

# **SKA - I.M. Skaugen ASA 11 % Convertible Bond program (Konvertibelt obligasjonslån) 2001/2008**

I.M.Skaugen ASA has now completed the selling period of the convertible bond of NOK 124 millions successfully. The total subscription was NOK 132 millions. There was in total 44 subscribers and the assignment letters will be sent out today June 26th 2001 to the 42 subscribers that take part in the convertible bond. The subscriptions by Eikland AS and Pareto Securities ASA were made subject to the offering not being fully subscribed by external investors and will thus be withdrawn to make room for all external subscribers. The issue of the convertible bond was partly done in order to raise risk capital to our latest new building project of two LPG/E vessels of 10.000 cbm size at the Hudong-Zhonghua yard in China and to strengthen our balance sheet and financial resources.

The bond program was for a min. of NOK 90 mill and max. of NOK 124 mill. The Board of Directors has decided to issue bonds for NOK 124 mill. The potential increase in share capital will be 1,36 mill shares (23% increase) during the 5 years from 2001 to 2006. New share capital is NOK 348,737,820 distributed on 5,812,297 shares. If all bonds are converted to shares during the conversion period, the dilution against book value per 30.03.2001 will be approx. 3,6%.

Pareto Securities of Oslo - <http://www.pareto.no/> - arranged the guarantee syndicate, and placed the bond in the market from June 11th to June 22nd 2001. The bond program that has now been guaranteed is for a 7-year term, 11% coupon in NOK during the conversion period of 5 years and 13% for the two last years. The volume weighted average share price on Oslo Stock Exchange in the sales period was NOK 70. The conversion price is agreed to be 30% above the weighted average share price during the relevant period i.e. NOK 91.

The Company's holding of own shares is 197,647, of which 138,347 shares have been resolved redeemed and reduced in the Company's ordinary General Meeting held on 8th March 2001. This reduction of the Company's share capital will be completed and lawfully registered in the Norwegian Companies' Register in July 2001. The Company will write down it's remaining holding of the Company's own shares, i.e. a total of 59,300 shares with a book value of NOK 3.8 million, i.e. NOK 64 per share. New share capital is NOK 348,737,820 distributed on 5,812,297 shares after expiration of the creditor notice period in about 2 months. IMS has presently 5.871.597 mill shares outstanding.

On the General meeting of June 25th 2001 the Board of Directors of the Company was granted a power of attorney to adopt a resolution on the raising of convertible loans up to NOK 320,000,000. The power of attorney granted to the Board of Directors replaces the power of attorney granted to the Board of Directors in the ordinary General Meeting 7th March 2000 and shall have a term of two years from June 25th 2001. The above mentioned convertible bond program will be issued under this power of attorney for the value of NOK 124 mill.