

IMSK - New alliance for ethylene carrier transportation

It is agreed to have a gradual transfer of management from today's Maersk-Norgas cooperation and organisation named MNGC to the new set-up of ENGC. The new organisation is expected to be fully operative from 1st June 2006. Until that date the MNGC organization will continue as per today.

ENG C will service customers globally through offices in Singapore, Houston, Dubai, Copenhagen, Shanghai and Oslo - and it will all be coordinated from a base in Singapore.

The cooperation will create an alliance that focus on the smaller sized segment of this industry and with a special focus on regional distribution of petrochemical gasses and LPG. The products carried by ENGC will be mostly Ethylene, Propylene, VCM and LPG and for customers in the petrochemical and oil industry. The ENGC alliance is being established to provide customers with improved levels of service and to explore cost synergies. Through its large fleet of high-quality vessels and global organization, ENGC will offer unprecedented levels of flexibility and carrying capacity to customers in the gas market. ENGC will have the ability to offer large-scale freight contracts and will seek to become a more integrated part of our customers' supply chain.

There will be no immediate balance sheet or profit and loss impact for I.M. Skaugen ASA in 2006 due to the formation of the ENGC alliance and the discontinuation of the MNGC alliance.

Background.

The Maersk-Norgas alliance was created on October 1st 2003 and has served its customers and partners well. The fleet of such gas carriers controlled by Maersk - AP Moller will now longer continue under the operational management of Maersk and thus a restructuring was needed to serve the customers. Reference is made to the IMSK - Preliminary Result 2005 published on the 9th January 2006, where we announced that the current Maersk Norgas Gas Carrier (MNGC) pool would come to an end in December 2006, quote:

"The Norgas Carriers have been in a close cooperation with AP Moller - Maersk since October 2003 in an alliance named "MNGC". AP Moller - Maersk has controlled a number of ethylene capable gas carriers of similar configuration to Norgas' vessels, but will after December 2006 no longer exercise control of most of these gas carriers. The present cooperation will thus coming to an end in 2006 and we will aim to restructure this cooperation, which will make us capable of serving our clients in the same efficient way as MNGC."

Morits Skaugen - CEO of IM Skaugen ASA emphasis the evolutionary aspects of the cooperation; from MNGC to ENGC and the amicable solutions found by the various parties in order to offer uninterrupted services to our clients. The ENGC cooperation will, as its predecessor was, be the largest pool of such vessels in the world and offer an advantage as majority of the vessels are directly controlled by the two principals and thus offer a stability and capability to renew the fleet.