

I.M. Skaugen SE  
Preliminary result 2009  
January 15th 2010



IMS – Innovative Maritime Solutions

# IMSK Preliminary result 2009

## FINANCIAL HIGHLIGHTS

USD million (except per share data)	Annual result			4th Quarter result		
	2009	2008	2007	2009	2008	2007
EBITDA	24,7	50,0	40,1	5,9	3,1	7,2
EBIT	3,7	29,7	28,4	-0,3	-0,7	-0,6
Financial items, investments and associates	-20,0	-19,2	-9,0	-9,9	-8,9	-2,1
Exchange gain/loss	6,7	-2,2	1,0	2,0	-3,2	0,8
Net result before tax	-9,5	8,2	20,4	-8,3	-12,9	-2,0
Net debt	62,1	50,1	27,9			
Net interest bearing debt	116,3	104,3	119,0			
Interest rate coverage ratio **	1,6	3,2	3,7			
Total liquidity	96,1	56,9	80,7			
Equity ratio*	27,1 %	30,8 %	36,0 %			
Book equity (excl minority interests)	94,0	102,0	124,2			
Book equity per share - USD	3,46	3,80	4,54			

\* = book equity/total assets    \*\* = EBITDA/net interest

### The I.M. Skaugen Group (IMSK) today announced a negative result for the year 2009 – a year of much contradiction, challenges and transition

- The pre-tax result before tax was negative USD9.5 million 2009 compared to USD 8.2 million in 2008. The result of the FY09 on an EBITDA basis was USD24.7 million compared to USD50 million for the FY08.
- The 4Q09 pre-tax result was negative USD8.3 million compared to a negative USD12.9 million for the 4Q08. The EBITDA result of the 4Q09 was USD5.9 million compared to USD3.1 million for the 4Q08.
- The deviation in net profits and EBITDA earnings reflects a weaker operating performance for all business units. For the gas carriers it reflects higher share of spot voyages in the utilization of the Norgas fleet and a much weaker spot market than the year before. For SPT it reflects a more challenging tanker market and for the China based activities it reflects gain from sale of assets in 2008 that was not repeated in 2009 and a loss on sale of 3 “WG” vessels in 2009/2010.

Our Net result in 4Q09 has been charged with impairment cost and R&D cost related to discontinued operations in the amount of about USD10,2 million. We have also charged cost as

awarded by an arbitration panel for RMB7.8 mill (USD1.1 mill); these are cost related to a contract cancellation in 2007 for newbuildings of two gas carriers that we elected to discontinue.

If we adjust for these charges our EBITDA and Net result would have been USD27 million and USD1.7 million respectively. These numbers reflects in our opinion more appropriately the ongoing business and our core activities

- The book equity, excluding minority interests, totaled USD94 million or USD3.46/NOK20.00 per share. The book equity represents about 27.1 percent of the total assets. The net debt at the end of 4Q09 was USD62.1 million and the net interest-bearing debt totaled USD116.3 million. The ratio between current assets and current liabilities is 435 percent.
- Total liquidity as of the end of 4Q09 was USD96 million, which is regarded as sufficient for the company’s ongoing business activities. The working capital requirements continue to be high in historical terms due to the current newbuilding commitments. Interest coverage ratio was 1.6 for 2009, as against 3.2 for 2008.
- Given the net loss for the year the Board will not recommend any dividends for the year of 2009.

- **Issues related to CAPEX and debt financing**

At the end of 4Q09 total capex commitments on I.M. Skaugen’s newbuilding stood at USD 47 million for vessels financed through sale and leaseback solutions and USD 31 million (adjusted for ownership in JV’s) for vessels financed via traditional debt facilities.

The IMS Company successfully tapped the Chinese debt markets for its overall corporate purposes in 2009 and this shows the value of its presence in this market.

Project	Construction finance	Post Delivery finance
Wintergas 3 x (5 800/ 9 600cbm)	Through IMS bonds	Sale & Leaseback with Teekay LNG Partners
Multigas 4 x (10.000 cbm)	Construction loan facility	Loan facility, 18 year repayment profile
Multigas 2 x (12.000 cbm)	Included in Sale & Leaseback	Sale & Leaseback with Teekay LNG Partners

- **Bond portfolio of outstanding loans**

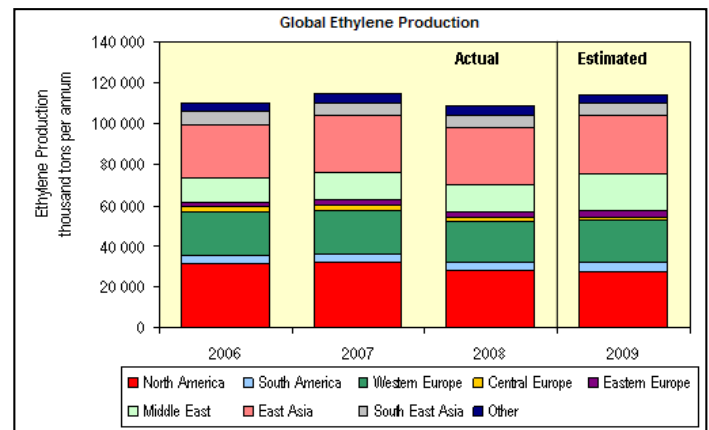
The company has benefited from the bond markets in Norway mainly to provide construction finance or working capital for the newbuilding programs at SMC. Maturity in the outstanding bond portfolio will mostly be offset by funds to be received from sale and lease-back arrangements on ships under construction by SMC. The counter-party in these sale lease-back structures are Teekay LNG Partners for two more "Wintergas" vessels and two "Multigas" 12, 000 cbm sized vessels.

Average interest cost (including. of margin) for all outstanding bonds financed now stand at 5.7 percent, given current USD interest rates. The company has USD10.6 million of bonds falling due for repayment within next 12 months. The bond with the longest duration matures in June 2012.

## Our views on the performance of the company in 2009

The company is not satisfied with the overall financial performance for the year which showed a negative result. The USD11.3 mill charges to the "pandl" of the company in 4Q reflects charges related to discontinued operations and impairment charges on activities that are considered non-core. As such we would like to highlight the positives as the results from ongoing core operations are considered more acceptable. Given the challenging macro economic conditions we are in general pleased with our core activities performance at this point of the economic cycle. A cyclical business like our will normally suffer in the downcycle and the year 2009 is a year of the downcycle. We are benefiting from our strategic decisions made several years ago - a focus on emerging markets, reducing costs and building longer and better contract coverage.

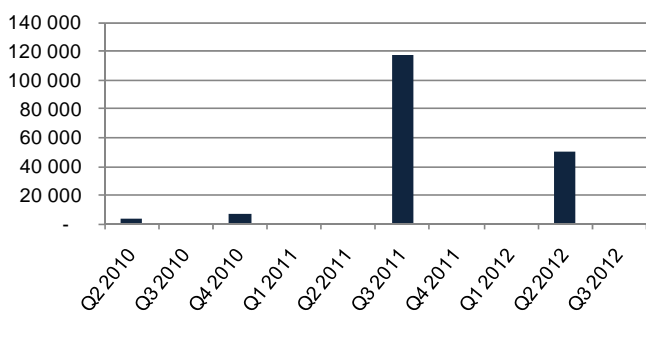
In a year where global trade reported the largest contraction since World War II, and where chemical production (a proxy for ethylene) was set back to 2006 volume levels; ethylene production itself ended the year positively compared to 2008 and only marginally lower than the peak year of 2007. This is mainly due to a sharp rebound in demand from "non - Japan Asia" and especially Chinese demand offsetting the weaker markets in North America and Europe.



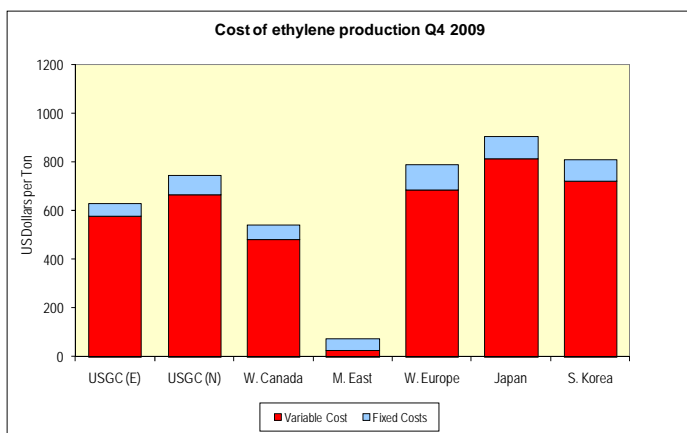
Source: Nexant Chemsystems Q4 2009

The added volumes for Asia were covered for the most by imports from the Middle East, which is the growth area "no. 1" for petrochemical industry. The low cost Ethane-based ethylene crackers in the Middle East has made the region well placed to cover production shortfalls in other regions as higher costs have pushed many European and some Asian producers towards the uncompetitive end of the global cost curve, thus making the Middle East the major net export area. Over the year a good percentage of the ethylene fleet of the long haul carriers (i.e larger ships) was being employed lifting tons from this region and a large share of this going to Asia.

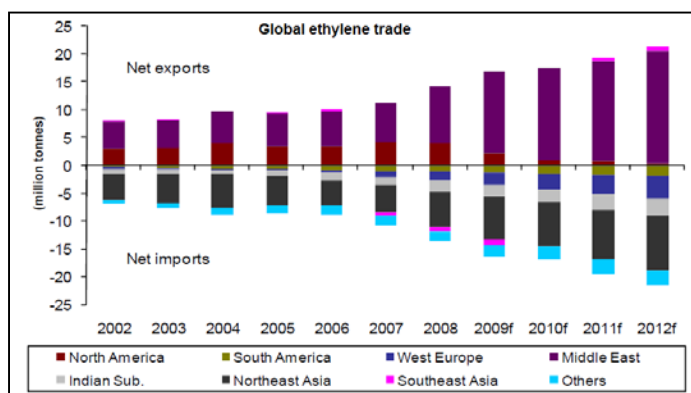
IMS - Bond maturity schedule (000' USD) YE 2009



Source: In-house Q4 2009



Source: Nexant Chemsystems Q4 2009



Source: Bank of America Securities/Merrill Lynch

The implication of this trend is that we experience an increase in tonmiles per product transported for these types of ships. And although 13 new ethylene vessels were delivered in 2009, the resilient overall production volumes absorbed to a great extent this additional capacity and prevented spot rates of falling as much as most other markets.

We have suffered a USD7.3 million loss at the end of the year in 2009 on a non core IT related investment within health care sector due to impairment valuations made. This company has written off most of its R&D investment made, over several years in a portal technology for the “e-health” sector. This as it was proven that the commercial applications were not acceptable to the key Norwegian client for their future needs. The loss is regrettable and the investment was considered promising despite being outside of our core business focus. The innovative solutions provided by this company were intriguing and did fit our desire to work with such innovations. We will in the future, based on this experience, not embark on a venture that is this much outside of our core focus. The CSAM Health AS ([www.csam.no](http://www.csam.no)) company has been refinanced and will now be without external debts. Our investment has a current book value of USD1.4 mill. We own 25% of the shares in the company and the management team owns 50%.

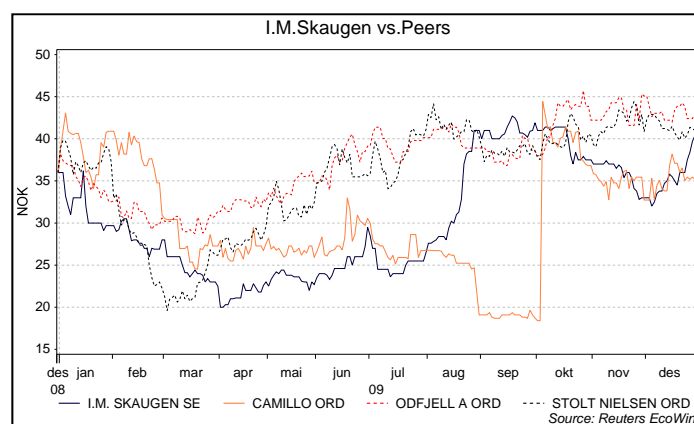
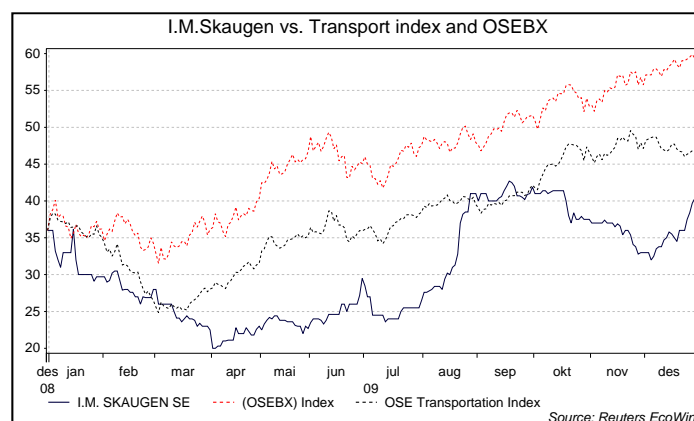
## 1Q2010 Outlook

In the early part of 1Q10 we experience high utilization of gas carriers on contractual terms and not so much tonnage in the sport market. Crude tanker market has improved and SPT benefits from this. All China activities are progressing better than last year.

## The IMSK share

In 2009 the IMSK share yielded 12,2% by climbing from NOK 36 to NOK 40,4 per share at the end of the year. Compared to its peers the stock has performed at average in 2009 as a whole. Vs. the OSEBX index and the transport index the stock price lagged the general market recovery and the IMSK share made its bottom at a later stage as shown in the chart below. Measured from the low point in the beginning of April to year end the yield was 102%.

Share price development – relative to indexes and peers (rebased 12 months performance)



## Buy-back of shares

In 2009 I.M. Skaugen initiated a process to buy back shares as it found the share price to be attractive. Its holdings following these transactions are 80,600 shares.

# I.M.Skaugen in this last decade

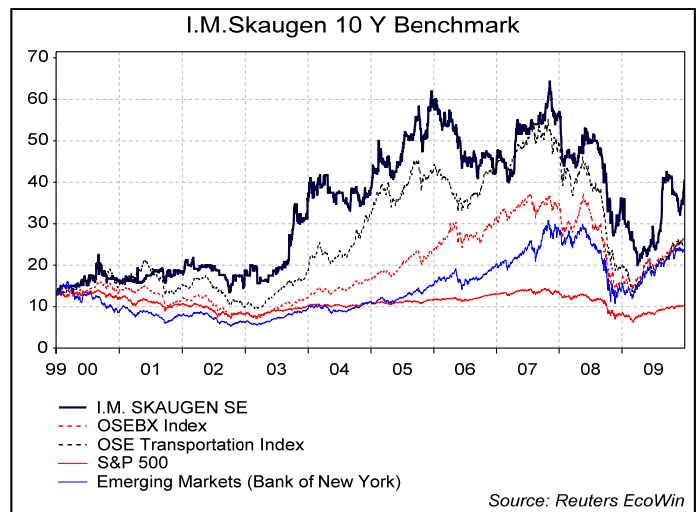
**A review of the performance this last decade - Steady as she goes.**

At the dawn of a new decade, it seems an appropriate time to look back and reflect on what has been the focus of the last 10 years, as well as to look into what the next 10 years may bring.

We are currently employing about 1,800 people on a global basis and more than 1000 of these are in China. We have business activities under our management that generates revenues of about USD 500 mill (including minority interest and 100% share of partnerships) and this is shared about one third on gas transportation, one third on China activities and one third for Marine Transfer business.

Over the last decade I.M. Skaugen's core strategy has been to position the company as a global business, centered more towards growth from areas such as Asia and the Middle East. We have a strategy firmly founded on our "Cost and Service leadership" strategy and we have built a portfolio of many more and longer customer contracts than before to enable us to smoothen out volatility in earnings, especially during economic downturns. The group has had a clear focus on developing the gas business with investments based on innovative business development processes, both in terms of research and development and soft cost. Our capital funding base has been diversified to better match both products and services offered and the geographical origins of our activities and clients.

In the 10 year period the IMSK share has generated about 16% annual return to its shareholders when we measure the share price (including dividends). Compared to the peers we have done better than most in the period (see chart). The S&P 500 index has over same period yielded -0.9% annually including dividends, while the OSEBX has yielded about 7% annually and the OSE Transportation Index abt 6,3%.



From the third party fair value valuations made in the summer of 1999 (made in relation to the involuntary offer made for the shares of the Company and that was rejected by the shareholders), we estimate that the value creation in this 10 year period (including dividends paid) has been an annual yield of abt 17%. If we measure the value creation of the company based on estimated earning capacity of our assets, and over the last cycle, we see that the company also has generated acceptable returns of 17-19% annually. This is measured from "low point to low point" in the cycle of 2003 and 2009 respectively.

## The next decade from 2010

Looking to the next decade, there are a number of activities that I.M. Skaugen will we focus on to continue delivering returns to its shareholders and exemplary service to its clients.

In general we believe we are positioned for another decade of "steady as she goes" where we will be able to generate sufficient returns from our core business activities. We will however probably see the following:

- Positioning / fine-tuning all company units to benefit from the "rise of the East" and benefit from the higher growth of the Asian countries and the Middle East / GCC based countries.
- Establish and build a new niche shipping market for Norgas and with small scale LNG solutions providing cleaner energy for our customers – integrated value chains
- Following a strategy and vision - being global, innovative and striving to maintain "Cost and Service" leadership in the business areas we operate.



I.M. Skaugen believes the world has reached a turning point in its history, where the growth rates in the “West” will now decline and the “East” will rise. The West (meaning Europe as it was before the Berlin wall came down, along with the USA) has enjoyed for a long time access to cheap energy and it has consumed raw material supplies without competition and abused the environment in the world without any cash cost. The West now has competition for the raw materials and the cheap energy - primarily from the emerging nations in Asia. The environmental challenges for the world are also insurmountable with the rise of the emerging nations and it will slow the growth when we have to pay for the right to pollute. The people of Asia will see a tremendous economic growth, stemming from the need to satisfy, primarily, domestic consumption from a rising middle class. The savings rate is high in many of these countries and this can pay for a lot of infrastructure and consumption.

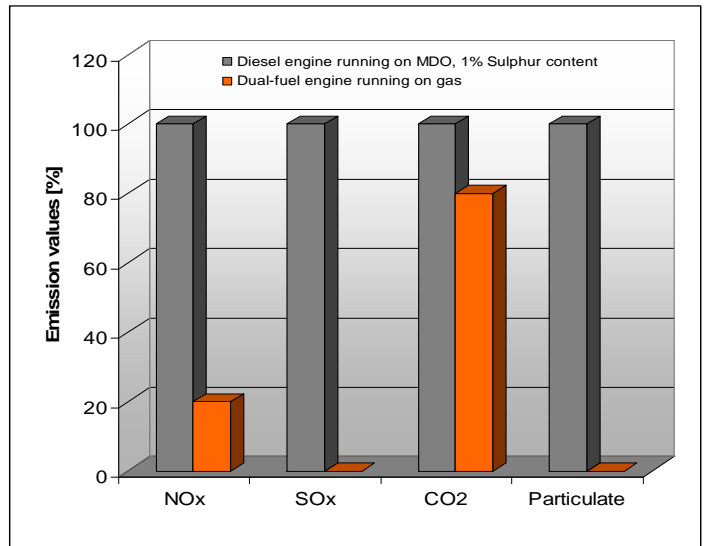
China as no other country has taken on this challenge at break-neck speed and illustrates the market model. Though growing at “half the speed” of China, India is making progress and the South East Asia region – including Indonesia - is coming along as well. Add to that the Middle East region (predominantly the Gulf region) and Brazil and you have a few tigers that collectively add up to a significant amount of the people on the planet.

I.M. Skaugen has started to tweak its business approach and concentrate its efforts more and more on activities that stand to benefit from the above trends. It will aim to be involved mostly in the business areas that are a direct beneficiary of these above mentioned trends and to position itself for this through access to debt markets and in the equity and bond markets.

The company has recognized the growing need for environmental solutions to the world’s energy challenges. This means that natural gas is beginning to replace oil as the fuel of choice for transportation and power generation and with it the need to develop extensive LNG supply chain infrastructure. For this reason, it has spent upwards of seven years creating its small-scale “Mini LNG” service that will launch in the Nordic region in 2010. It is confident that this is a proof-of-concept that will enable a roll-out on a global scale and it hopes to participate in its core markets. It should benefit from an ‘early mover attitude’ and its IMS innovations – or Innovative Maritime Solutions (IMS).



Illustration of the Nordic LNG liquefaction plant in Risavika (Stavanger), and the innovative 10 000 m3 Multigas carrier. Scheduled startup is during second half of 2010.



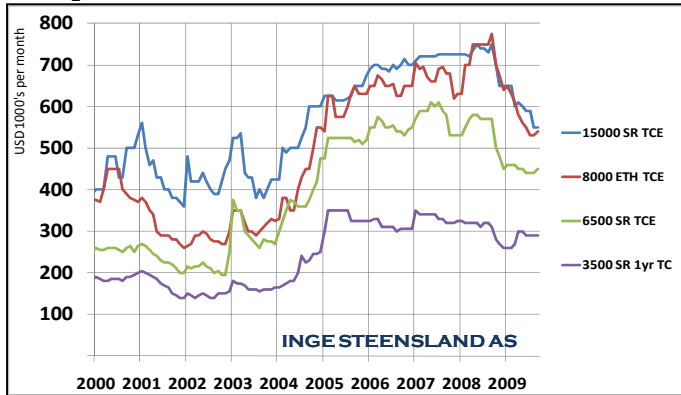
Emissions from natural gas compared with MDO-1% (Source: Wärtsilä)

I.M. Skaugen will continue to pursue its strategy of developing as a global operator, supporting its customers as they extend the geographic scope of their activities. But the company will only remain competitive if it maintains its focus of developing innovative products and services that meet the demands of the oil and gas transportation industry. At the same time it will concentrate on keeping costs competitive while improving its operational performance and service leadership.

# Gas Carrier Activities – Norgas Carriers

Norgas generated an EBITDA of USD25.5 million for the full year 2009 (USD47,7 million in 2008) and USD6.7 million in 4Q09 (USD7,3 million in 4Q08). The deviation in operational profits is mainly due to a higher share of spot voyages combined with softer spot prices. Overall utilization of the fleet ended at approximately 90%, net of commercial idle time and technical offhire due to drydockings, about the same level as 2008.

## T/C spot rates



Source: Inge Steensland AS Q4 2009

Norgas runs one of the more successful petrochemical gas transportation operations in the industry. Main customers are in the Middle East GCC region. Going forward, Norgas maintains its focus on our long term commitment in the Gulf region (GCC) and in a growing supplier/customer partnership. Norgas has its regional office in Bahrain.

In the fourth quarter, Norgas has further strengthened its market position by renewing a one year COA contract with a major GCC based petrochemical producer and a one year TC for SEA trade.

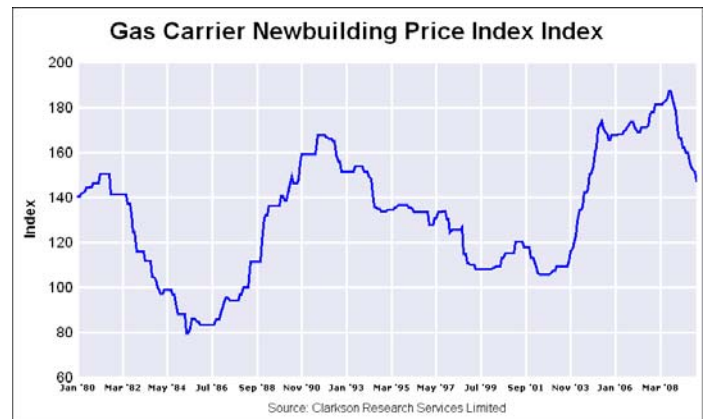
The existing world fleet of 326 vessels has an order book of 39 vessels (382 000 cbm capacity) or about 15% of capacity to be delivered before end of 2011. In 2009 7 new S/R vessels were ordered (none of these Ethylene) while 10 vessels were scrapped. Norgas has 7 new ships or 73 600 cbm capacity to be delivered in this period and that is about 43% of the ethylene capacity to come in this period. Mostly due to the financial situation in general with lack of financing sources we envision some delays/postponements compared to what is reported to the market for all types of newbuildings including gas carriers.

Fleet development	Orderbook	
	Cbm	No. of vsls
Fleet total	2,601,272	326
Deliveries	244,684	18
Scrapped	64,595	10
Contracted	66,440	7
Orderbook	382,240	39
	% Fleet	
	15%	12%

Source: Inge Steensland Q4 2009

The growth in the fleet will be mitigated by ship recycling in the period and with 88 ships equal to 21% of capacity that are now above 25 years and thus eligible for recycling or alternative uses in the coming years. The normal age of scrapping of such vessels has been in the period between 27 and 30 years of age.

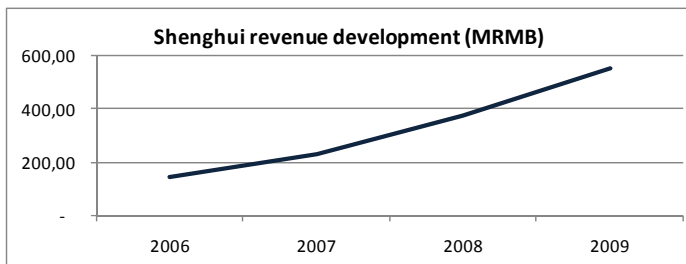
Clarkson's newbuilding index indicates that prices are in fact decreasing somewhat after a steep run up in previous years. We note that there are very few, if any new orders in 2009 for tonnage relevant to our ships.



# China Activities – Skaugen China Holdings Co Ltd.

**Skaugen China Holding** generated an EBITDA of minus USD0.3 million in 4Q09 (USD0.5 million in 3Q09 and USD3.6 million in 4Q08).

For Shenghui Gas and Chemical Systems (SGCS) where we own 50% and is the largest shareholder, the revenues and margins are on expectations in 2009, in line with the expected revenue growth scenario of more than 40% this year compared to last year and maintaining a net profit after tax of more than 10% is acceptable. Shenghui Gas and Chemical Systems, particularly, is growing rapidly on the back of the domestic Chinese economy. The company has enjoyed synchronized healthy growth in revenues and profitability and has managed this growth due to the access to the Chinese debt market for the group against the backdrop of tightened or closed global credit sources.



SGCS is a manufacturer of non-standard pressure vessels, spherical tanks, cryogenic steel structures and gas cargo plant systems – all used in the refinery and petrochemical industry. We bought into the company in 2006 as a necessary strategic supplier to our newbuilding program of gas carriers. In 2009 our orders accounted for about 30 percent of the revenues and this will decline going forward. In the up-coming years we have agreed with our partners in the company that we will facilitate an IPO process to visualize the values created in this company.

In mid November IMS named the first ship in its new series of Multigas carriers, the “Norgas Innovation” of 10,000 cbm size that is LNG and Ethylene capable vessels. The ship has undergone testing and commissioning and is delivered in the first days of January 2010. This is an important event for the company and especially for those concerned in the development of these highly advanced gas carriers. We have been responsible for all elements in this project - from initial design right through to construction and we have worked on the project for almost 7 years. The vessel is built at our joint venture facilities in China – and we are delighted that the first of these unique and highly specialized gas carriers will soon be demonstrating first-hand why we decided to

construct such an innovative, industry-leading ship. The “Norgas Innovation”, will initially enter the fleet of Norgas Carriers, the I.M. Skaugen Company involved in the maritime transportation of petrochemical gases and LPG. However, this first Multigas vessel will, in the early part of 2011 second, be dedicated to Nordic LNG ([www.nordiclng.com](http://www.nordiclng.com)) and their Mini LNG business under development in the Nordic region.



Norgas Innovation – 1<sup>st</sup> Multigas vessel Naming Ceremony. The ship is an advanced LNG/ LPG/ Eth gas carrier – 10 000 cbm.

Under the 4Q09 SMC also successfully made delivery of the second Wintergas vessel series, Norgas Cathinka. The Wintergas series combines ethylene and chemicals and is built for an emerging trade in East Asia.



Norgas Cathinka – 2nd Wintergas vessel delivered in the end of October 2009. The ship is a Special. LPG/Eth/Chemical combo carrier – 5 800/ 9 600cbm.

We experienced throughout the year that SMC was also able to turn a corner and managed to reduce the expected cost of the construction of the ships; and thus gain better control over the project schedule. SMC’s internal procedures have thus been improved as there has been greater emphasis on human resource development and organization.

In 2010 SMC will be very busy and deliver “WG” vessel number three, as well as Multigas vessels one, two and three. It will also commence the cargo system installation for the Multigas vessel number 4-6. At the same time, it will begin the planning phase for the next series of such vessels.



# Marine Transfer Activities – SPT

SPT generated an EBITDA of USD0.6 million in 4Q09 (USD0.4 million negative in 3Q09 and USD2.3 million in 4Q08).

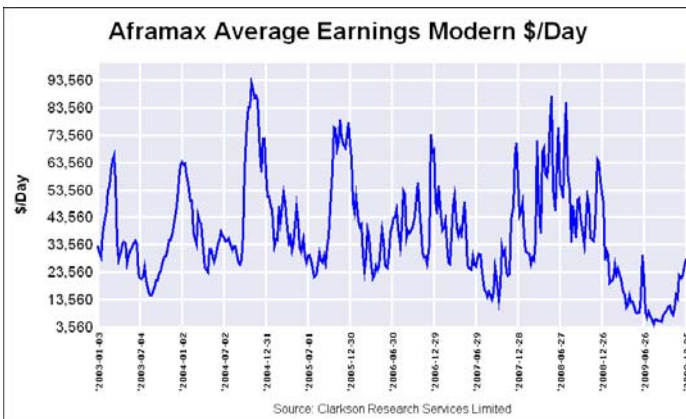
In 2009 SPT was able to post an acceptable financial performance in an extremely challenging market. Existing contracts were able to provide higher returns compared to depressed market charter rates for Aframax tankers. The crude oil tanker markets struggled throughout the year due to the global economic downturn, new building deliveries, and a combination of weak crude/product demand and poor refining margins in the U.S. A slight improvement in both demand and market conditions were seen in the fourth quarter for such ships. The global support services segment continued its steady performance during the quarter as additional crude oil barrels were placed into floating storage.

of Aframax tankers. This will allow SPT to benefit from the global nature of the pool and for SPT to continue its focus on the core business activity – marine transfer operations.

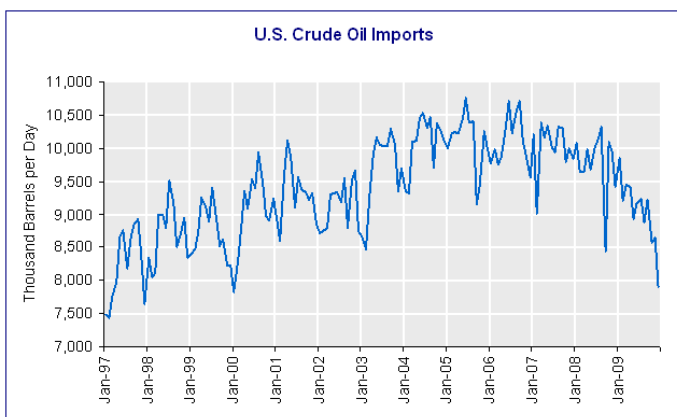
During the year SPT has worked hard to develop strong growth in its global support operations, increasing both the geographic spread and the range of services. Added to this, it has placed particular emphasis on cost control right across the business to ensure that it is able to deliver strong future financial performance.



SPT1 is our latest lightering support vessel operating out of Rotterdam Europoort - a pontoon boat that has been converted to store all the required equipment for STS operations, enabling SPT to have all of the equipment in one location.



Source: Clarkson's



Source: Clarkson's

SPT has managed to fix a certain portion of its tankers on long-term contract, currently having two of the seven tankers on time charters of one-year or longer duration. SPT tonnage not committed to contracts will continue to be commercial employed into the Teekay managed pool

# Segment Information

The Group consists of three segments: Gas Transportation Activities, Skaugen China Activities - manages all our newbuilding activities and investments in China and Marine Transfer Activities. The operating businesses are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The segmentation is in line with the Group's internal management and reporting structure.

<b>Total IMS Group</b>				
<b>USD '000</b>	<b>2009</b>	<b>2008</b>	<b>4Q09</b>	<b>4Q08</b>
Gross Freight Revenue	153 501	196 935	46 611	39 238
Operating revenue construction services	115 479	107 158	59 301	43 430
<b>Revenues</b>	<b>268 980</b>	<b>304 093</b>	<b>105 912</b>	<b>82 668</b>
Voyage related expenses	-43 455	-54 753	-14 461	-9 281
Other operating cost and t/c hire	-86 521	-92 737	-26 545	-21 148
Cost of goods sold	-109 428	-99 345	-57 917	-47 207
Unallocated	-4 870	-7 361	-1 135	-1 863
<b>Segment profit (EBITDA)*</b>	<b>24 706</b>	<b>49 897</b>	<b>5 854</b>	<b>3 169</b>
Depreciation and amortisation	-14 495	-13 799	-4 253	-3 919
<b>Operating profit</b>	<b>10 211</b>	<b>36 098</b>	<b>1 601</b>	<b>-750</b>
Depreciation	-	-175	50	-54
Share of profit/(loss) of strategic associates	-1 125	-2 094	-401	-813
Share of profit/(loss) of non-strategic associates	-7 255	-2 568	-6 050	-717
Net financial items (incl. Exchange gain/losses)	-10 087	-22 230	-3 188	-9 650
Taxes	-1 326	-749	-303	-886
<b>Net result before taxes</b>	<b>-9 582</b>	<b>8 282</b>	<b>-8 291</b>	<b>-12 870</b>
<b>Gas Activities</b>				
<b>USD '000</b>	<b>2009</b>	<b>2008</b>	<b>4Q09</b>	<b>4Q08</b>
Gross Freight Revenue	84 223	111 951	29 158	19 876
<b>Revenues</b>	<b>84 223</b>	<b>111 951</b>	<b>29 158</b>	<b>19 876</b>
Voyage related expenses	-20 126	-29 958	-7 099	-4 337
Other operating cost and t/c hire	-38 534	-34 297	-15 316	-8 209
<b>Segment profit (EBITDA)*</b>	<b>25 563</b>	<b>47 696</b>	<b>6 743</b>	<b>7 330</b>
Depreciation and amortisation	-10 258	-10 833	-2 087	-3 177
<b>Segment Operating profit</b>	<b>15 305</b>	<b>36 863</b>	<b>4 656</b>	<b>4 153</b>
<b>China Activities</b>				
<b>USD '000</b>	<b>2009</b>	<b>2008</b>	<b>4Q09</b>	<b>4Q08</b>
Gross Freight Revenue	1 565	-	921	-
Operating revenue construction services	122 368	112 826	60 565	40 097
<b>Revenues</b>	<b>123 933</b>	<b>112 826</b>	<b>61 486</b>	<b>40 097</b>
Voyage related expenses	-1 497	-	-958	-
Cost of goods sold	-116 317	-105 013	-59 181	-43 874
Other operating cost/administrative costs	-5 192	-4 287	-1 762	-1 118
<b>Segment profit (EBITDA)*</b>	<b>927</b>	<b>3 526</b>	<b>-415</b>	<b>-4 895</b>
Depreciation and amortisation	-2 012	-1 136	-1 714	-277
<b>Segment Operating profit</b>	<b>-1 085</b>	<b>2 390</b>	<b>-2 129</b>	<b>-5 172</b>
<b>Marine Transfer Activities</b>				
<b>USD '000</b>	<b>2009</b>	<b>2008</b>	<b>4Q09</b>	<b>4Q08</b>
Gross Freight Revenue	67 713	84 984	16 532	19 362
<b>Revenues</b>	<b>67 713</b>	<b>84 984</b>	<b>16 532</b>	<b>19 362</b>
Voyage related expenses	-21 832	-24 795	-6 404	-4 944
Other operating cost and t/c hire	-42 795	-54 153	-9 467	-11 821
<b>Segment profit (EBITDA)*</b>	<b>3 086</b>	<b>6 036</b>	<b>661</b>	<b>2 597</b>
Depreciation and amortisation	-2 225	-1 830	-452	-465
<b>Segment Operating profit</b>	<b>861</b>	<b>4 206</b>	<b>209</b>	<b>2 132</b>
<b>Unallocated</b>				
<b>USD '000</b>	<b>2009</b>	<b>2008</b>	<b>4Q09</b>	<b>4Q08</b>
Unallocated	-4 870	-7 361	-1 135	-1 863
<b>EBITDA*</b>	<b>-4 870</b>	<b>-7 361</b>	<b>-1 135</b>	<b>-1 863</b>
<b>Elimination inter-segment</b>				
<b>USD '000</b>	<b>2009</b>	<b>2008</b>	<b>4Q09</b>	<b>4Q08</b>
Operating revenue manufacturing services	-6 889	-5 668	-1 264	3 333
<b>Revenues</b>	<b>-6 889</b>	<b>-5 668</b>	<b>-1 264</b>	<b>3 333</b>
Cost of goods sold	6 889	5 668	1 264	-3 333
<b>EBITDA*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# I.M Skaugen Consolidated

## Accounting Policies

These consolidated condensed financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". The interim financial information for 2009 and 2008 are unaudited.

The accounting policies applied in the preparation of these financial statements are consistent with those used in preparation of the Group's annual financial statements for the year ended 31 December 2008. These consolidated condensed financial statements should be read in conjunction with the 2008 annual financial statements, which include a full description of the Group's accounting policies.

## IAS 1 (revised) Presentation of Financial Statements

The revised standard is mandatory for annual periods beginning on or after 1 January 2009. The changes to IAS 1 do not have an impact on the reported results or financial positions of the group, but require a number of changes relating to presentations and disclosure in the financial statements. The presentation of items of income and expenses in the statement of changes in group equity (non-owner changes in equity) is now prohibited, and such changes must be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement (the statement of comprehensive income).

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two (the income statement and statement of comprehensive income). I.M. Skaugen has elected to present two statements. The interim financial statements have been prepared under the revised disclosure requirements.

USD 000	2009	2008	2009	2008
<b>Income Statements - Equity method</b>	<b>1.1. - 31.12</b>	<b>1.1. - 31.12</b>	<b>1.10. - 31.12</b>	<b>1.10. - 31.12</b>
Gross freight revenues	44 031	63 878	12 297	8 674
Operating revenues construction services	60 968	74 772	21 168	27 947
<b>Revenues</b>	<b>104 999</b>	<b>138 650</b>	<b>33 465</b>	<b>36 621</b>
Share of investments in strategic joint ventures/associates	12 061	22 500	4 721	8 251
Voyage related expenses incl. marketing	(11 513)	(17 912)	(3 139)	(3 016)
Time-charter hire	(3 255)	(1 466)	(1 476)	(1)
Cost of goods sold - construction services	(63 213)	(71 416)	(21 213)	(31 854)
Depreciation and amortisation	(6 643)	(8 397)	(1 912)	(2 653)
Other operating expenses vessels	(23 878)	(24 934)	(5 896)	(5 340)
Other operating expenses/administration costs	(4 870)	(7 361)	(4 870)	(2 724)
<b>Operating profit</b>	<b>3 688</b>	<b>29 664</b>	<b>(320)</b>	<b>(716)</b>
Share of investments in non-strategic joint ventures/associates	(7 254)	(2 568)	(6 049)	(715)
Financial revenue	284	2 151	(179)	372
Financial expenses	(12 985)	(18 750)	(3 670)	(8 605)
Gains/losses on exchange	6 717	(2 215)	1 957	(3 206)
<b>Net result before taxes</b>	<b>(9 550)</b>	<b>8 282</b>	<b>(8 261)</b>	<b>(12 870)</b>
Taxes	(107)	(334)	(90)	(374)
Changes in deferred tax	-	-	-	-
<b>Net result for the period</b>	<b>(9 657)</b>	<b>7 948</b>	<b>(8 351)</b>	<b>(13 244)</b>
Attributable to:				
Minority interests	(41)	(58)	(41)	(58)
Equity holders of the company	(9 616)	8 006	(8 310)	(13 186)
Earnings per share - basic and diluted	(0,35)	0,29	(0,31)	(0,49)

USD 000	2009	2008	2009	2008
<b>Statement of Comprehensive Income</b>	1.1. - 31.12	1.1. - 31.12	1.10. - 31.12	1.10. - 31.12
<b>Net result for the period</b>	<b>(9 657)</b>	<b>7 948</b>	<b>(8 351)</b>	<b>(13 244)</b>
<b>Other comprehensive income:</b>				
Hedging Reserve	182	(883)	46	-
Fair value adjustments - Joint ventures	552	(3 055)	202	(2 345)
Available for sale investments	1 240	(16 902)	720	
<b>Other comprehensive income</b>	<b>1 974</b>	<b>(20 840)</b>	<b>968</b>	<b>(2 345)</b>
<b>Comprehensive income</b>	<b>(7 683)</b>	<b>(12 892)</b>	<b>(7 383)</b>	<b>(15 589)</b>
Comprehensive income attributable to:				
Minority interests	(41)	(58)	(41)	(58)
Equity holders of the company	(7 642)	(12 834)	(7 342)	(15 531)

USD 000	31.12.2009	31.12.2008	30.9.2009	30.9.2008
<b>Balance Sheets - Equity method</b>				
<b>Non-current assets</b>				
Deferred tax assets	2 500	2 500	2 500	2 500
Development cost	-	0	-	2 996
Tangible fixed assets	47 377	55 691	49 395	58 791
Investments in associates and joint ventures	100 940	91 280	101 477	76 433
Non-current financial assets	5 251	2 667	2 943	11 017
<b>Total non-current assets</b>	<b>156 068</b>	<b>152 138</b>	<b>156 315</b>	<b>151 737</b>
<b>Current Assets</b>				
Projects under construction	53 915	89 948	61 604	90 484
Receivables and other current assets	40 349	29 021	51 304	39 213
Available for sale financial assets	-	2 343	1 111	7 130
Cash and Bank deposits	96 170	56 912	73 794	54 620
<b>Total Current Assets</b>	<b>190 434</b>	<b>178 224</b>	<b>187 813</b>	<b>191 447</b>
<b>Total Assets</b>	<b>346 502</b>	<b>330 362</b>	<b>344 128</b>	<b>343 184</b>
<b>Equity</b>				
Paid in equity	81 246	81 566	81 365	81 566
Retained earnings	14 076	23 692	22 291	36 880
Other reserves	(2 025)	(3 999)	(3 075)	10 541
Minority interest	688	729	729	787
<b>Total Equity</b>	<b>93 985</b>	<b>101 988</b>	<b>101 310</b>	<b>129 774</b>
<b>Liabilities</b>				
Long term liabilities	185 287	148 217	195 309	164 200
Current interest bearing liabilities	27 197	12 973	16 140	22 674
Derivative financial instruments	(3 720)	28 362	(7 134)	-
Other current liabilities	43 753	38 822	38 599	26 536
<b>Total Liabilities</b>	<b>252 517</b>	<b>228 374</b>	<b>242 914</b>	<b>213 410</b>
<b>Total Equity and Liabilities</b>	<b>346 502</b>	<b>330 362</b>	<b>344 224</b>	<b>343 184</b>

USD 000	2009	2008	2009	2008
<b>Statement of Changes in Equity</b>	1.1. - 31.12	1.1. - 31.12	1.10. - 31.12	1.10. - 31.12
<b>Equity at start of period</b>	<b>101 988</b>	<b>124 206</b>	<b>101 494</b>	<b>129 772</b>
Comprehensive income for the period	1 974	(20 840)	961	(14 540)
Acquisition treasury shares	(320)	-	(119)	-
Minority interest	-	-	-	-
Dividends	-	(9 326)	-	-
Net result	(9 616)	8 006	(8 310)	(13 186)
Net result Minority interest	(41)	(58)	(41)	(58)
<b>Equity at end of period</b>	<b>93 985</b>	<b>101 988</b>	<b>93 985</b>	<b>101 988</b>



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**Board of Directors**

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*Bente Flø, Chief Financial Officer, on telephone +47 23 12 03 30/+47 91 64 56 08 or by e-mail: [bente.flø@skaugen.com](mailto:bente.flø@skaugen.com). This press release is also available on the Internet at our website: <http://www.skaugen.com>.*

*Listed on the Oslo Stock Exchange under the ticker code IMSK, I.M. Skaugen SE (IMS) - is a marine transportation service company engaged in the hassle-free transportation of petrochemical gases LPG and LNG, marine transfer of crude oil and LNG, and the design and construction of smaller and specialised high quality vessels.*

*We are a fully integrated shipping company that designs, builds, owns, mans and manages our own ships. IMS customers are major international companies in the oil and petrochemical industry, whom we serve worldwide from our presence in Bahrain, Freeport and Houston (USA), Oslo and Stavanger (Norway), Singapore, Sunderland (UK) and Nanjing, Shanghai, Taizhou, Zhangjiagang and Wuhan (China). We also operate recruitment and training programmes in St. Petersburg (Russia) and Wuhan (China) for the crewing of vessels.*

*IMS employs approximately 1,800 people and currently operates about 35 vessels worldwide. The fleet comprises petrochemical gas and LPG carriers, Aframax tankers and lightering support vessels, barges and tugs.*

*We have a comprehensive newbuilding programme in China, of which three 3,200cbm LPG vessels are delivered and sold; three purpose-designed combination carriers with LPG/Ethylene/VCM and Organic chemicals carrying capability; and up to ten advanced 10,000-12,000cbm LNG/ LPG/Ethylene gas carriers, with delivery from 2009 and onwards. IMS has invested and built up internal resources and infrastructure in China to ensure innovative and flexible vessels at lower cost. During 2008 we also completed our latest fleet renewal programme for SPT, with the delivery of six new purpose-designed and -built Aframax tankers on a long-term bareboat charter.*

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