

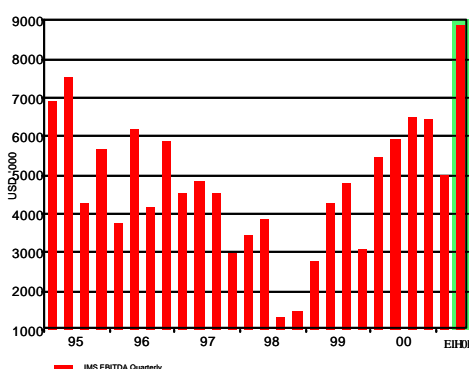
SKA – Preliminary advice about improved expected results for 1H01 and a confirmation of its latest newbuilding order

I.M. Skaugen ASA has confirmed its decision to order two more LPG/E vessels of 10,000 cbm size at the Hudong- Zhonghua yard in China.. A final agreement with the Hudong-Zhonghua yard has been signed and is now only subject to our final confirmation, that we and our partner GATX Capital Corporation (www.gatxcapital.com), are satisfied with details in the final financing arrangements. The vessels will cost USD 21.5 mill each and will be delivered during 1H03. This brings the total number of newbuildings for the joint venture to six vessels totalling 54,000 cbm. This will increase the NGC fleet of ethylene carriers by about 54% when all units are delivered in 2003.

The project is fully financed and with 15% equity to be paid. The weighted average cash cost of capital for this new project, including all the related risk capital, but excl. the possible dilution cost for the IMS equity, is estimated by us to be approx. 7.18%. The cost of dilution to the IMS shareholders due to a convertible bond to be sold is estimated to be 3% against a valuation based on the book value of the IMS shares.

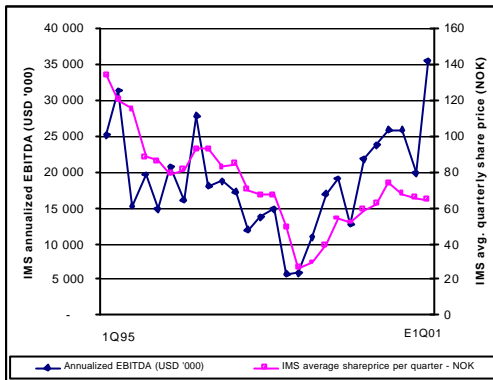
The IM Skaugen ASA group expects an overall improvement in earnings in 2Q01 compared to the earnings level for the group over the prior 6 months period. The earnings improved in SPT and with a corresponding reduced cost of operation in all our business segments enable us to record a substantial improvement in the net results compared to 1Q01. The Group now expects that the EBITDA earnings of 2Q01 will be about MUSD 4 mill higher than the EBITDA earnings level for 1Q01. The EBITDA earnings for 1Q01 were reported at MUSD 5 and with a corresponding net loss for the Group of MUSD 0.2 in 1Q01. Total EBITDA result for 2Q01 is thus expected to be about MUSD 9 and with a total estimate of an EBITDA result of MUSD 14 for the 1H01. The EBITDA earnings for the full year of 2000 were recorded at MUSD 24.3 and 1H00 EBITDA at MUSD 11.3.

Quarterly EBITDA for IMS 1Q96 through 2Q01(Estimate).

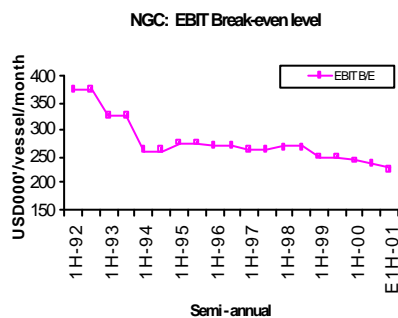


- EBITDA earnings estimated in 2Q01 at about MUSD 9 vrs MUSD 5 in 1Q01.
- An improved EBITDA earnings level results in expectation that a pre-tax loss of MUSD 0.2 in 1Q01 will turn into a profit for the group in 1H01.
- We now estimate an EBITDA of MUSD 14 for 1H01 vrs MUSD 11.3 in 1H00 and MUSD 24.3 in all of 2000.
- **SPT** continues to give IMS shareholders added value with an estimated EBITDA-result in the last 12 months that are the best periodic results we ever have had. The company enjoys a high degree of operating regularity, improved market share and is performing at an acceptable earnings level during a very volatile environment with fluctuating cost levels for securing appropriate tonnage.

SKA Shareprice (NOK) and IMS Quarterly Annualized EBITDA (USD) 1Q95 – E2Q01



Cost reduction and improved earnings



- **NGC:** EBIT B/E cost reduction progresses according to our plan of USD 226,000 per vessel per month for the full year 2001 vrs. USD 236,000 for year 2000.
- The contract for six new ethylene carriers with an option for four more vessels in cooperation with GATX Capital is progressing according to plan. The delivery of the first vessel will be during 1Q02 and the next two vessels during 2002 and the remaining three in 2003.
- IMS share price maintained since 1 January 01 and is now at a level of NOK 65 - 67 per share. The Oslo Stock Exchange Total Index (TOTX) was up 2.44 % in the same period and the OSE Shipping Index (SKIX) was up 11.91%.
- IMS paid dividend to its shareholders in the amount of NOK 2 per share in 1Q01.
- 31,100 IMS shares or 0.5% has been acquired at a cost of USD 220' or USD 7.1 per share since end of 1Q01. Our number of outstanding shares in IMS will be 5.871.597 after the current amortization process has been completed.
- We have on February 24 bought an option to acquire another 125,000 shares of IMS in August 2001 from a securities house and at a strike price of NOK 55 per share. There was some uncertainty on the existence of the underlying IMS shares of this transaction and one of the two securities houses involved have ended up in a short position on these shares. This has not, according to our information, been settled and they will have to acquire these shares in the market before August 2001.
- The focus on cost is continuing at NGC and we record another period with a reduced break even level for the unit. SPT has another satisfactory period and the last quarters combined have been the best periods in the history of this company. The China activities have achieved minor improvement in the results.

- EBITDA: Earnings before interest, taxes, depreciation and allocations
- EBIT Break-even: The earnings we need per vessel/month to cover all costs incl. depreciation, but excluding interest and taxes.

The IMS share and different valuation methods

IMS share price basically unchanged during 2001

The price of IMS shares has remained unchanged since 1 January 2001 and trades at around NOK 67.- per share. During this same period the Oslo Stock Exchange's Total Index has risen 2.44% and the Shipping Index has risen by 11.91%.

Share price development lagging EBITDA improvements

Most analysts believe that a valuation model based on an earnings model is the correct model to use for our type of marine service company; and thus a model based on the current level of EBITDA earnings of the company multiplied by an assessed factor and then deducting the current net debt is applied.

1H01 estimated EBITDA at MUSD 14

The net debt as per 1Q01 stands at MUSD 63 and the EBITDA earnings over the 12 months period from 2H00 and up to E1H01 are about MUSD 27. The annualized earnings based on the estimated 2Q01 are MUSD 36, while all year 2000 were MUSD 24.3. Today most analysts estimate the multiple to be applied should be about 5 or 6 which deducting for the net debt gives a value of either;

Net Debt at MUSD 63

EBITDA multiple 5	EBITDA MUSD	USD per share	NOK per share
EBITDA over 12 months period from 2H'00 and up to E1H'01	27	12,12	109
EBITDA E2Q'01 annualized	35	19,46	175
EBITDA all year 2000	24	9,96	90

Book equity per 1Q'01 is MUSD 73.2 or NOK 113.7 per share

An alternative approach to such a valuation of the company is to review the independent evaluations of our vessel assets compared to our book value and thus the equity per share. Many Sale and Purchase brokers have evaluated all our vessels over the last months. All these evaluations have stated an average value of MUSD 121.8 for all of our vessels on 100% ownership basis, and this is MUSD 6.3 below the value of these assets on our books. The 14 NGC vessels have by six different brokers been evaluated at MUSD 102.5 to MUSD 112.4 with an average of MUSD 105. This type of valuation does not allocate any value to the EBITDA earnings generating capability for SPT that is much higher than the value of its assets as per the book value.

The share price equals to 60% of book value per share.

As such, the recorded equity on our books of USD 12.5 or NOK 113.7 per share per 1Q01 and the current share price of NOK 67,- corresponds to only 60% of this level. The earnings multiple or the book value are thus two different valuation methods and both are statements of the valuation of the company that are above the OSE pricing of these shares.

The New NGC vessels its financing - a convertible loan

Strengthens NGC's position as 2nd largest ethylene carrier in the world

This project to build two more ethylene carriers is in line with the IMS strategy to strengthen NGC's position as the largest owner of ethylene carriers in the world and the second largest operator of such tonnage. Our strategy of being both the cost and service leader of the trade is strengthened by this order to build in China. It is also a key part of our long-term objective to renew the NGC gas fleet.

NGC capacity increases by about 54%

All the six new vessels will have a combined capacity of about 54,000 cbm and the projects will increase our size by about 54%. The NGC fleet which currently consists of 14 gas carriers (13 with ethylene capacity) has about 100,000 cbm capacity. All the six new vessels will be delivered during the year 2002 and 2003 and the total investment in these vessels will be about USD 134 mill. The total building program announced during the summer of 2000 was for 10 vessels and with this project we have four remaining option vessels to consider. The first of these remaining four option vessels will have to be reviewed by February 2002.

The remaining Option vessels are at the same price and terms as the previous firm vessels

20% more earning capacity this time, but at basically same cost for the vessels

The contract price for each of these two new vessels of 10,000 cbm is about USD 21.5 mill; and the total delivered costs (incl. all pre delivery costs such as supervision and financing costs during construction) of each of these new vessels will be about USD 22.8 mill. At a delivered cost with a modest 2.7% over and above the expected delivered cost of the 8,400 cbm vessels, but with about 20% more earnings capacity compared to them, we are capitalizing on the unique design and the competitive and flexible agreement with the yard that was the basis for the newbuilding program.

Increased earnings capacity and efficiencies compared to the "Norgas Average" vessels

All the new vessels are similar in design and they will all be larger and more efficient compared to the "Norgas Average" vessel (7,121 cbm). As such they will have an increased earnings capacity and they are also expected to further reduce NGC's EBIT B/E level. (*EBIT Break-even: The earnings we need per vessel/month to cover all costs incl. depreciation, but excluding interest and taxes.*) from this year's level of USD 226' per vessel per month. This is mainly due to the low acquisition cost, improved utilization of our shore side resources and the operating efficiencies of the new units. The most relevant key earnings figures on a per share basis for IMS will improve under both the internal "Base case" and our "Low case" earnings forecast with the new projects despite the possible increase in share capital due to the convertible loan program.

NGC EBIT B/E will be further reduced due to acquisition cost being low

Weighted average **cash** cost of capital for this project, including all the related risk capital, but excl. the possible dilution cost for the IMS equity, is estimated by us to be approx. 7.18%. The estimated cost of dilution for the IMS shareholders as a result of the convertible loan program is by us estimated to be 3% vrs a valuation based on the book value of the IMS shares. ***) Dilution cost: The reduction in share value for the IMS shareholders assuming conversion of loan, based on the book value of the IMS share as per 1Q01.*

Dilution cost for IMS shareholders are estimated to be about 3% **)**

Convertible NOK bond financing secured to strengthen the IMS balance sheet further

In order to strengthen our balance sheet and financial resources with this new project, we have secured access to funds through a convertible bond program in Norway. Pareto Securities of Oslo - <http://www.pareto.no/> - has arranged a syndicate that guarantees the ability of placing such bonds in the market in June 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 conversion price to IMS shares will be fixed in June 2001. The conversion price is agreed to be 30% above the weighted average share price during the relevant period.

All risk capital financing has been secured - and we will also have GATX as a partner

The bond program is for a min. of about USD 10 mill and max. of about USD 14 mill and the final amount is yet to be decided. The potential increase in share capital as a result of this is anticipated to range from a minimum of about 1 mill shares (17% increase) to a maximum of 1,3 mill shares (22% increase). IMS has presently 5.871.597 mill shares outstanding. A general meeting of IMS shareholders will review such a program in the end of June 2001. There is no need to issue new equity in the stock market as a result of this order by IMS.

GATX Corporation is among the 15 largest logistics providers in the world

When we made the contract for the 4 x 8.400 cbm vessels in August 2000, we agreed for GATX Capital Corporation (<http://www.gatxcapital.com/>) to have the opportunity to participate with 50% in all such new building ventures that IMS initiates. GATX (<http://www.gatx.com/>) is a unique and specialized finance and leasing company. They manage more than 10 billion dollars worth of assets world wide. GATX has interests covering amongst others 150,000 rail cars and 400 commercial aircrafts world wide; and they now have diversified into a marine portfolio by leveraging 20 years of experience in Great Lakes Shipping.

This is another sign that the China strategy is paying off for IMS

On the basis of the strategy for our China Activities and our experience in China, we have determined that certain Chinese yards are very competitive in the world - on both price and quality for construction of such gas carriers. Our experience and local expertise in China have been important advantages in securing the project. The Zhonghua yard was chosen by us due to its "on time" and "on specification" delivery performance record. We have gained further experience with this yard and its management during the last year, and the fact that it is now part of the well reputed and enlarged Hudong group is even more convincing. Hudong – Zhonghua is now China's largest shipbuilding base and has been created in Shanghai with the recent merger of the existing Hudong and Zhonghua shipyards. The combined Hudong-Zhonghua Shipyard Group, with total assets of about 6.5 billion Yuan (\$786 million), reportedly accounts for about 20% of the mainland's current ship production capacity, and makes about 60% of its marine diesel engines. The group has delivered many gas vessels in the past and presently has four such vessels on order.

The shipyard is amongst the largest in China – well experienced and good track record for on time delivery

IMS has over the recent years negotiated and explored several acquisition possibilities in the second-hand market without finding the ideal candidates at the right price and terms for such vessels. We have examined more than 20 alternatives before we started investigating various new building alternatives and developing a state of the art design.

New building prices have declined about 35% over the last 5 years and are today more attractive than most second hand alternatives available

New building prices for such vessels over the last 5 years declined about 35%, and it is believed that this declining trend has now halted and that prices may increase somewhat - as we have seen this new trend for most other types of tonnage built in Asia.

The current Order book will increase the fleet with about 3% annually for the next 3 years (excl. scrapping)

The new building order book in this segment (semi refrigerated LPG fleet from 4,000 up to 22,000 cbm) stands currently at 17 units excl. options, which amounts to 8.6% of the present fleet. This corresponds to about 1% increase in the fleet for delivery in 2001, 3.8% for 2002 and 3.2% for 2003. All these figures exclude the four IMS options for further new buildings. These figures are assuming no-scrapping of any such vessels. Four vessels equal to about 1% of capacity were retired or scrapped in 2000. Scrapping of such vessels is expected to remain at this low level. The long term trend line in demand has been around 4-5% for these products and a growth in the fleet at a higher level is considered negative for the utilization and thus profitability of vessels owners.

I.M. Skaugen ASA (IMS) is a marine transportation service company engaged in the transport of petrochemical gases and LPG in addition to the lightering of crude oil. Our customers are major, international companies in the oil and petrochemical industry whom we serve on a global basis from our representation in Oslo, Houston, Singapore, Shanghai, Wuhan/Jingzhou, and Gent. We also have our own training programme for our seagoing personnel in Wuhan, China and St.Petersburg, Russia. The Group currently operates 35 units consisting of 14 gas carriers in NGC, 2 chemical carriers in Princess Carriers, 1 LPG carrier and 4 barges for the river transport of gas and 2 work boats in Hubei Tian En Petroleum Gas Transportation Co. (TNGC), and 8 Aframax tankers and 4 work boats in Skaugen PetroTrans (SPT). IMS has ordered 6 ethylene gas carriers to be employed with NGC with delivery 2002-3 and with an option for 4 more with delivery 2003-4.

If you have any questions, please contact Kim Larsen on telephone +47 23 12 04 00 or by e-mail: <mailto:kim.larsen@ngc.no>. This press release and other company information are also available on the Internet at <http://www.skaugen.com/>, including results for 1Q01, which were published 10 April 2001.