

IMSK - Sale, delivery and time-charter

"Mei Wen Ti", a 3,200 cbm pressurized LPG Carrier will be sold for USD 14.8 million. I.M. Skaugen took delivery of the second vessel, the pressurized 3.200cbm LPG carrier, named "Qin Shi Huang". The vessel has immediately been fixed on a 12 months Time Charter contract.

The LPG carrier "Mei Wen Ti", a 3,200 cbm pressurized LPG Carrier built, by our wholly owned division, Skaugen Marine Construction (SMC), and completed in 1Q07 will be sold for USD 14.8 million. The book value of the vessel is USD 9 million. The vessel will be delivered to its new owners in 3Q07 and SMC will realize a gain on this project of approx. USD 5.6 million.

I.M. Skaugen (IMS) took delivery on August 17, 2007 of the second vessel constructed by SMC in China. The pressurized 3.200cbm LPG carrier, named "Qin Shi Huang", had an actual cost of USD 7.6 mill (excl of customary pre-delivery expenses for owner). The vessel has immediately been fixed on a 12 months Time Charter contract. "Qin Shi Huang" will sail under the flag of Singapore and will be operated by Norgas Carriers in Singapore and Shanghai. SMC has one more such 3200 cbm vessel under construction and she is expected for delivery in 1Q08.

The first SMC ship - named the "Mei Wen Ti and this second SMC ship - named the "Qin Shi Huang" after the first emperor of China is a strong validation of our innovative "new building" strategy. These vessels built to highest quality at expected cost and with timely delivery by SMC and with our alliance and Joint Venture partners, to a cost significantly below of comparable industry prices. We have, therefore, proven the significant competitive advantage with this unique process of ship building within our industry.

IMS created this new division in the fall 2006, **Skaugen Marine Construction (SMC)**. Through SMC we have streamlined our marine construction activity in China for building of new gas carriers. With responsibility for all aspects of this programme including managing our Chinese joint venture partnerships - the work of SMC is key to the future financial and operational success of the Group. The pioneering new building programme comprises 16 vessels for delivery between now and 2010. 12 of these vessels have so far been confirmed with our suppliers and joint venture partners, one has been delivered and the second one will be delivered in August 2007.

I.M. Skaugen ASA

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 - 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 45 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 three LPG vessels of 3,200 cbm; three purpose designed combination carriers with LPG/Ethylene/VCM and Organic chemicals carrying capability and up to ten advanced 10,000 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.

[Mei Wen Ti](#)