# I.M. Skaugen SE 3Q 2009


The Norgas Creation – second Multigas-vessel of a series of 6 and under outfitting stage as being completed by Skaugen Marine Construction in China (SMC). The ship is an advanced LNG/ LPG/ Eth gas carrier – 10 000 cbm

## IMS – Innovative Maritime Solutions

# 3Q09 financial result

## FINANCIAL HIGHLIGHTS

| USD million (except per share data) | YTD 3Q ended 2009 | 2008 | % change | 1H 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|
| **EBITDA** | **18.9** | **46.7** | **-59.5%** | **14.2** | **50.0** | **40.1** |
| **EBIT** | **4.0** | **30.4** | **-86.8%** | **4.6** | **29.7** | **28.4** |
| **Gain from sale of fixed assets** | **-** | **-** | | **-** | **0** | **4.2** |
| **Net result before tax** | **-1.3** | **21.1** | **-106.2%** | **1.5** | **8.2** | **20.4** |
| **Net debt** | **55.8** | **21.9** | **154.8%** | **53.0** | | |
| **Net interest bearing debt** | **130.5** | **132.2** | **-1.3%** | **110.0** | **104.3** | **119.0** |
| **Interest rate coverage ratio**** | **2.1** | **3.2** | **-33.4%** | **2.47** | **3.2** | **3.7** |
| **Total liquidity** | **73.8** | **54.6** | **35.2%** | **96.5** | **56.9** | **80.7** |
| | | | | | | |
| **Equity ratio *** | **29.3%** | | | | | |
| **Book Equity(excl.majority interests)** | **101.2** | | | | | |
| **Book equity per share USD** | **3.72** | | | | | |

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

### The I.M. Skaugen Group (IMSK) today announces a small negative result for this quarter in these challenging macroeconomic times.

The pre-tax result was negative USD2.8 million for the 3Q09 compared to a positive USD4.4 million for the 3Q08. The result of the 3Q09 on an EBITDA basis was USD4.6 million compared to USD14.5 million for the 3Q08. The pre-tax profit was negative USD1.3 million YTD 3Q09 compared to positive USD 21.2 million for the YTD 3Q08. The result of the YTD 3Q09 on an EBITDA basis was USD18.9 million compared to USD46.7 million for the YTD 3Q08.

**Group financials**

The book equity, excluding minority interest, totaled USD101 million or USD3.72/NOK22.00 per share. The book equity represents about 29.3 per cent of the total assets. The net debt at the end of 3Q09 was USD55.8 million and the net interest-bearing debt totaled USD130.5 million. The ratio between current assets and current liabilities is 343 per cent.

Total liquidity as of the end of 3Q09 was USD74 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 2.1 for 3Q09, as against 3.2 for 2008.

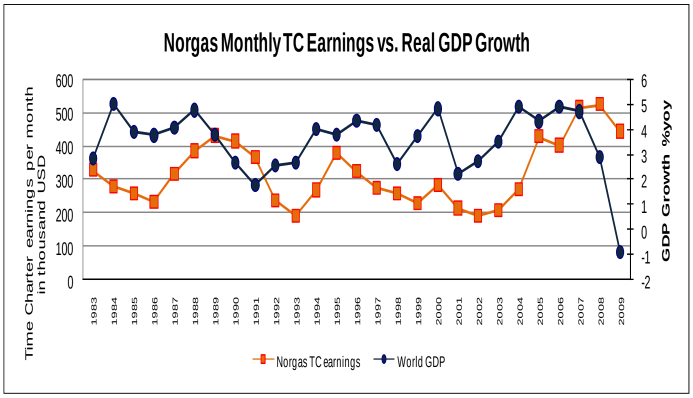
**Steady as she goes -** Steady performance in a challenging environment

We are not satisfied about the overall financial performance showing a negative result for the quarter, but acknowledge a few positives as well. Despite the decline in profits compared to first half, underlying earnings fundamentals remain fairly steady.

Under the challenging economic conditions around the world the company continues capitalizing on some key risk mitigation factors - a) the relative high contract coverage that we enjoy in our core segments, b) our focus on activities for petchem gas transportation for clients based in the "low cost" Middle East region and for markets in Asia, c) the benefit we have from the much more resilient business conditions in China and d) lastly we do enjoy a position of being "cost leaders" in many of our business units that enables us to achieve a margin where others are operating at loss making level.

These risk mitigating initiatives has led to a “decoupling” of our current gas business,  with our focus on Middle East region and China versus the more traditional “OECD related business”, is visualized by the below graph.. Norgas` earnings have historically been quite closely correlated to global GDP growth (and at times where the

OECD economies counted much more towards the world GDP than today). During this current global downturn we have seen that these two indicators are decoupling. The emergence of most new economies that are in a growth modus versus the traditional economies of the OECD region, as well as our strategy of building a higher contract coverage with key costumers in the higher growth regions, are probably the reasons for this decoupling.



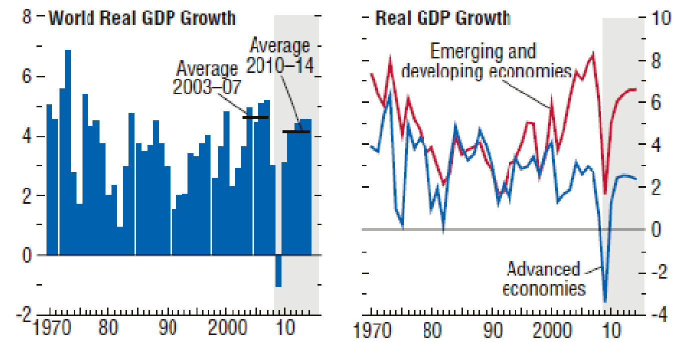

* Source: World GDP growth from Goldman Sachs, TC earnings internal

In the third quarter Norgas has further improved its contract position. At the end of the quarter the overall 12 month rolling contract coverage stands between 60-65 percent, which underline the industrial and long term commitment we have in our niche segments, a position we are continuously working on developing further.

**The end of the "Great Recession"**

Even though business conditions remain challenging, there is broad based evidence of a recovery in the global economy and most forecasters and policy makers have revised their economic projections during the past few months. According to IMF the recession is ending, but a subdued recovery lies ahead. While Asian economies and especially China has had an astonishingly rebound, the advanced economies are only stabilizing or showing a modest upturn.

In this environment we continue to focus on our two main strategic geographical focus areas - China and Middle East as we see these two areas as major sources of growth in the world economy going forward. The Middle East region are fuelled by higher oil prices and IMF estimate a growth of 4,2% next year, while China is most likely ending the first year with negative global growth in decades at an impressive + 8-9%.




Source: IMF World economic outlook October 2009

**Issues related to capital and our debt financing**

As the economic outlook has improved, credit spreads has continued to narrow from elevated levels. The Norwegian high yield bond market has experienced some active autumn months, but it has been a selective market, and only a few shipping companies has been able to tap into the market at acceptable terms. Traditional bank debt capacity for shipping companies is still difficult to obtain, and in that context we are very pleased that our newbuildings are fully funded and that we do not have any imminent need for refinancing of debt.

At the end of Q3 total capex commitments on our newbuilding stand at USD 56M for vessels financed trough sale and leaseback solutions, and USD 36M (adjusted for ownership in JV's) for vessels financed via debt facilities.

| Project | Construction finance | Post Delivery finance |
|---|---|---|
| Wintergas 3 x (5 800/ 9 600cbm) | Trough IMS bonds | Sale & Leaseback with Teekay LNG Partners |
| Multigas 4 x (10.000 cbm) | Construction loan facility | Loan facility, 18 year repayment profile, 80% leverage |
| Multigas 2 x (12.000 cbm) | Included in Sale & Leaseback | Sale & Leaseback with Teekay LNG Partners |

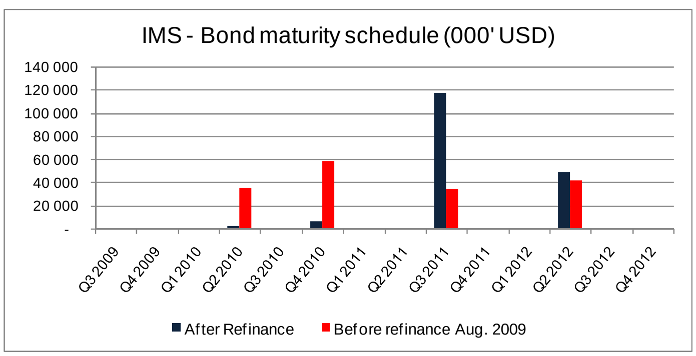
In August the group completed a new bond issue with maturity in July 2011, a total of NOK 500 million (equal to abt. USD 83 million). The new issue is a floating rate note with a coupon margin of 6.00% over 3 months NIBOR and is unsecured and with other relevant covenant terms similar to our previous bond issues. The bond is listed on the Oslo Stock Exchange's ABM and the repayment obligation in NOK is swapped to USD.

This new bond is part of the company`s proactive efforts to reduce any potential refinancing risk in the bond loan portfolio for 2009 and 2010. The company has an ongoing new building program to satisfy its need for more tonnage.

We currently have 8 ships to be delivered and of those 8 we have 6 Multigas carriers that are LNG capable gas carriers that also carry ethylene and LPG. These ships are all under construction with Skaugen Marine Construction (SMC) in China. Our longer term goal is to build 10 new Multigas carriers with LNG features and this new facility will be part of this process to finance our new building program. We are further building on our proven track records towards our debt investors.

We have tapped the bond markets mainly to provide construction finance or working capital for our 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 of 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” vessels – net accumulated until September 2011 (see overview):

Proceeds of the transaction have been used to repurchase bonds maturing in 2010, extending the maturity schedule to 2011. In the quarter we also sold parts of our own share of IMSK04.




Soruce: Internal

*Our Bond portfolio of outstanding loans - update*

Average interest cost (incl. of margin) for all of our outstanding bonds financed now stand at 5,8 % given current USD interest rates.

We have USD3.3 million of bonds falling due for repayment within next 12 months. The bond with the longest duration matures in June 2012.

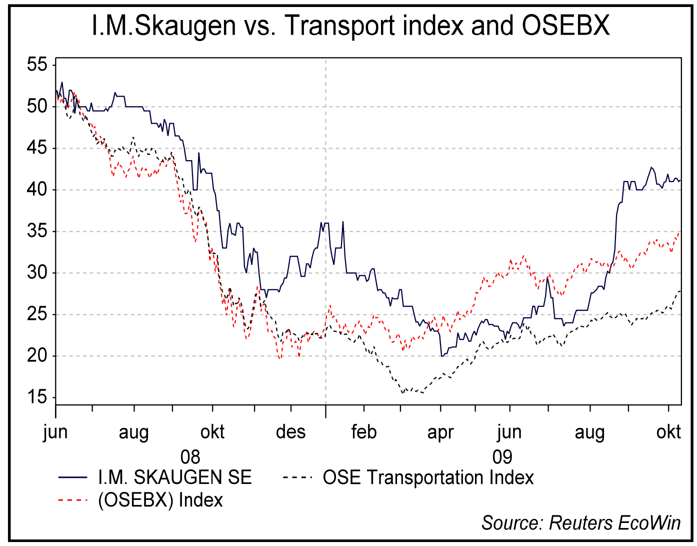
**The IMSK share**

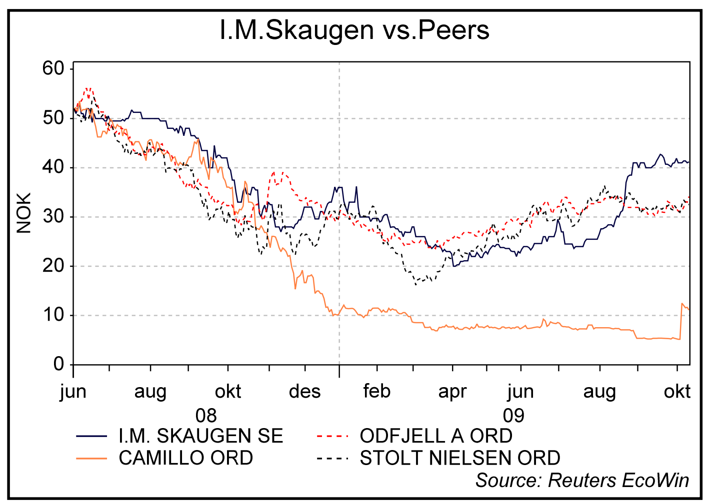
*Buy back of shares*

In 1Q09 we initiated a process to buy back shares as we found the share price to be attractive, and in 3Q09 we bought back a limited number of shares. Our holdings after this transaction are 59,600 shares.

The IMSK share has performed well vs. its peers and stock market indexes over the last 12 months. After lagging behind during the initial phase of the stock market recovery in March the share price has headed higher and especially during the third quarter.

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



# Gas Carrier Activities

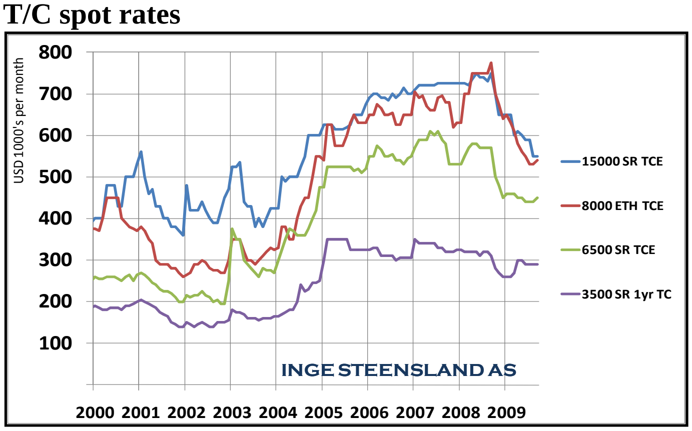
**Norgas** generated an EBITDA of USD5.5 million in 3Q09 (USD6.2 million in 2Q09 and USD10.4 million in 3Q08).

Norgas runs one of the more successful petrochemical gas transportation operations in the industry. Main customers are in the Middle East region and currently the key countries are Saudi Arabia and Qatar. Going forward, Norgas maintains its focus on our long term commitment in the Gulf region and partnership with our customers. Norgas has its regional office in Bahrain.

In the third quarter, Norgas has further improved its market position by entering into a new 24 months TC contract with a Middle East petrochemical producer, and prolonging and extending other TC contracts

Although global petrochemical markets improved on the back of better economics, Asian demand for olefins slowed in the third quarter. Consumption in China was particularly hard hit as much of the manufacturing sector was impelled by air quality mandates ahead of an extended national holiday period in the beginning of October. At the same time export of finished goods remained very subdued, with little sign of the peak volumes normally seen in third quarter as Western retailers considerably reduced orders for the end of year festive period. Firm energy and feedstock prices coupled with buoyant derivatives market has led to diversion of arbitrage cargoes from US to Europe and Asia driving long-haul transportation business.

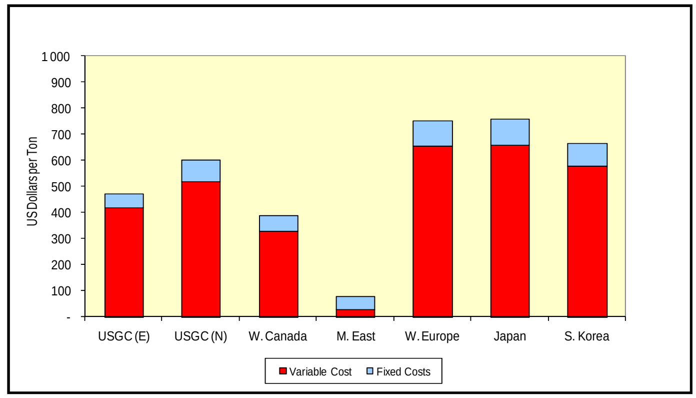
### T/C spot rates




Source: Inge Steensland AS

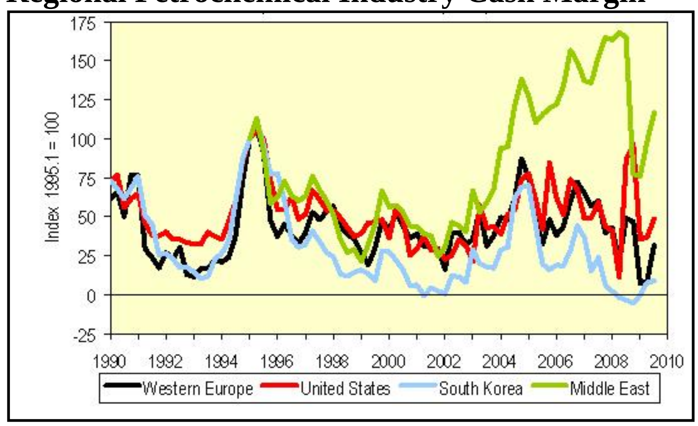
The relative competitiveness of the Middle East producers improved in 3Q compared to 2Q as oil and petrochemical prices settled at a higher level over the quarter. This fact coupled with the low and stable Middle East cash cost, further solidifies the structural shift in the petrochemical industry – in favor of the Middle East, supporting our long term strategy and focus on long haul trade in this region. region. The migration of business to the lower cost areas, leads to an ongoing improved "ton mile effect" for transportation demands based on increased demand for long haul transportation.

### Cost of ethylene production 3Q2009




Source: Nexant Chemsystems

### Regional Petrochemical Industry Cash Margin




Source: Nexant Chemsystems

There are no major changes in the S/R fleet development/ orderbook in 3Q09. The existing fleet of 326 vessels has an order book of 40 vessels or about 14% of capacity to be delivered before end of 2011. Due to the financial situation and lack of financing sources we envision some delays/ postponements compared to what is reported to the market. 91 ships equal to 22% of capacity are 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.

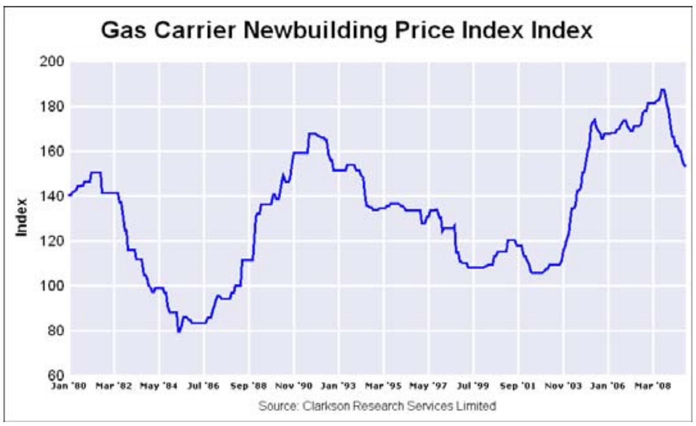
| Fleet development | Cbm | No. of vsls | Orderbook | Cbm | No. of vsls |
|---|---|---|---|---|---|
| Fleet total | 2,608,576 | 326 | 2009 | 70,846 | 8 |
| Deliveries | 230,838 | 16 | 2010 | 266,740 | 29 |
| Scrapped | 43,445 | 8 | 2011 | 23,500 | 3 |
| Contracted | 0 | 0 | Total | 361,086 | 40 |
| Orderbook | 361,086 | 40 | % Fleet | 14% | 12% |

# Skaugen China Holding

**Skaugen China Holding** generated an EBITDA of USD0.5 million in 3Q09 (USD0.8 million in 2Q09 and USD3.6 million in 3Q08).

SMC continued its constant effort at cost-reduction throughout the 3Q. We experience that our unconventional vessel building method enables us to be proactive and decisive in the “cost-reduction” process towards suppliers. This strengthens SMC’s market reputation as a professional & cost effective newbuilding provider. Thus, our slogan – “SMC - Ships More Competitive”

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.




Norgas Pan (delivered in 1Q09) is one of the more complex ships ever built in China, and is operational performance has been quite good after delivery to Norgas. One of the most critical components of the ship is the cargo plant, which is developed by our in-house team of specialists in a partnership with engineering support. The cooling capability of the plant is very good by worldwide standards. The cargo plant was the prototype for at our gas carriers under construction, and the proof of concept of this technology is crucial for the remaining part of the new building program – both Wintergas- and Multigas-series.

Experience from the development, building and delivery of Norgas Pan is now being applied in the completion of the next ships; the Norgas Cathinka and Norgas Innovation to be delivered in 4Q09.

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

Norgas Innovation – 1st Multigas vessel is under final outfitting. The ship is an advanced LNG/ LPG/ Eth gas carrier – 10 000 cbm.

For Shenghui Gas and Chemical Systems (SGCS), the revenues and margins are on expectations in 3Q09, in line with the expected revenue growth scenario of 80% - 100% this year compared to last year.

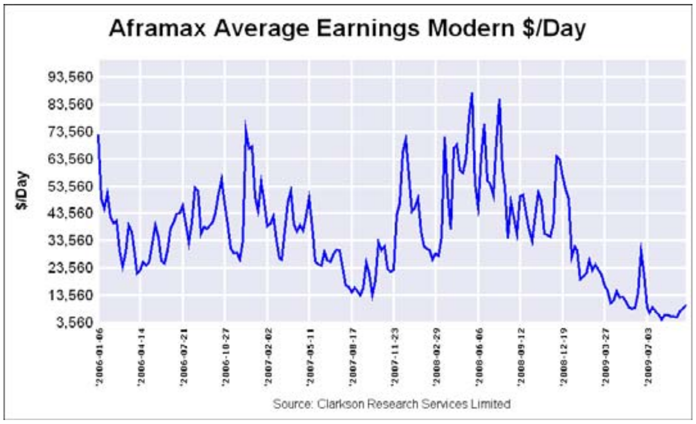
Vessel compressor unit is being assembled at the workshop of Shenghui Gas Chemical Systems, in which aims at being a advanced Cargo System provider not only a Cargo Tank fabricator.

# SPT

**SPT** generated an EBITDA of negative USD0.4 million in 3Q09 (USD0.9 million in 2Q09 and USD2.3 million in 3Q08).

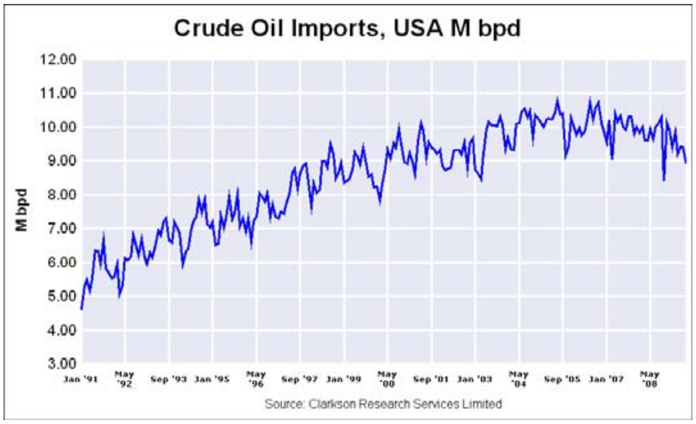
Overall SPT had a challenging third quarter with sustained weakness in the tanker market and general oversupply of crude oil in storage.

The global support services segment of the company continued to perform well during the quarter, and has proven to be a successful strategic focus area. Both in the US and worldwide, the number of support ship-to-ship jobs was robust and increased quarter-over-quarter.




Source: Clarkson

The overall market rates for crude tankers continued its softness due to the weaker demand for crude oil and many newly built such ships being delivered. US economy is soft and this encouraged a decreased demand for products, and poor market fundamentals, particularly in the refining sector. Below the declining crude imports putting pressure on freight rates




Source: Clarkson

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.

Spot tonnage not committed to contracts will from now be commercially employed into a Teekay managed pool of Aframax tankers. This will allow SPT to benefit from Teekay's worldwide operations and for SPT to focus on its core business; the marine transfer operations.

# 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.

| | Total IMS Group | | | | |
|---|---|---|---|---|---|
| **USD '000** | **3Q09** | **3Q08** | **3Q09 Accum** | **3Q08 Accum** | **2008** |
| Gross Freight Revenue | 33 837 | 48 532 | 106 890 | 157 697 | 196 935 |
| Operating revenue construction services | 17 810 | 29 651 | 56 178 | 63 728 | 107 158 |
| **Revenues** | **51 647** | **78 183** | **163 068** | **221 425** | **304 093** |
| Voyage related expenses | -10 769 | -15 540 | -28 994 | -45 472 | -54 753 |
| Other operating cost and t/c hire | -18 355 | -21 654 | -59 976 | -71 589 | -92 737 |
| Cost of goods sold | -16 971 | -24 585 | -51 511 | -52 138 | -99 345 |
| Unallocated | -962 | -1 883 | -3 735 | -5 498 | -7 361 |
| **Segment profit (EBITDA)*** | **4 590** | **14 521** | **18 852** | **46 728** | **49 897** |
| Depreciation and amortisation | -2 992 | -3 294 | -10 242 | -9 881 | -13 799 |
| **Operating profit** | **1 598** | **11 228** | **8 610** | **36 848** | **36 098** |
| Depreciation | - | -67 | -50 | -121 | -175 |
| Share of profit/(loss) of strategic associates | -245 | -413 | -724 | -1 281 | -2 094 |
| Share of profit/(loss) of non-strategic associates | -300 | -545 | -1 205 | -1 851 | -2 568 |
| Net financial items (incl. Exchange gain/losses) | -3 549 | -5 631 | -6 899 | -12 580 | -22 230 |
| Taxes | -301 | -201 | -1 038 | 137 | -749 |
| **Net result before taxes** | **-2 797** | **4 371** | **-1 306** | **21 152** | **8 282** |

| | Gas Activities | | | | |
|---|---|---|---|---|---|
| **USD '000** | **3Q09** | **3Q08** | **3Q09 Accum** | **3Q08 Accum** | **2008** |
| Gross Freight Revenue | 18 514 | 27 072 | 55 065 | 92 075 | 111 951 |
| **Revenues** | **18 514** | **27 072** | **55 065** | **92 075** | **111 951** |
| Voyage related expenses | -4 881 | -8 990 | -13 027 | -25 621 | -29 958 |
| Other operating cost and t/c hire | -8 250 | -7 650 | -23 218 | -26 088 | -34 297 |
| **Segment profit (EBITDA)*** | **5 383** | **10 432** | **18 820** | **40 366** | **47 696** |
| Depreciation and amortisation | -3 097 | -2 552 | -8 171 | -7 656 | -10 833 |
| **Segment Operating profit** | **2 286** | **7 880** | **10 649** | **32 710** | **36 863** |

| | China Activities | | | | |
|---|---|---|---|---|---|
| **USD '000** | **3Q09** | **3Q08** | **3Q09 Accum** | **3Q08 Accum** | **2008** |
| Gross Freight Revenue | 162 | - | 644 | - | - |
| Operating revenue construction services | 21 128 | 30 517 | 61 803 | 72 729 | 112 826 |
| **Revenues** | **21 290** | **30 517** | **62 447** | **72 729** | **112 826** |
| Voyage related expenses | -192 | - | -539 | - | - |
| Cost of goods sold | -20 289 | -25 451 | -57 136 | -61 139 | -105 013 |
| Other operating cost/administrative costs | -237 | -1 394 | -3 430 | -3 169 | -4 287 |
| **Segment profit (EBITDA)*** | **572** | **3 672** | **1 342** | **8 421** | **3 526** |
| Depreciation and amortisation | 545 | -287 | -298 | -860 | -1 136 |
| **Segment Operating profit** | **1 117** | **3 386** | **1 044** | **7 562** | **2 390** |

| | Marine Transfer Activities | | | | |
|---|---|---|---|---|---|
| **USD '000** | **3Q09** | **3Q08** | **3Q09 Accum** | **3Q08 Accum** | **2008** |
| Gross Freight Revenue | 15 161 | 21 460 | 51 181 | 65 622 | 84 984 |
| **Revenues** | **15 161** | **21 460** | **51 181** | **65 622** | **84 984** |
| Voyage related expenses | -5 696 | -6 550 | -15 428 | -19 851 | -24 795 |
| Other operating cost and t/c hire | -9 868 | -12 610 | -33 328 | -42 332 | -54 153 |
| **Segment profit (EBITDA)*** | **-403** | **2 300** | **2 425** | **3 439** | **6 036** |
| Depreciation and amortisation | -440 | -455 | -1 773 | -1 365 | -1 830 |
| **Segment Operating profit** | **-843** | **1 845** | **652** | **2 074** | **4 206** |

| | Unallocated | | | | |
|---|---|---|---|---|---|
| **USD '000** | **3Q09** | **3Q08** | **3Q09 Accum** | **3Q08 Accum** | **2008** |
| Unallocated | -962 | -1 883 | -3 735 | -5 498 | -7 361 |
| **EBITDA*** | **-962** | **-1 883** | **-3 735** | **-5 498** | **-7 361** |

| | Elimination inter-segment | | | | |
|---|---|---|---|---|---|
| **USD '000** | **3Q09** | **3Q08** | **3Q09 Accum** | **3Q08 Accum** | **2008** |
| Operating revenue manufacturing services | -3 318 | -866 | -5 625 | -9 001 | -5 668 |
| **Revenues** | **-3 318** | **-866** | **-5 625** | **-9 001** | **-5 668** |
| Cost of goods sold | 3 318 | 866 | 5 625 | 9 001 | 5 668 |
| **EBITDA*** | - | - | - | - | - |

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## 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<br>**Income Statements - Equity method** | **2009**<br>**1.1. - 30.09.** | **2008**<br>**1.1. - 30.09.** | **2009**<br>**1.7. - 30.09.** | **2008**<br>**1.7. - 30.09.** | **2008**<br>**1.1. - 31.12** |
|---|---|---|---|---|---|
| Gross freight revenues | 31 734 | 55 204 | 10 309 | 12 780 | 63 878 |
| Operating revenues construction services | 39 800 | 46 825 | 9 011 | 31 901 | 74 772 |
| **Revenues** | **71 534** | **102 029** | **19 320** | **44 681** | **138 650** |
| Share of investments in strategic joint ventures/associates | 7 340 | 14 249 | 1 665 | 6 662 | 22 500 |
| Voyage related expenses incl. marketing | (8 374) | (14 896) | (3 116) | (4 677) | (17 912) |
| Time-charter hire | (1 779) | (1 465) | (899) | 836 | (1 466) |
| Cost of goods sold - construction services | (42 000) | (39 562) | (11 211) | (29 265) | (71 416) |
| Depreciation and amortisation | (4 731) | (5 744) | (1 119) | (1 730) | (8 397) |
| Other operating expenses vessels | (17 982) | (19 594) | (8 047) | (8 012) | (24 934) |
| Other operating expenses/administration costs | - | (4 637) | 2 773 | (1 022) | (7 361) |
| **Operating profit** | **4 008** | **30 380** | **(634)** | **7 473** | **29 664** |
| Share of investments in non-strategic joint ventures/associates | (1 205) | (1 853) | (300) | (547) | (2 568) |
| Financial revenue | 463 | 1 779 | 182 | 651 | 2 151 |
| Financial expenses | (9 315) | (10 145) | (3 262) | (3 860) | (20 965) |
| Gains/losses on exchange | 4 760 | 991 | 1 234 | 654 | - |
| **Net result before taxes** | **(1 289)** | **21 152** | **(2 780)** | **4 371** | **8 282** |
| Taxes | (17) | 40 | 41 | 35 | (334) |
| Changes in deferred tax | - | - | - | - | - |
| **Net result for the period** | **(1 306)** | **21 192** | **(2 739)** | **4 406** | **7 948** |
| Attributable to: | | | | | |
| Minority interests | - | - | - | - | (58) |
| Equity holders of the company | (1 306) | 21 192 | (2 739) | 4 406 | 8 006 |
| Earnings per share - basic and diluted | (0.048) | 0.78 | (0.10) | 0.16 | 0.29 |

| USD 000<br>**Statement of Comprehensive Income** | **2009**<br>**1.1. - 30.09.** | **2008**<br>**1.1. - 30.09.** | **2009**<br>**1.7. - 30.09.** | **2008**<br>**1.7. - 30.09.** | **2008**<br>**1.1. - 31.12** |
|---|---|---|---|---|---|
| **Net result for the period** | **(1 306)** | **21 192** | **(2 739)** | **4 406** | **7 948** |
| **Other comprehensive income:** | | | | | |
| Currency translation differences | - | - | (9) | - | - |
| Hedging Reserve | (140) | (883) | (48) | (883) | (883) |
| Fair value adjustments - Joint ventures | 353 | - | (410) | - | (3 055) |
| Available for sale investments | 520 | (5 417) | 276 | (12 236) | (16 902) |
| **Other comprehensive income** | **733** | **(6 300)** | **(191)** | **(13 119)** | **(20 840)** |
| **Comprehensive income** | **(573)** | **14 892** | **(2 930)** | **(8 713)** | **(12 892)** |
| Comprehensive income attributable to: | | | | | |
| Minority interests | - | - | - | - | (58) |
| Equity holders of the company | (573) | 14 892 | (2 930) | (8 713) | (12 834) |

| USD 000<br>**Balance Sheets - Equity method** | **30.9.2009** | **30.9.2008** | **30.6.2009** | **30.6.2008** | **31.12.2008** |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Deferred tax assets | 2 500 | 2 500 | 2 500 | 2 500 | 2 500 |
| Development cost | - | 2 996 | - | 4 298 | 0 |
| Tangible fixed assets | 49 395 | 58 791 | 51 790 | 60 436 | 55 691 |
| Investments in associates and joint ventures | 101 477 | 76 433 | 99 977 | 72 552 | 91 280 |
| Non-current financial assets | 2 943 | 11 017 | 2 928 | 10 099 | 2 667 |
| **Total non-current assets** | **156 315** | **151 737** | **157 195** | **149 885** | **152 138** |
| **Current Assets** | | | | | |
| Projects under construction | 61 604 | 90 484 | 62 147 | 97 335 | 89 948 |
| Receivables and other current assets | 51 304 | 39 213 | 36 410 | 51 351 | 29 021 |
| Available for sale financial assets | 1 111 | 7 130 | 1 110 | 32 363 | 2 343 |
| Cash and Bank deposits | 73 794 | 54 620 | 96 580 | 48 886 | 56 912 |
| **Total Current Assets** | **187 813** | **191 447** | **196 247** | **229 935** | **178 224** |
| **Total Assets** | **344 128** | **343 184** | **353 442** | **379 820** | **330 362** |
| **Equity** | | | | | |
| Paid in equity | 81 365 | 81 566 | 81 365 | 81 566 | 81 566 |
| Retained earnings | 22 195 | 36 880 | 25 125 | 32 473 | 23 692 |
| Other reserves | (3 075) | 10 541 | (3 075) | 23 660 | (3 999) |
| Minority interest | 729 | 787 | 729 | 787 | 729 |
| **Total Equity** | **101 214** | **129 774** | **104 144** | **138 486** | **101 988** |
| **Liabilities** | | | | | |
| Long term liabilities | 195 309 | 164 200 | 145 320 | 119 811 | 148 217 |
| Current interest bearning liabilities | 16 140 | 22 674 | 61 591 | 92 934 | 12 973 |
| Derivative financial instruments | (7 134) | - | 2 434 | - | 28 362 |
| Other current liabilities | 38 599 | 26 536 | 39 953 | 28 588 | 38 822 |
| **Total Liabilities** | **242 914** | **213 410** | **249 298** | **241 333** | **228 374** |
| **Total Equity and Liabilities** | **344 128** | **343 184** | **353 442** | **379 819** | **330 362** |

| USD 000<br>**Statement of Changes in Equity** | **2009**<br>**1.1. - 30.09.** | **2008**<br>**1.1. - 30.09.** | **2009**<br>**1.7. - 30.09.** | **2008**<br>**1.7. - 30.09.** | **2008**<br>**1.1. - 31.12** |
|---|---|---|---|---|---|
| **Equity at start of period** | **101 988** | **124 206** | **104 194** | **138 486** | **124 206** |
| Comprehensive income for the period | 733 | (6 300) | (191) | (13 119) | (20 840) |
| Acquisition treasury shares | (201) | - | (50) | - | - |
| Minority interest | - | - | - | - | - |
| Dividends | - | (9 326) | - | - | (9 326) |
| Net result | (1 306) | 21 192 | (2 739) | 4 406 | 8 006 |
| Net result Minority interest | - | - | - | - | (58) |
| **Equity at end of period** | **101 214** | **129 772** | **101 214** | **129 773** | **101 988** |
| | - | 2 | - | 1 | - |

| USD 000<br>**Statement of Cash Flow** | **2009**<br>**1.1. - 30.09.** | **2008**<br>**1.1. - 30.09.** | **2009**<br>**1.7. - 30.09.** | **2008**<br>**1.7. - 30.09.** | **2008**<br>**1.1. - 31.12** |
|---|---|---|---|---|---|
| Cash flow from Operations | (10 847) | (15 535) | (28 822) | 33 427 | (3 603) |
| Cash flow from Investments | (1 302) | (7 543) | 1 720 | (1 822) | (1 574) |
| Cash flow from Financing | 29 031 | (3 054) | 4 316 | (25 871) | (18 663) |
| **Net changes in cash and cash equivalents** | **16 882** | **(26 132)** | **(22 786)** | **5 734** | **(23 840)** |
| **Cash and cash equivalents at start of period** | **56 912** | **80 752** | **96 580** | 48 886 | **80 752** |
| **Cash and cash equivalents at end of period** | **73 794** | **54 620** | **73 794** | **54 620** | **56 912** |

I.M. Skaugen SE
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.flo@skaugen.com. This press release is also available on the Internet at our website: [http://www.skaugen.com](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 1,700 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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