

IMSK -vessel for China operations

I.M. Skaugen ASA reported in its 3Q04 report on October 8th an agreement to buy a new vessel for its China coastal operations. TNGC, a joint venture for gas transportation in the Yangtze River Region, entered earlier this month into an agreement for acquisition of a 2,500 cbm - 1996 built LPG vessel. This agreement was subject to legal documents being processed and also sellers and buyers Board Approval. The sellers did not proceed in customary way and the agreement has been cancelled.

TNGC regrets this, but will proceed with second hand acquisition and also to build suitable tonnage to match the needs of our customers.

The drive to build the Chinese petrochemical industry into a "world-class" operation will require the import and transportation of many oil, LPG and petrochemical raw materials and semi-finished products, and logistical solutions at international standards must be offered to the growing industry. TNGC will continue the expansion in the Chinese market, offering international standard logistical solutions to charterers along the Chinese coast and rivers.