I.M. Skaugen SE
Result 2014
25 February 2015

I.M. Skaugen SE
Innovative Maritime Solutions
www.skaugen.com

I.M. Skaugen SE – Result 2014

I.M. Skaugen SE's (IMSK) core business is liquefied gas transportation. The fleet of 15 advanced gas carriers is operated in a revenue sharing pool managed by Norgas Carriers Pte Ltd. The Norgas Carriers segment generated revenues of **USD 130.2 mill** in 2014 and **USD 30.3 mill** in 4Q14 of which **USD 81.1 mill** and **USD 16.6 mill** respectively was IMS' share on a proportional consolidated basis.

USD mill (except per share data)	FY			4Q	
2014 Highlights	**2014**	**2013**	**2012**	**2014**	**2013**
EBIT	(14.2)	23.6	0.1	(4.7)	(4.7)
Financial items, investments, associates and tax	(12.9)	(4.5)	(16.0)	(4.5)	7.0
Net result	(27.1)	18.4	(15.9)	(9.2)	1.7
Total assets	173.5	262.6	211.8	173.5	262.6
Net debt	70.9	94.2	93.8	70.9	94.2
Net interest bearing debt (incl. derivatives)	96.1	117.3	121.2	96.1	117.3
Interest rate coverage ratio	(1.0)	0.2	1.0	(0.6)	0.2
Total liquidity	26.5	59.4	22.6	26.5	59.4
Equity ratio *	25.4%	27.2%	25%	25.4%	27.2%
Book equity	44.1	71.3	52.7	44.1	71.3
Book equity per share	1.63	2.63	1.9	1.63	2.63
EPS	(1.00)	0.68	(0.59)	(0.99)	0.68

** book equity/total assets*

USD'000	***FY***			***4Q***	
Segment reporting	**2014**	**2013**	**2012**	**2014**	**2013**
Gross Revenue gas transportation activities managed by IMS	130 245	172 042	239 891	30 314	35 904
EBITDA gas transportation activites managed by IMS	4 218	21 451	45 848	1 546	(2 572)
Gross Freight Revenue-Gas Transportation Activity	81 064	110 652	165 912	16 626	21 056
Revenues gas transportation activities	**81 064**	**110 652**	**165 912**	**16 626**	**21 056**
Voyage related expenses	(32 182)	(37 939)	(71 864)	(5 568)	(7 700)
Charter hire	(23 504)	(22 730)	(26 280)	(6 500)	(5 612)
Other operating cost	(31 522)	(41 576)	(43 681)	(5 729)	(9 199)
Depreciation and amortization	(6 038)	(9 574)	(11 399)	(1 519)	(1 967)
Gains/losses from restructuring and sale of assets	3 696	31 783	2 048	1 610	2 359
Segment operating profit (EBIT)	**(8 486)**	**30 616**	**14 736**	**(1 079)**	**(1 063)**
General administration and legal expenses	(5 526)	(2 493)	(2 847)	(3 440)	(639)
Depreciation	(97)	(212)	(687)	(22)	(212)
Share of investments in other joint ventures	288	4 896	(4 913)	(271)	6 647
Financial revenues	443	4 753	1 165	(30)	1 863
Financial expenses	(12 985)	(18 455)	(23 218)	(3 615)	(4 249)
Other	(757)	(681)	(208)	(757)	(681)
Net result	**(27 120)**	**18 424**	**(15 972)**	**(9 214)**	**1 666**

The I.M. Skaugen Group (IMSK) had a negative result for 2014 of USD27.1 mill, compared to a positive USD18.4 mill for 2013. The EBIT for the Norgas segment for 2014 was a negative USD8.5 mill, compared to positive USD30.6 mill for 2013.

SUMMARY 2014

During the year we reduced net debt to USD70.9 mill (2013: USD94.2 mill) and the net interest bearing debt level for the group to USD96.1 mill (2013: USD117.3 mill). Through our ability to repay debt and the sale leaseback agreements for two vessels, we have managed to lower our financial expenses with about USD 4 mill in 2014 compared with 2013. The book value of the outstanding long term bond debt has been reduced with USD18.5 mill from USD99 mill to USD80.5 mill by buying back bonds in the market. Our consolidated mortgage debt was reduced with USD34.5 mill from USD77.7 mill to USD43.2 mill by the end of 2014.

We did not purchase or order any ships during the year and as such have no capex commitments, apart from the planned maintenance of our fleet. We have no bond or mortgage debt maturing in 2015.

Due to the restructuring efforts in 2013 and 2014, the equity ratio has remained stable during the year and ended at 25.4% (2013: 27.2 %). Our target is to have an equity ratio of at least 30 %. Book equity per share was USD 1.63 (NOK 12.1) by year end.

PERFORMANCE 2014

2014 was a turbulent and challenging year where the earnings have not been satisfactory and the net result unsatisfactory. It has also been a year where we initiated many changes for the future and for the better to improve the earnings for the fleet of gas carriers operated by Norgas Carriers. The average earnings for the Norgas fleet were about 30% lower in 2014 compared with 2013 due to the challenging market conditions. The challenging market conditions stem from the prevailing overcapacity of ships since the financial crisis in 2008. The financial crisis caused both a drop in demand and slowed down growth. The subsequent slow recovery and growth in demand have not been sufficient to absorb the overcapacity. There are very few ships now being built in our niche of the markets and with continued recovery and growth in demand we have a positive outlook for the fundamentals within the liquefied gas transportation markets. Improvements within the SPT group of companies and the positive effects of reducing debts, as well as the substantive cost savings achieved, have not been sufficient to off-set these factors.

We have continued to lower our cost base through the “centralize and simplify” program to make ourselves more cost efficient and to match a reduced fleet of vessels. The partnership with the company OSM for fleet management services was started in the second half of 2014 and we have already achieved tangible savings in 4Q14. We expect to see the full effect, already in 1Q15, of our reduction of shore based manpower and thus in overhead and shore based expenses.

Anticipated savings in shore based overhead costs comparing full year 2013 with our expectations for 2015 is estimated to be about USD 7 mill annually. However, the 2014 savings of IMS Group overhead costs and lower financial costs, were negatively off-set by a one-off foreign exchange loss incurred while awaiting the repatriation of the net proceeds from the sale of Shenghui (RMB weakened vs USD), and legal costs (in total abt. USD 3mill) relating to both the ongoing disputes with MAN Diesel & Turbo SE (MAN) and the recovery of funds embezzled in China in 2010 (related to a VAT refund associated with a delivery of a ship).

In line with the on-going strategy to strengthen its balance sheet, the Company successfully concluded two sale leaseback agreements in 2014. The vessels Norgas Napa and Norgas Petaluma were sold at prices reflecting both the market and past trading performance and with rates payable under a 5 year lease to match past earnings from their trading. The two transactions generated a transaction value of USD51 mill and net cash flow of USD40.8 mill. The transactions improved our balance sheet and secured stable, longer term financing for these vessels. In today’s more challenging world of banking and finance such sale and lease backs represent an attractive alternative to financing operations. The Company will continue to explore this strategy to finance its operations when appropriate.

SUBSEQUENT EVENTS IN 2015

In February 2015 we reached an agreement with the bondholders of IMSK12 (NOK209 mill outstanding) to extend the maturity of the bond to June 30 2016. This should ensure sufficient working capital for the company to execute its strategy and by this to enable us to work to strengthen the balance sheet and create values for all stakeholders in the Company**.**

As part of this amendment the bondholders will receive a consent fee of 2% and we intend to buy back NOK 60 mill (abt. USD8 mill) through a pre-agreed auction process.

As an integral part of this transaction, the Company has reached an agreement to roll forward a USD/NOK cross currency swap that had maturity at the same time as the extended IMSK12 bonds. The cross currency swap is part of the company's portfolio of derivatives securing a constant USD nominal on the total bond debt (IMSK12 and IMSK13). The swap gives a proper hedge against fluctuating NOK vrs USD and the combined effect of the swap and the NOK bonds enables us to maintain the USD exposure we are aiming for. This part of the transaction will have no liquidity effect or any material impact on the Income Statement. The swap itself and its current underlying negative value due to the NOK depreciation vrs USD will be secured by a 2nd priority lien on two of the Company's owned vessels. In the IMS Group's Income Statement this negative value is offset by gains on the nominal value of the bonds in USD.

OUTLOOK

The Company is seeing encouraging signals of improvement in its core operating market for short-haul petrochemicals/LPG and LNG transportation. The many promising signs for growth in demand, and not many ships on order in our niche of the markets, should lead to higher utilization of the fleet. There is a positive trend in demand derived from the continued liquefied gas trade emanating from the US shale oil and gas boom and the positive effects of lower oil and energy prices which are good for global GDP growth. The lower oil prices also mean lower prices for petrochemical end products and this is good for demand as well.

The few ships in our fleet that have had particular challenges finding continuous employment are now fixed on time charters and will be providing improved and more stable earnings in 2015 compared to earlier periods. We have no debt maturing in 2015 after the amendment to IMSK12, nor do we have any major CAPEX commitments in 2015. We have also achieved a substantial reduction in overhead cost that we will continue to enjoy in 2015 while legal and financial cost will also be substantially reduced compared to 2014.

Earnings from vessel operations improved notably throughout 2014, apart from a short term dip in the final part of 4Q14 due to the dramatic oil and product price drop. We see a better 1Q15 than both 4Q14 and 1Q14 due to this. By leveraging the LNG competencies in the Group in terms of Small Scale LNG logistics and terminal management, the Company believes it will be able to realize the inherent added value and higher margins from its unique fleet of LNG capable carriers through long term employment at profitable rates.

CORE BUSINESS – NORGAS PERFORMANCE 2014

Last years' realignment around its core business of *liquefied gas transportation* and successful divestment of non-core activities has made IM Skaugen a leaner and a more focused company. The Company has created a platform for the future and a stronger competitive position both within its traditional petrochemicals markets and the developing small scale LNG energy markets.

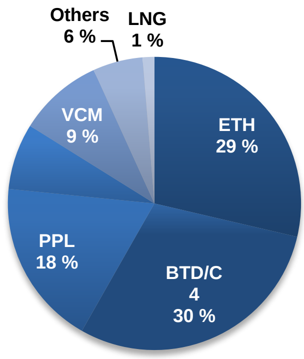

Fig 1. Mix of cargoes transported in 2014. ETH=ethylene, BTD=butadiene, PPL=propylene, LPG=liquefied petroleum gas, VCM= vinyl chloride monomer, LNG= liquefied natural gas. Source: Norgas.

In late 2013 we made the strategic decision to reposition most of our fleet for more trading outside of the Gulf region of the Middle East, aiming for additional business West of Suez. The Company now has a lower concentration risk and is now less reliant on ethylene export from the Gulf region. We have a more balanced portfolio of clients East and West of Suez as well as a more balanced mix of products transported (see Fig 1).

The amount of revenue earning days for our fleet has shown a positive development throughout the year on the base of new customers and trades, and more effective scheduling of the fleet. During the year we have secured more than 20 new clients and initiated many new trades for our vessels. Our current modern fleet of gas carriers, average age is only seven years, with enhanced flexibility and superior capabilities for cooling and changing of cargo products carried has become an effective tool in capturing business opportunities in the trade of product arbitrage. This competitive advantage has improved efficiency and has increased the available cargo carrying time for the vessels.

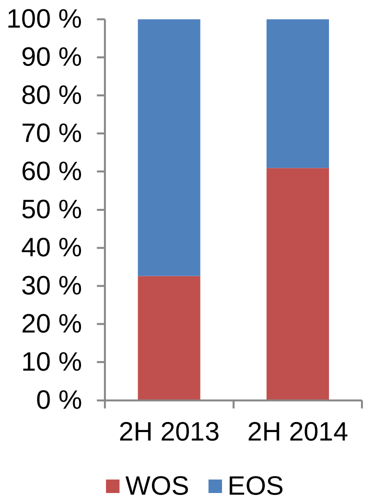

Fig 2. Trading pattern Norgas fleet. EOS=east of Suez, WOS=west of Suez. Source: Norgas

We have also started to benefit more from the stronger markets in the emerging and growing LPG trades and especially for Propane. We see that the higher rates for the larger sized LPG tonnage have made our smaller sized vessels more competitive in this part of the market for liquefied gas transportation.

The revenue improvements since late 2013 came from actions taken which have provided more optimal scheduling of our ships. The analysis we have performed show that we have done better than the market as it is reported by professional shipbrokers, and we have done this for the most parts of the year. The better positioning of our fleet vs trade available has thus reduced positioning/ballast voyages and idle time.

We currently employ close to 60% of the Norgas fleet for business generated West of Suez (WOS) compared to the past when about 70% of our business was done East of Suez (EOS), see Fig 2. In the recent past we were heavily dependent on loading in the Gulf region and more than 50% of the products we carried were ethylene vrs the current 30%.

The unique design of our Multigas vessels, with both an upper and lower manifold that enables our ships to load LNG at large conventional LNG terminals, has also proven to be beneficial in order to get further LPG trade by being able to load at terminals designed for large LPG vessels only (VLGCs). This new business for us was previously performed by larger sized semi ref vessels but due to the current high market rates for these larger ships based on strong demand, we were with our size of ships, able to be competitive.

The sharp drop in oil and product prices in 4Q14 made traders and buyers take a pause in November and wait for a limited time period, until prices were perceived to have bottomed-out before resuming trade again. As a result there was only a delay in trade but no underlying demand destruction as such. This caused a temporary drop in revenue earning days for the fleet in November and December to a level similar to what we experienced in the beginning of 2014. However, by end of December trade resumed and for 1Q15 we are now back on the trend of improved performance we experienced during 2Q14 and 3Q14. Several ships that have had trading challenges in 2013/2014 are now fixed on time charter with good names or clients. These clients are able to make good commercial use from the ships unique capability of carrying chemicals and petrochemicals at the same time, providing a more optimal and economical logistics solution. These contracts will also provide the Company with more stable as well as improved earnings for these vessels in 2015.

The graph below (Fig. 3) illustrates the positive trend we have seen during the year as well as the short term dip in November and December. Whilst the Norgas TCE index takes into account non-revenue days, the brokers' indexes do not. If we adjust our index for non-revenue days, the underlying rates we have achieved in 2014 would have been close to 10% higher on average and thus ahead of the market basis brokers' index.

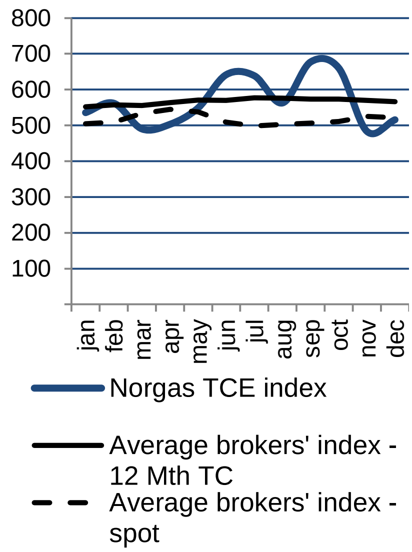

Fig. 3. Norgas TCE index 2014 vs spot and time charter index. Source; Norgas, Fearngass, Steensland, Clarkson, BRS and Gibson

The energy market in general, and the small scale LNG market in particular, remain the company's focus areas to generate future earnings and growth. We have the ambition to become the "go-to" specialists for regional LNG distribution. The Company can offer a unique value proposition combining the Norgas LNG capable vessels with the competence of the Group's SPT company; which can provide consultancy and advice as well O&M management of LNG terminals. Through this the Company can provide a complete logistics solution for regional distribution of LNG on a global level.

The Company performed some LNG business during the year. These have reconfirmed the ability of our LNG capable ships to achieve higher margins than in the traditional petchem gas market for these ships.

Together with a team of specialists from the SPT company, and using one of our Multigas carriers, we performed a gas-up and cool-down operation for a conventional LNG carrier at sea, making it ready to load LNG without occupying expensive time at the loading terminal. The Company also commenced a shorter term contract for coastal redistribution of LNG in China.

We have done much work to enable us to enter the energy redistribution field within LNG and ethane in 2015. The energy clients we have identified and are focusing on, are all looking for longer term contracts to ensure security of supply and to support their power plants when they convert from diesel or naphtha to gas (supplied as LNG) as feedstock.

As part of our strategy to enter the LNG markets we are engaged in advanced discussions with a number of potential clients, many of these in Asia, re the utilization of our small scale LNG technology, know-how and vessels for long term charter. With our unique position of having six LNG capable vessels now available, we stand well positioned for these projects where smaller power plants are currently being converted to gas from either diesel or naphtha, and the only missing link is the LNG logistics solution.

All these contracts, if and when they materialize, will enable the Company to realize the potential value of our know-how and in the vessels owned and/or controlled by the Company. Such longer term contracts will, when completed, enable us to either refinance some of these vessels and/or develop new co-ownership structures. Such employment and structures will not only match local regulations for cabotage, but should also enable us to repay our mortgage debt obligations on these ships and repay debt relative to the IMSK bonds when due.

NORGAS MARKETS

Middle-East exports of petrochemicals are now at a much lower level compared to the period pre-Iran sanctions. As of this year we see a levelling off at a level close to 50% of where the exports used to be when Iran was one of the main exporters (See fig 4). New downstream startups in Saudi Arabia consumed some of the excess ethylene. To compensate there were heavy turnarounds in Asia (planned and unplanned) as well as lower exports from Japan (capacity shutdown) and South Korea (new downstream start-ups) led to an overall supply shortage and thereby increased prices in the region. This made way for price arbitrage and we saw a large amount of long haul ethylene imported into Asia from Europe, leading to increased ton-miles for the fleet.

Global long haul butadiene trade increased by almost 30% in 2014 compared to 2013 while global long haul Butadiene and Crude C4 trade increased by 6% over the same period. The increase was largely attributed to a surge in US imports due to supply tightness coming from a pipeline issue in early 2014 as well as multiple planned & unplanned outages throughout the year. These factors lead to low butadiene output in the US and a hike US prices leading to increased butadiene and C4 imports from Europe as well as Asia.

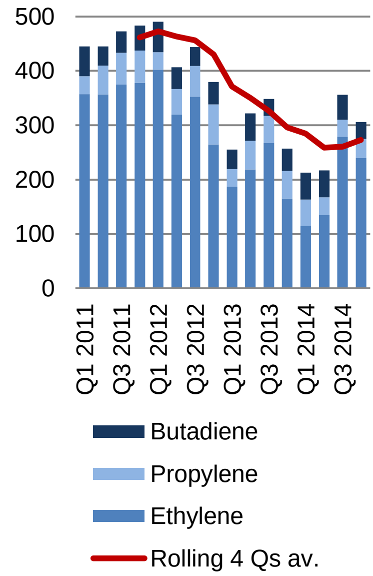

Fig 4. Exports of petrochemicals from the Gulf Region ('000 tons per quarter). Source; Norgas estimates

For propylene, global long haul trade saw a smaller 2% increase in 2014 from 2013. With Libya exports still absent, Saudi Arabia and Brazil exports were mostly stable and arbitrage opportunities lead to some long haul propylene exports out of Asia to West of Suez. In China, start-up of new propane dehydrogenation (PDH) units lead to ample supply in the region, depressing prices amid weak demand. Chinese polypropylene (PP) producers, which constitute 70% of the Chinese propylene consumption, have been struggling to keep pace with upstream prices hurting their margins and are being forced to shut plants or run at low operating rates.

The Company's step by step migration towards the energy markets will focus on new business areas like small scale LNG and potentially ethane. We have the ambition to become the "go-to" specialist for regional LNG logistics, offering not only transport of energy but also advice and services to safely manage the key interfaces; be it loading and discharge from (to) floating or land based LNG terminal of any size and also including LNG terminal management. Our value proposition is available today since we have a unique fleet of six LNG capable vessels and an experienced team of LNG specialist in our SPT Company.

The market conditions and opportunities for small scale LNG are improving in the growing Asian market for energy. On the back of lower oil prices, governments are gradually removing subsidies from oil based fuels and/or price controls on these. This will create a more level playing field where the fuel costs at point of use will be easier to compare and thus the advantages of switching from diesel to gas (in the form of LNG) will be more evident.

VESSEL SUPPLY

There have been no major changes to the current order book for semi-ref vessels during 4Q14. The order book remains "top heavy" with vessels in the 20-22K cbm providing more than half the growth foreseen in 2015. The larger vessels are all expected to be absorbed into the growing LPG (and possibly also ethane) trade on the back of increased US exports when new export terminal capacity will come on-line in 2015 and 2016. During 2014 we have also noted a higher utilization in general in the petchem segment mainly due to more tonnage being used in the LPG as well as in the ammonia trade. We expect this to continue in 2015. In addition the order book for smaller semi-ref tonnage (10K cbm and below) currently stands close to zero with only one vessel on order, providing further impetus for an improved utilisation in our market segment (see fig 5).

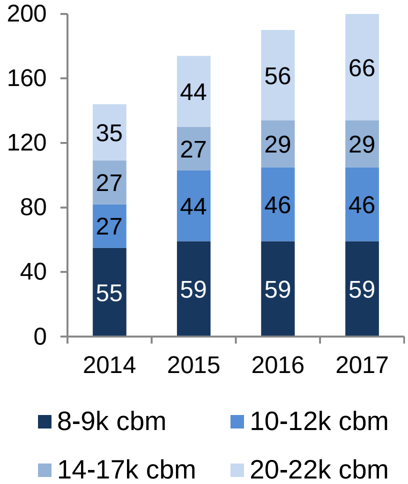

Fig 5. Global Semi-ref fleet 8-22 cbm (# vessels); development 2014-2017. Source: Clarksons

The current order book for similar sized vessels for LNG and liquefied gas transportation is virtually zero. For smaller LNG vessels we can note a global order book of only three smaller sized LNG vessels targeted for bunkering operations. Also, the remainder of the current sailing fleet of small scale LNG vessels is tied up in longer charter agreements. This gives the Company a unique position to provide suitable LNG tonnage for our clients in the near to medium term.

JOINT VENTURES

SPT group of companies (SPT) has in 2014 undergone a thorough process of restructuring and refocus of its business activities. SPT has now a sounder platform for the further growth of its global service business for ship to ship transfer (STS) of both conventional oil products and LNG. SPT also has a growing business within terminal management of LNG handling facilities as well as consulting services within same field. With the reduction of the concentration risk arising from its previous sole dependence on the crude oil STS business in the US Gulf; SPT has thus been able to embark on a process of enabling the SPT companies to participate more in the field of LNG handling - a business much closer to the core business of IMS.

SPT's capacity to generate cashflow is evidenced by the company's ability to repay debt and we do expect the companies to repay its external debt in 2015 and start to repay the shareholder based funding.

The business trend in 2014 was a stable performance in the total number of support jobs performed by SPT's global service business, but with significant improvements in cost of operations. The crude oil STS business off USA has performed better throughout 2014 than in recent years. SPT now only do STS with ships chartered when it is able to match the clients' needs for such ships with charter ships. This departure from prior strategy does seem to be better for a company like SPT.

Another key milestone was achieved in the transition to global support operations and LNG terminal management, with the company being awarded a second long term terminal management contract in the Middle East region and this time for a brand new FSRU (Floating Storage and Regasification Unit) facility with commencement in 2015. This is the second such contract that SPT has been awarded in this region and it is a promising new business area for SPT and in alignment with the strategy to secure additional facility management contracts for LNG terminals. Additionally, the company undertook 2 full cargo LNG ship-to-ship (STS) operations which underscore growing interest in this type of operation and the commercial optionality it affords to customers. SPT also provided commissioning services for two FSRUs during the year.

Joint ventures in China. In line with our strategy to focus on our core business of liquefied gas transportation, we made a profitable exit from our major investments in China during 2013 and all the funds were successfully repatriated during 2014. Our China activities consist now mostly of our share in the training academy for seafarers in Wuhan (WSTC) and some minor non-strategic investments yet to be sold or liquidated.

I.M. Skaugen SE Consolidated

USD'000 **Income Statements - Equity method**	**2014** **1.1. - 31.12**	**2013** **1.1. - 31.12**	**2014** **1.10 - 31.12**	**2013** **1.10 - 31.12**
Gross freight revenues	75 252	96 288	15 237	20 736
Revenues	**75 252**	**96 288**	**15 237**	**20 736**
Share of investments in strategic joint ventures/associates	380	1 984	31	(1 555)
Voyage related expenses	(28 831)	(32 562)	(4 730)	(7 411)
Charter hire	(23 504)	(22 730)	(6 500)	(5 612)
Depreciation and amortisation	(5 765)	(8 339)	(1 448)	(2 386)
Gains from sale of fixed assets	3 696	1 059	1 610	(76)
Gains from restructuring	-	30 724	-	2 435
Other operating expenses vessels	(29 895)	(40 077)	(5 322)	(9 936)
Other operating expenses/general admin and legal expenses	(5 526)	(2 493)	(3 440)	(639)
Exchange gain/(losses) - Operations	-	(245)	-	(245)
Operating profit	**(14 193)**	**23 609**	**(4 562)**	**(4 689)**
Financial revenue	443	3 400	(30)	62
Financial expenses	(12 601)	(16 998)	(3 144)	(3 491)
Gains/losses on exchange	(300)	1 354	(450)	1 801
Share of investments in other joint ventures/associates	288	4 348	(271)	3 899
Gain from sale of shares in other joint ventures	-	3 393	-	4 767
Net result before taxes	**(26 363)**	**19 106**	**(8 457)**	**2 349**
Taxes	(757)	(681)	(757)	(681)
Changes in deferred tax	-		-	-
Net result for the period	**(27 120)**	**18 425**	**(9 214)**	**1 668**
Attributable to:				
Equity holders of the company	(27 120)	18 425	(9 214)	1 668
Earnings per share - basic and diluted	(1.00)	0.68	(0.16)	(0.19)

USD'000 **Statement of Comprehensive Income**	**2014** **1.1. - 31.12**	**2013** **1.1. - 31.12**	**2014** **1.10 - 31.12**	**2013** **1.10 - 31.12**
Net result for the period	**(27 120)**	**18 425**	**(9 214)**	**1 668**
Other comprehensive income:				
Currency translation differences	(77)	(1 423)	(77)	(1 349)
Hedging reserve	-	146	-	54
Available for sale investments	-	97	-	97
Other comprehensive income	**(77)**	**(1 180)**	**(77)**	**(1 198)**
Items that will not be reclassified to profit and loss				
Remeasurments of pension obligations	-	1 354	-	272
Other comprehensive income for the period, net of tax	**(77)**	**174**	**(77)**	**(926)**
Total comprehensive income for the period	**(27 197)**	**18 599**	**(9 291)**	**742**
Comprehensive income attributable to:				
Equity holders of the company	(27 197)	18 599	(9 291)	742

USD'000 **Balance Sheets - Equity method**	**31.12.2014**	**31.12.2013**	**30.09.2014**	**30.09.2013**
Non-current assets				
Deferred tax assets	2 500	2 500	2 500	2 500
Non-current other debtors	9 900	8 514	9 146	7 090
Tangible fixed assets	78 564	141 142	130 231	144 185
Investments in strategic associates and joint ventures	7 568	7 006	7 518	4 864
Investments in other associates and joint ventures	6 133	5 845	6 404	41 230
Non-current financial assets	10 215	447	447	523
Total non-current assets	**114 880**	**165 454**	**156 246**	**200 392**
Current Assets				
Receivables and other current assets	22 089	28 250	29 004	32 841
Other financial assets	9 877	9 500	9 500	9 500
Cash and Bank deposits	26 503	59 364	15 948	26 023
Total Current Assets	**58 469**	**97 114**	**54 452**	**68 364**
Total Assets	**173 349**	**262 568**	**210 698**	**268 756**
Equity				
Paid in equity	81 319	81 319	81 319	81 319
Retained earnings	(49 416)	(22 221)	(35 659)	(24 763)
Other reserves	12 190	12 191	7 858	13 991
Total Equity	**44 093**	**71 289**	**53 518**	**70 547**
Liabilities				
Long term liabilities	73 588	158 980	72 831	165 837
Current interest bearning liabilities	31 938	11 061	66 731	10 818
Derivative financial instruments	17 082	6 653	8 488	6 200
Other current liabilities	6 648	14 585	9 130	15 354
Total Liabilities	**129 256**	**191 279**	**157 180**	**198 209**
Total Equity and Liabilities	**173 349**	**262 568**	**210 698**	**268 756**

USD'000 **Statement of Changes in Equity**	**2014** **1.1. - 31.12**	**2013** **1.1. - 31.12**	**2014** **1.10 - 31.12**	**2013** **1.10 - 31.12**
Equity at start of period	**71 289**	**52 690**	**53 383**	**70 547**
Comprehensive income for the period	(77)	174	(77)	(926)
Net result	(27 120)	18 425	(9 214)	1 668
Equity at end of period	**44 092**	**71 289**	**44 092**	**71 289**

USD'000 Statement of Cash Flow	2014 1.1. - 31.12	2013 1.1. - 31.12
Cash Flow from Operations:		
Received payments of gross revenues	80 033	94 411
Payments of operating expenses	(95 379)	(96 506)
Payment of taxes	(757)	(681)
Net Cash Flow from Operations	**(16 103)**	**(2 776)**
Cash Flow from Investments:		
Payments of purchase of fixed assets	(1 561)	(2 707)
Receipts from sale of fixed assets	62 070	39 034
Investment in associates	(186)	(5 039)
Restructuring	-	24 731
Proceeds from sale of shares and parts in other companies	-	45 624
Loan to others	(10 165)	4 030
Net Cash Flow from Investments	**50 158**	**105 673**
Cash Flow from Financing:		
Receipts from raising new long-term debt	34 000	3 850
Repayment of long-term debt	(88 458)	(54 635)
Received payments of interest	443	1 093
Payment of interest	(12 901)	(16 477)
Net Cash Flow from Financing	**(66 916)**	**(66 169)**
Net change in cash and cash equivalents	(32 861)	36 728
Cash and cash equivalents beginning of	59 364	22 636
Cash and cash equivalents end of period	**26 503**	**59 364**

Notes to the consolidated financial statements

Note 1 - Accounting principles

I.M. Skaugen SE is ultimate parent company of the I.M. Skaugen Group. I.M. Skaugen SE is a public listed company traded on the Oslo Stock Exchange. The company's address is Karenslyst Allè 8B, 0278 Oslo, Norway

Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34-Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRS. The interim financial statements are unaudited.

Significant accounting principles

The accounting policies applied are consistent with those of the previous financial year. None of the new standards, interpretations and amendments, effective for the financial year ending 31 December 2014 are expected to have a material impact on the group.

Estimates and judgments

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
In preparing these condensed interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

Note 2 - Net interest bearing liabilities

(USD'000)	*FY2014*	*FY2013*
Loans from financial institutions - floating interest rate	38 549	66 594
Bonds	35 038	92 387
Derivative financial instruments	17 082	6 652
Current portion interest bearing debt (incl. Bonds)	31 938	11 061
Total interest bearing debt	**122 607**	**176 694**
Cash and cash equivalent	-26 503	-59 364
Net interest bearing liabilities	**96 104**	**117 330**

Note 3 - Transactions with related parties

In the normal course of the conduct of its business, the Group enters into a number of transactions with related parties. I.M. Skaugen considers these arrangements to be on reasonable market terms.

Note 4 - Non-current assets

(USD'000)	*FY2014*	*FY2013*
Net carrying amount beginning	141 142	27 048
Investment in non-current assets	1 561	160 407
Sale of non-current assets	-58 374	-37 974
Depreciation and impairment	-5 765	-8 339
Net carrying amount end	**78 564**	**141 142**

Note 5 - Investments in associates and joint ventures

The share of result and balance sheet items from investments in associates and joint ventures are recognised based on equity method in the interim financial statements. The figures below show our share of revenues and expenses, total assets, total liabilities and equity:

Strategic Joint Ventures

(USD'000)	*FY2014*	*FY2013*
Gross revenue	2 461	17 213
EBIT	465	3 296
Net result	380	1 984
Non-current assets	8 228	8 542
Current assets	5 868	742
Total assets	**14 096**	**9 284**
Total equity closing balance	**7 568**	**7 006**
Non-current liabilities	4 200	-
Current liabilities	2 328	2 278
Total Liabilities	**6 528**	**2 278**

Other Joint Ventures

(USD'000)	*FY2014*	*FY2013*
Gross revenue	29 598	63 896
EBIT	744	8 147
Net result	**288**	**4 348**
Non-current assets	10 413	11 150
Current assets	8 932	8 414
Total assets	**19 345**	**19 564**
Total equity closing balance	**6 133**	**5 845**
Non-current liabilities	-	-
Current liabilities	13 212	13 719
Total Liabilities	**13 212**	**13 719**

Note 6- Subsequent Events

The IMSK12 bond issue that was due 27th February 2015, with an outstanding balance of NOK 209 mill, net of IMSK's own holdings, has been amended. The amendment has extended the maturity to 30th June 2016. The IMS Group will pay a consent fee of 2%. Subsequent to the amendment and as part of the transaction the IMS Group has offered to buy back a minimum amount of NOK60 mill (abt. USD8 mill) of the outstanding bonds in IMSK12.

Oslo, 25th February 2015

I.M. Skaugen SE
Board of Directors

I.M. Skaugen SE

If you have any questions, please contact:

Bente Flø, Chief Financial Officer, on telephone +47 23 12 03 00 /+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: www.skaugen.com*.*

I.M. Skaugen SE is a Norway based Marine Transportation Service Company, with a focus on Innovative Maritime Solutions. Our core business activity is to provide logistics solutions for seaborne regional distribution of liquefied gasses such as LNG, petrochemical gases, ethane as well as LPG.

The Skaugen Group of companies currently operates a fleet of 22 vessels worldwide. In our core fleet of 15 advanced gas carriers, we have 6 innovative and unique vessels with the capacity to transport LNG in addition to petrochemical gases and LPG. Our global teams can provide on- and off-shore LNG terminal management as well as ship to ship transfer services of LNG/LPG and crude oil as well as petroleum products. We recruit, train and employ our own team of seafarers.

IMS employs approximately 525 team members globally and with nearly 30 nationalities represented. We manage and operate our activities and service our clients from our offices in Singapore, Oslo, Houston and Sunderland, UK.

Address list

I.M. Skaugen SE, Oslo
Visiting address: Karenslyst Allè 8 B, 0278 Oslo, Norway
Post address: P.O. Box 23 Skøyen, 0212 Oslo, Norway
Main Telephone: (47) 23 12 04 00
Fax: (47) 23 12 04 01
E-mail: info@skaugen.com
Website: www.skaugen.com
Reg. of bus. enterprises NO 977 241 774 MVA

Skaugen Marine Investment Pte. Ltd.
Visiting address: 78 Shenton Way #17-03
Singapore 079120
Main Telephone: (65) 6226 6006
Administration fax: (65) 6226 3359
E-mail: adm.mspl@norgascarriers.com

Gas Activities

Norgas Carriers Pte. Ltd.
78 Shenton Way #17-03
Singapore 079120
Telephone: (65) 6 226 6006
Commercial fax: (65) 6 233 9071
Administration fax: (65) 6 233 9072
E-mail: chartering@norgascarriers.com
Website: www.norgascarriers.com

Norgas Carriers – US office
801 Travis Street
Suite 1950
Houston, TX 77002
United States of America
Telephone: (1) 713 266 8000
Fax: (1) 713 266 0309
E-mail: chartering@norgascarriers.com

Joint ventures

SPT Inc.
801 Travis Street
Suite 1950
Houston, TX 77002
United States of America
Telephone: (1) 713 266 8000
Fax: (1) 713 266 0309
E-mail: enquiries@sptmts.com
Website: www.sptmts.com

SPT Marine Services Limited
1 The Cloisters
Sunderland, Tyne and Wear
SR2 7BD, United Kingdom
Telephone: (44) 191 568 1820
Fax: (44) 191 568 1821
E-mail: ops.uk@sptmts.com
Website: www.sptmts.com

Skaugen OSM Ship Management Pte. Ltd.
91 Bencoolen Street
#03-01 Sunshine Plaza
Singapore 189652
Tel.: (65) 6593 7940
Fax: (65) 6238 7592