

Navion Inc. and Skaugen PetroTrans (SPT) joint venture

Navion Inc. and Skaugen PetroTrans (SPT) announce the formation of a U.S. based offshore loading company to serve deepwater interests in the Gulf of Mexico. The company, American Shuttle Tankers, LLC (AST), will be headquartered in Houston, Texas, and will be a 50-50 joint venture between Navion and SPT.

SPT (Houston, Texas) is a wholly owned subsidiary of I. M. Skaugen ASA based in Oslo, Norway. SPT specializes in ship-to-ship transfer operations (known as lightering) and operates eight Aframax tankers and four lightering support vessels in the Gulf of Mexico. SPT handles approximately 1 million barrels of crude daily, which translates to more than 40% of the lightering market in the Gulf of Mexico. Based on many new contracts entered into this year, SPT expects to increase its activity levels in 2001. With 20 years of operating experience, SPT has completed almost 9,000 lighterings.

Navion Inc. (Houston, Texas) is a wholly owned subsidiary of Navion ASA based in Stavanger, Norway. Navion ASA's Offshore Loading group (OSL) is the leading offshore loading company in the world, having completed nearly 11,000 liftings in more than 20 years of operation. OSL operates 24 shuttle tankers in the North Sea that serve more than 50 frame agreements with oil companies.

AST has designed a shuttle tanker specifically for the Gulf of Mexico that is sized to serve all US Gulf Coast ports. Both companies' extensive experience has contributed to a shuttle tanker design that embodies the constant evolution of technology, which further enhances the safety and reliability of the offshore loading operation.

While US authorities have not yet sanctioned either FPSO's or shuttle tankers for use in the GOM, the FPSO Environmental Impact Statement (FPSO EIS) has been completed and the Record of Decision (ROD) in favour of FPSO and shuttle tanker operation in GOM is expected shortly.