



I.M. Skaugen SE

- Innovative Maritime Solutions -



IMS Annual General Meeting

3 March 2008



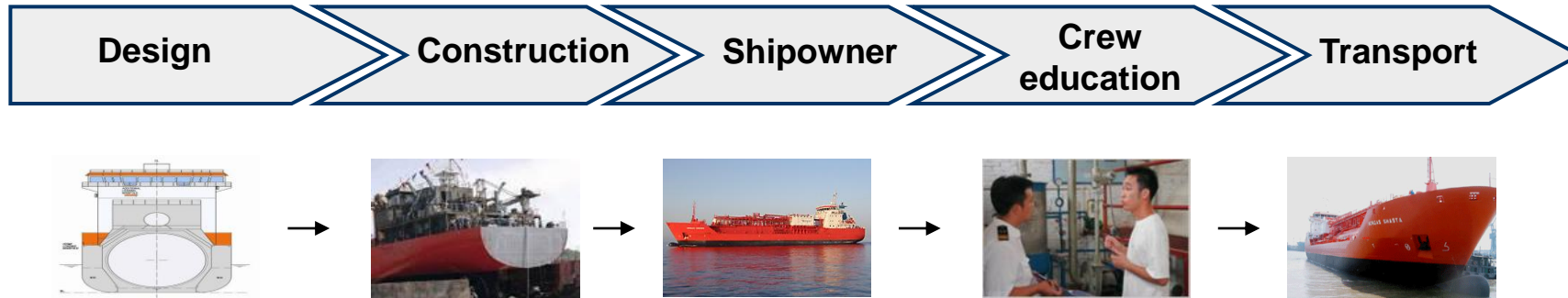
Continued growth and opportunities



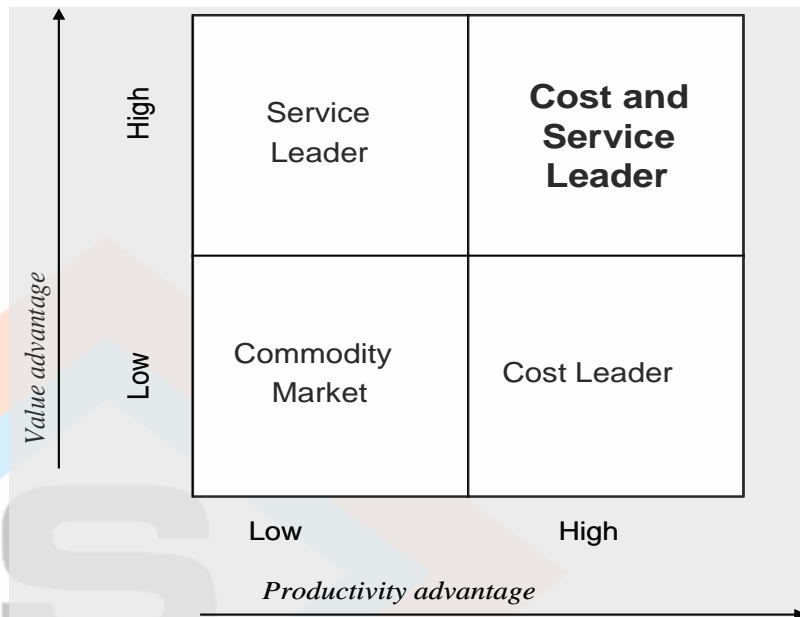
- Norgas to benefit from increasing exports from the Arabic Gulf and realize the potential of newbuildings
- SMC and China will support our cost leadership strategy
- SPT to see positive margins going forward and new transfer opportunities
- A long history of innovation and change move the group to new exiting business areas such as small scale LNG and CCS



1. Integrated Marine Transport Services



2. Business strategy: Cost and Service leader within niche markets

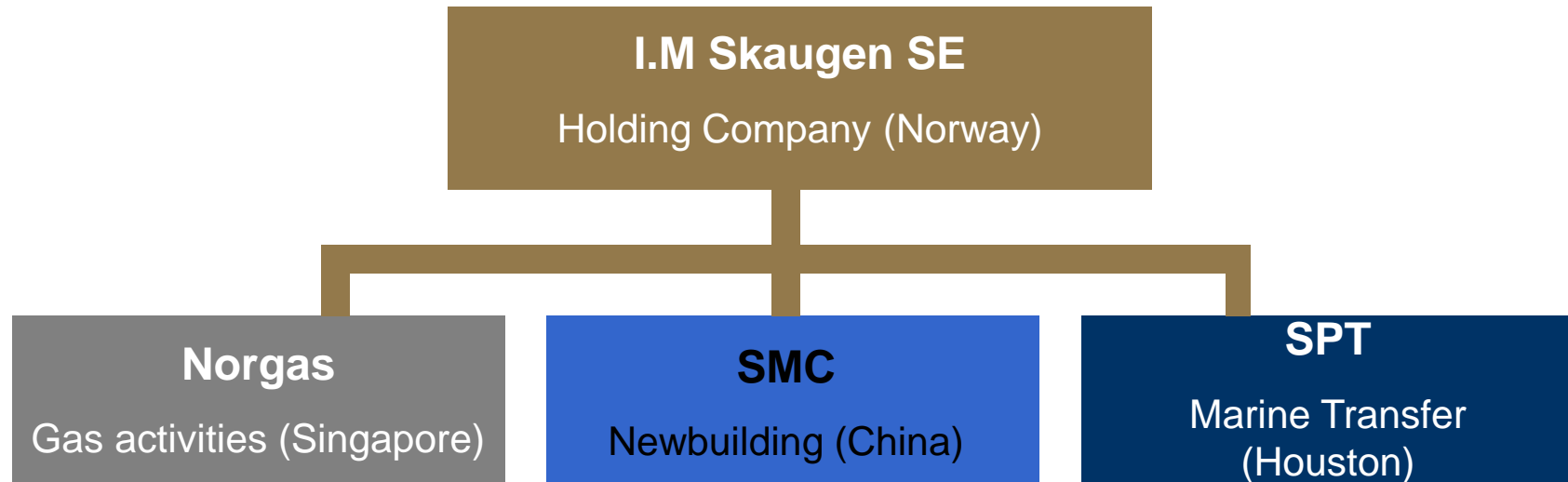


- Leading provider within niche markets to facilitate **service leadership**
 - Gas transport – Petchem & LNG
 - Marine transfer – Crude & LNG
- Leverage on China setup to serve **cost leadership** strategy
- 90 years history of **innovation** continues, moving into new niches:
 - Small scale LNG distribution



Group overview

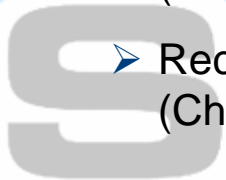
A fully integrated shipping company



- LPG & Petrochemical transportation
- TNGC - LPG transportation in China
- Crew management (China)
- Recruitment and training (China)

- Newbuilding program of up to new 16 vessels
- EJV Shenghui (Gas tanks & cargo plant)
- Marine equipment industrial park
- Procurement

- Ship to ship transfer of crude Oil
- Ship to ship transfer of LNG
- Deepwater ports





Highlights 2007

Starting to reap the benefits of our long term initiatives

I.M.Skaugen SE group results:

- Net pre-tax profit of **USD20.8 million** in 2007 (USD11 million in 2006)
- EBITDA of **USD40.2 million** in 2007 (USD34.6 million in 2006)

Segments:

- **Norgas** (petrochemical gas carrier business) Our leading presence in the Middle East is generating satisfactory results on the back of new production facilities and growing exports
- **Skaugen Marine Construction** (SMC) (China-based shipbuilding organization) First two of up to 16 new ships delivered, sold at a approx USD 10 m profit
- **SPT** (Marine transfer activities) Delivery of five purpose built Aframax tankers, last of six to be delivered in May 2008. Simultaneously advances were made into new markets including LNG and deep-sea water ports





New business areas

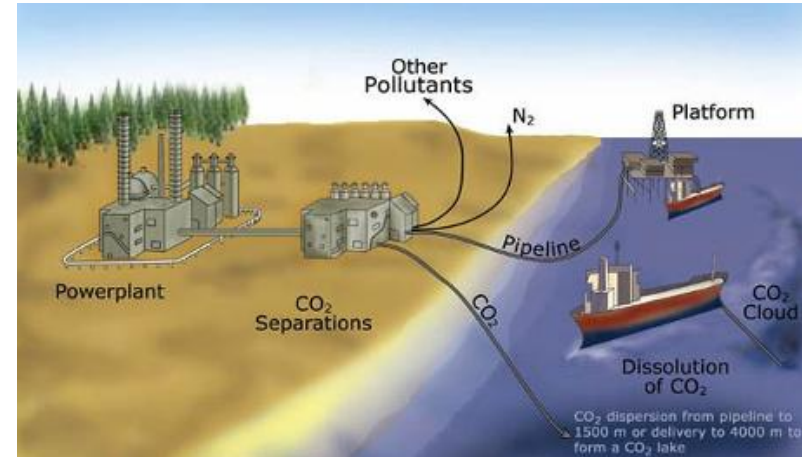
The history of innovation continues

Nordic LNG (IMS & Lyse)



- IMS involved in the whole energy supply chain
- Operational in 2010
- Concept applicable world wide

Carbon Capture and Storage



- CCS concept developed to cater for global effort to reduce CO2 emissions
- Very large market potential
- IMS in the forefront of the development of the market





Key figures

Revenue growth and additional funding at attractive levels

- Strong revenue on the back of increasing ME exports and new initiatives in China
- Additional funding was raised at attractive levels to support our new building programme

USD '000	2007	2006	2005	2004
Revenue	236,1	206,6	185,2	148,6
EBITDA	40,2	34,6	46,3	24,9
EBIT	32,0	21,1	34,4	12,3
Result before tax and variance on derivative	20,8	10,1	28,9	4,1
Total Assets	456,0	334,0	289,3	207,0
Liquid assets	110,3	81,2	83,0	19,8
Equity at book value	124,2	111,0	86,9	83,6
Net interest-bearing debt	170,1	112,2	89,8	86,1
Dividend paid	7,8	1,3	17,4	5,8
Current ratio	445 %	493 %	460 %	239 %
Equity ratio	27,0 %	33,0 %	30,0 %	40,0 %
Interest coverage ratio	3,7	3,5	5,15	2,68
EBITDA ratio	17,0 %	16,7 %	25,0 %	17,0 %

Key Figures per share:					
Pre-tax earnings	USD	0,76	0,41	0,84	0,18
Price/earnings ratio		13,4	17,09	10,44	35,83
Dividend paid	NOK	1,75	0,00	4,38	1,75
EBITDA	USD	1,48	1,28	1,88	1,09
EBIT	USD	1,18	0,78	1,39	0,54
Equity at book value	USD	4,54	3,87	3,24	3,37

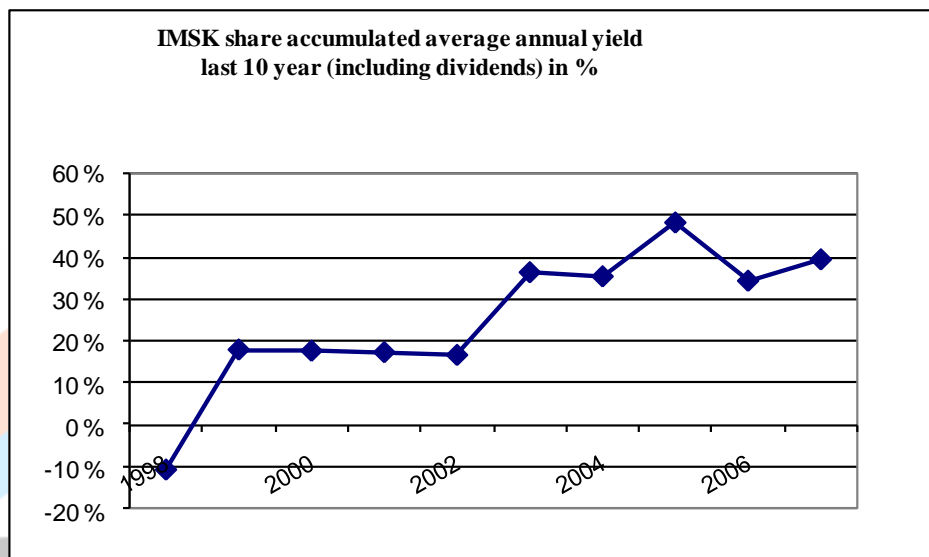




Share price performance

Annual yield and price development

- Over the last 10 years we have delivered an accumulated average **annual yield of 40%**
- Share price has followed global downturn in equities (-16,7% YTD). P/E ratio now at 5,89
- Average analyst target price at **NOK 66** after release of 4th quarter, currently trading at **NOK 46**



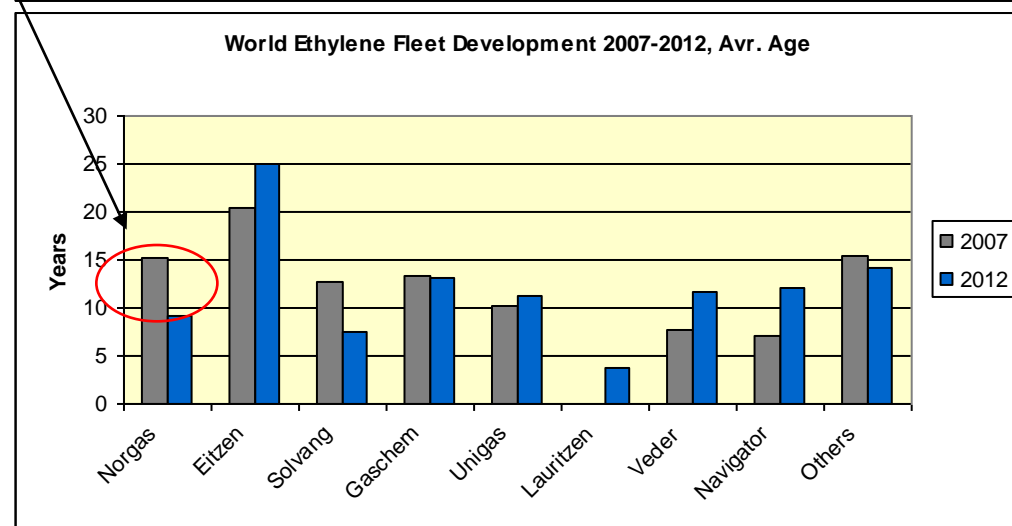
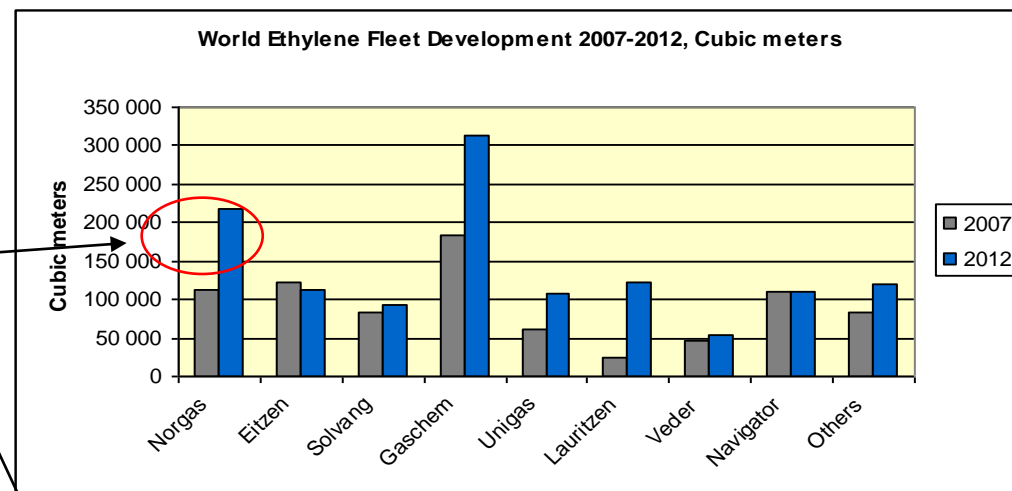
IMSK Share price vs Index



Norgas market position

Leading provider of ethylene transport

- One of the **worlds largest** marine transporters of ethylene
- Extensive newbuilding program of up to 10 vessels to **increase market share** and renew fleet
- **First company** to offer Multigas vessels able to carry LNG, in addition to ethylene, LPG and other petrochemical gases

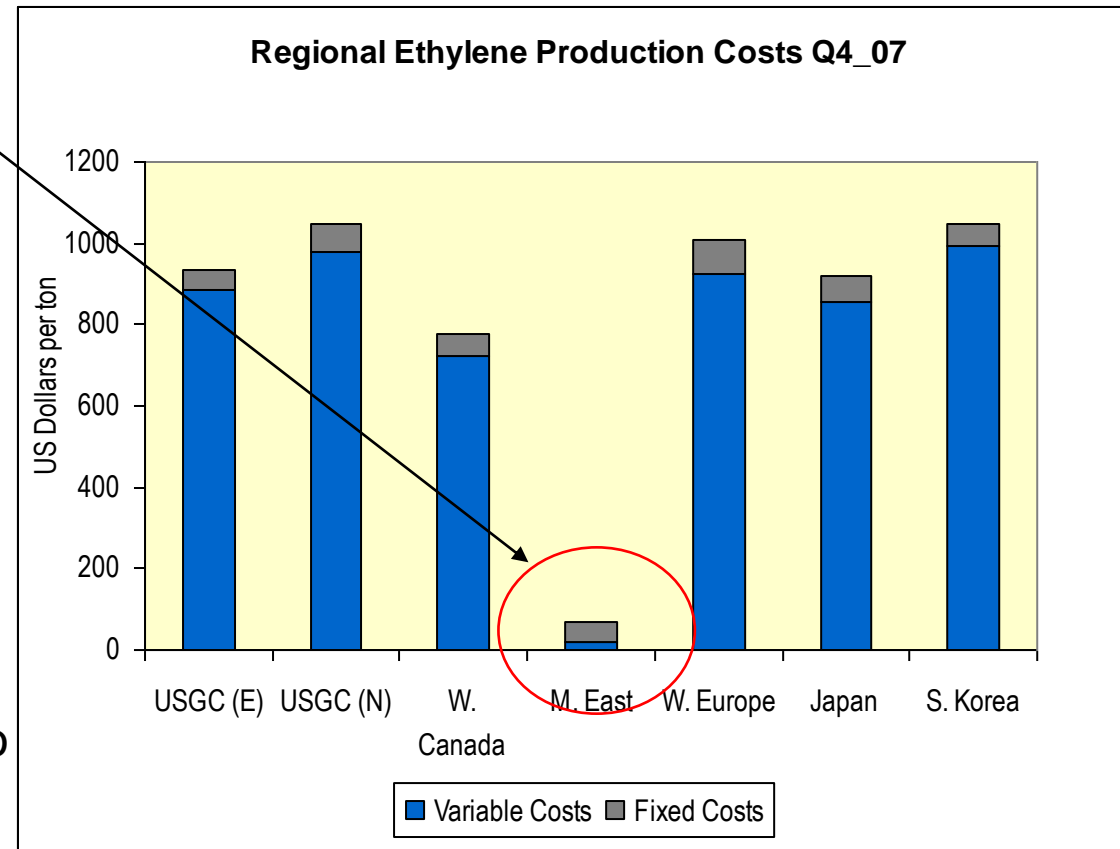




Market outlook

Playing the “middle east card” – why we believe in gas transport

- Middle East ethylene export expansion driven by favorable feedstock prices.
- Norgas has very good **customer relations** in the region
- Continued global GDP growth drives increase in ethylene demand
- More volume out of ME will lead to a change in trade patterns and longer voyages



Source: Chem Systems

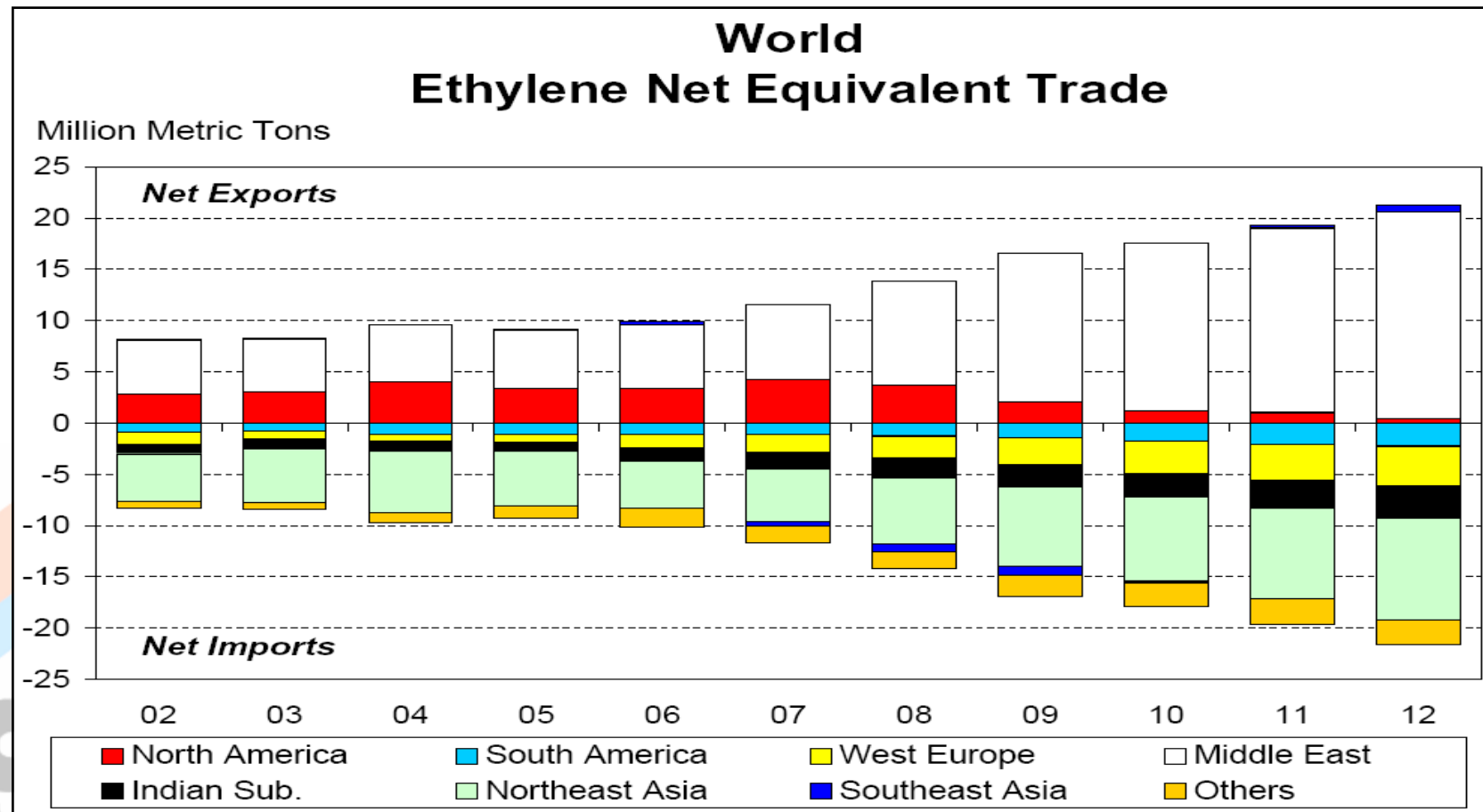




Middle east export expansions

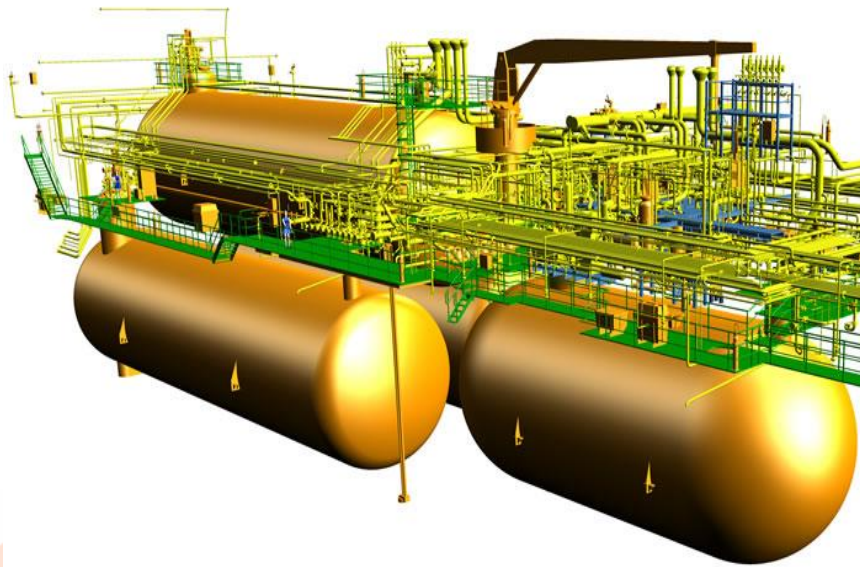
Changing trade patterns and increase ton-miles

- Expected increased exports from Middle East leads to longer voyages, occupying more vessels and increasing overall demand for tonnage





SMC - Marine Construction Activities



*Cargo containment system for the IMS newbuildings –
the Wintergas vessels*



Launch of Norgas Pan





SMC – Shipbuilding activities

To serve our cost leadership strategy

- A unique lower cost shipbuilding program managed by **SMC** enables us to be a fully integrated ship owner; we design, build and operate our own vessels.
- SMC allow us to **buy assets low** – ensuring the lowest cost of operations, mitigating risk in the down cycle and facilitate us to provide the best possible return to the owners.
- JV **Shenghui** produces the most important parts of our gas carriers – the unique **cargo containment system**, as well as participating in the Chinese oil and gas value chain.





China – Not only shipbuilding

To ensure lowest cost throughout the whole value chain

- Over 40 per cent of our ship- and shore-based crew are now Chinese. This figure should rise further helping us to reduce the upward pressures on our seafarer costs.
- Wuhan Skaugen Training Center (WSTC) - recruitment and training of crew.
- Norgas Fleet Management (NFM)
- Changhang-Skaugen Ship Management (CSSM)

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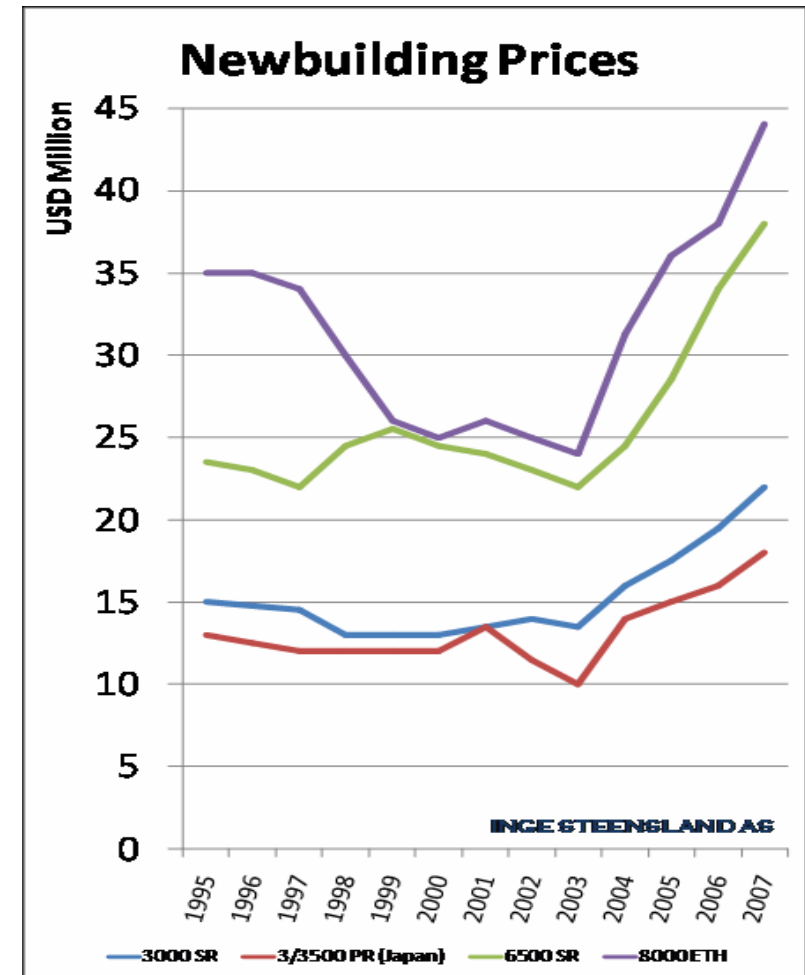




Outlook SMC

Cost increases seen in newbuilding

- Effects of rapid growth in the global economy along with very strong demand for new-builds impacts our costs
- Price increases have been registered in raw materials and specialised equipment
- In parallel market prices for comparable new builds have seen a steep increase
- With our ground breaking “ship building by sub-contractor” concept we are able to build innovative gas carriers at **costs below market levels.**





SPT - Marine Transfer Activities



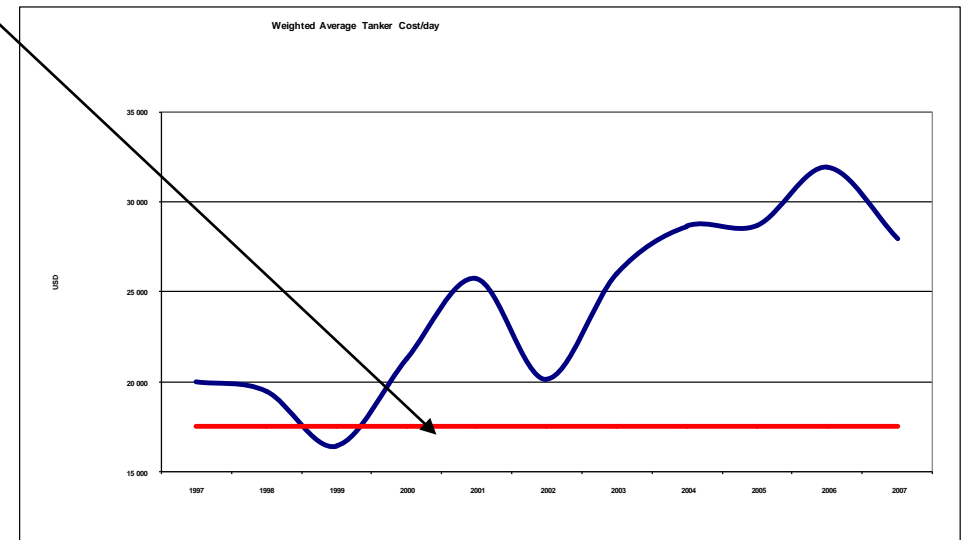
Skaugen Petro Trans



I.M. SKAUGEN SE
IMS - Innovative Maritime Solutions

Well equipped for new opportunities after rough years

- SPT is one of the **largest lightering** companies in the world – taking ashore 10% of US' seaborne crude oil
- Delivery of six new Aframax tankers – fixed at long term favorable rates – **enhancing flexibility and operating margins.**
- Satisfactory marine transfer support operations in the US west coast.
- Promising development of our European marine transfer activities in particular in the Mediterranean





SPT - Leveraging our specialized competences

Marine transfer of LNG and Deepwater ports

- Deepwater ports - non-vessel, fixed or floating structures used for the loading, unloading, or handling of oil or LNG for transportation to shore.
- Ship-to-ship transfers - worlds first LNG ship transfer performed in August 2006 and February 2007
- Ongoing trials for marine transfer of LNG with the aim of getting approval for this service in the US

