time when the global LNG trade is growing strongly and the natural gas supply chain is being extended to provide remote communities with access to this clean-burning fossil fuel for the first time. Interest in both the Mini LNG concept and our Multigas newbuilding programme has grown strongly in recent years and we have no doubt that these vessels have a bright future in serving regional LNG distribution markets.

The vessel is scheduled to be delivered to its owners, a Singapore based company called Singco Gas Pte Ltd, a 50/50 joint venture between GATX Corporation (www.gatx.com) and by I.M. Skaugen Marine Services Pte Ltd, a 100% owned subsidiary of Norway-based I.M. Skaugen SE

(www.skaugen.com) by end of this year/early January 2010. Flying Singaporean flag, the vessel will be operated by Norgas Carriers AS.

I.M. Skaugen joined forces with GATX in year 2000 for the joint construction and joint ownership of the six "Somargas" Ethylene carriers (four 8,600 cbm size and two 10,200 cbm size) built by I.M. Skaugen in China and delivered in 2002 and 2003. GATX is a leader in leasing transportation assets and controls one of the largest railcar fleets in the world. Applying over a century of operating experience and strong market and asset expertise, GATX provides quality assets and services to customers worldwide.

The company has so far in total six (4 x 10,000 cbm + 2 x 12,000 cbm) such ships under construction through Skaugen Marine Construction, the division within I.M. Skaugen that manages its newbuilding activities in China. The delivery of these six vessels will be completed over the next two years, but the longer-term plan is to build at least 10 of these Multigas carriers.

The Multigas ships are built to the classic semi-pressurized/fully refrigerated (semi-ref) gas carrier design. In addition to LNG, the vessels are able to carry a wide range of other liquefied gas cargoes, including ethylene, LPG and vinyl chloride monomer (VCM).

Irrespective of the liquefied gas being carried, cargo boil-off gas on the Multigas ships will be relieved by specialist equipment onboard and returned to the cargo tanks. When LNG is being carried, an innovative Mini LNG plant will be utilized to relieve all natural gas boil-off. The Mini LNG plant's patented and licensed technology was developed by Skaugen in cooperation with SINTEF Energy Research in Norway.

For all enquiries, please contact:

Bente Flø, Chief Financial Officer: +47 23 12 03 30 / +47 91 64 56 08 bente.flo@skaugen.com

This press release is also available on the Internet at our website: <http://www.skaugen.com>

About I.M. Skaugen

Listed on the Oslo Stock Exchange under the ticker code IMSK, I.M. Skaugen SE (IMS) is a marine transportation service company engaged in the hassle-free transportation of petrochemical gases LPG and LNG, marine transfer of crude oil and LNG, and the design and construction of smaller, specialised high quality vessels.

IMS is a fully-integrated shipping company that designs, builds, owns, mans and manages its own ships. IMS customers are major international companies in the oil and petrochemical industry, whom it serves worldwide from locations in Bahrain, Freeport and Houston (USA), Oslo and Stavanger (Norway), Singapore, Sunderland (UK) and Nanjing, Shanghai, Taizhou, Zhangjiagang and Wuhan (China). We also operate recruitment and training programmes in St. Petersburg (Russia) and Wuhan (China) for the crewing of vessels.

IMS employs approximately 1,700 people and currently operates about 35 vessels worldwide. The fleet comprises petrochemical gas and LPG carriers, Aframax tankers and lightering support vessels, barges and tugs.

IMS has a comprehensive newbuilding programme in China, of which three 3,200cbm LPG vessels are delivered and sold; three purpose-designed combination carriers with LPG/Ethylene/VCM and Organic chemicals carrying capability; and up to ten advanced 10,000-12,000cbm LNG/ LPG/Ethylene gas carriers, with delivery from 2009 onwards. IMS has invested and built up internal resources and infrastructure in China to ensure innovative and flexible vessels at lower cost.