

SKA - SPT redeliver tanker to owner

The I.M. Skaugen Group enjoys a positive earnings level trend on an EBITDA basis. The chief contributor is our focus on our overall cost levels and this combined with our aim of improved customer focus and service. SPT continue its high activity levels and reports satisfactory results. The current turbulent economic outlook in the world represents a considerable challenge for our petrochemical gas carriers; trading under the name of Norgas. The prospects for immediate and short-term economic improvements are considered low, but with reduced overall cost levels we are not dramatically affected by the economic downturn. We expect six new-buildings to be delivered to Norgas during 2002 and 2003 - and all these vessels are fully financed at overall terms that are satisfactory even at current low level of earnings for such vessels.

This year as a whole looks more positive for IMS than last year, and we estimate today the earnings on EBITDA basis to be approx. MUS\$ 32 total for 2001 compared to MUS\$ 24.4 for 2000 and MUS\$ 14.8 for 1999.

As per 3Q01 we reported a net profit before taxes of MUS\$ 7.2 mill for the group and corresponding EBITDA earnings of MUS\$ 22.6.

Full year preliminary figures for 2001 will be published on January 11th 2002.

SPT has agreed with Arcadia Ship Management Co. Ltd of Greece, owner of the 2000 built, 105.000 dwt, Aframax tanker Aegean Legend, to terminate the five-year Time Charter Agreement. It was Arcadia Ship Management Co. Ltd that approached SPT and expressed their wish to terminate the existing Time Charter Agreement, and SPT has agreed to redeliver the vessel as requested by the owner. SPT and Arcadia Ship Management Co. Ltd have reached an understanding for a compensation to be paid to SPT for the early termination of the contract. This vessel was one out of eight vessels in SPT's fleet of chartered Aframax tankers, and a replacement tanker is already in place. This transaction will not influence the lightering operation for SPT and the balance between chartered tonnage and contracts with our customers is maintained.

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 an average of eight Aframax tankers and four lightering support vessels in the Gulf of Mexico. SPT handles approximately 1.1 million barrels of crude daily, which translates to about 14% the crude oil imports to the USA. With 20 years of operating experience, SPT has completed more than 9,300 lightering's and brought over 4.1 billion barrels of crude oil to US ports.