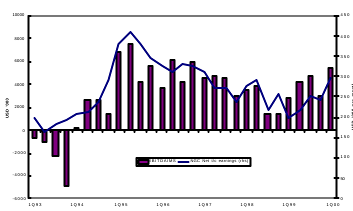
SKA – Results for 1Q00

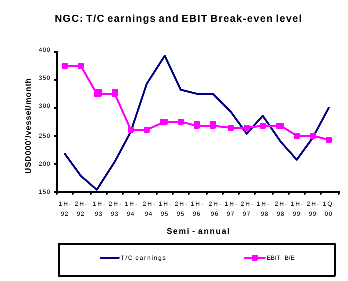
I.M. Skaugen ASA (IMS) reported a net result of MUSD 0.5 mill in 1Q00 (minus MUSD 2.3 in 1Q99 and minus MUSD 2.5 in 4Q99). The Group reported an EBITDA result of MUSD 5.4 for the period (MUSD 2.7 in 1Q99 and MUSD 3 in 4Q99).

The improved result is positively affected by the increased margins of NGC due to improved overall conditions and lower cost of operations. SPT had a weaker performance this quarter, while the China activities are basically unchanged.
The improvement in earnings comes in spite of increased fuel expenses for the group. Other operating expenses are according to plan, except the charter cost for spot tonnage for SPT - which has been abnormally high in this quarter. SPT's result has also been marked by bad weather conditions which affect scheduling.

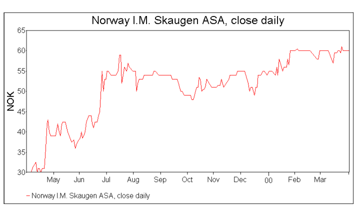
1Q00 Highlights



NGC: EBITDA vs t/c earnings



NGC: Cost vs t/c earnings



IMS share price 4 Jan 99 – YTD 00

- Cyclical improvements in the market for NGC as expected due to economic recovery in Asia and Europe as well as continued economic expansion in USA.
- Increased product prices and increased volumes despite of very high oil prices which caused increase in raw materials prices for our customers.
- NGC: Clear improvements with t/c rates now at USD 298,000 per month/vessel vrs USD 228,000 per month in 1999.
- NGC: EBIT B/E cost according to our plan of USD 236' per vessel per month for the full year vrs USD 250' in 1999.
- NGC: No new contracts for any new buildings in our segment during this period. Fleet expected to grow about 5.5% in 2000, 4.3% in 2001 vrs 3.3% in 1999.
- SPT: A surge in the aframax tanker market has created much higher cost of charter in of tonnage on a spot basis. This has particularly affected the urge for SPT to charter vessels to cover its marginal needs. These needs have also been higher than normal due to bad winter weather affecting the scheduling of our jobs and the need to maintain on time performance.
- IMS share price up 11% this quarter, 100% on 12 months basis, but still considered fundamentally undervalued also due to the improvements in IMS EBITDA earnings.
- 620,561 shares or 9.36% acquired at cost of MUSD 3.6 or NOK 46 per share has been written down as per the annual general meeting on March 7th. This will be effective on 25 June 2000.

New number of shares in IMS will be 6,009,944.

Segment information

USD '000	Consolidated** 1Q00	1Q99	4Q99	1999 Accum	1998 Accum	Gas *** 1Q00	1Q99	4Q99	1999 Accum	1998 Accum
Freight revenue on t/c basis	24,026	26,194	20,320	96,539	97,499	10,573	6,646	7,754	30,296	43,298
Vessels' operating cost and t/c hire	-17,619	-22,381	-16,286	-77,636	-82,920	-5,601	-6,281	-5,249	-22,418	-28,942
Unallocated administration costs	-960	-1,077	-879	-3,983	-4,501	-313	-294	-244	-1,385	-2,696
EBITDA*	5,447	2,736	3,155	14,920	10,078	4,659	71	2,261	6,493	11,660

USD '000	Lightering 1Q00	1Q99	4Q99	1999 Accum	1998 Accum	China Activities 1Q00	1Q99	4Q99	1999 Accum	1998 Accum
Freight revenue on t/c basis	12,852	18,797	11,965	63,352	58,532	601	751	601	2,891	3,648
Vessels' operating cost and t/c hire	-11,429	-15,237	-10,239	-51,941	-51,918	-589	-863	-798	-3,277	-4,373
Unallocated administration costs	-	-	-	-	-	-	-207	-71	-549	-
EBITDA*	1,423	3,560	1,726	11,411	6,614	12	-319	-268	-935	-725

* EBITDA: Earnings before interest, tax, depreciation and allocations.
** The above segment information does not add up into Group consolidated figures, as activities other than those of the main segments are not shown separately as immaterial activities.
*** Including also parts in limited partnership.

NGC: Market rebound and Consolidation

- **NGC T/C earnings at USD 298,000**
- **Higher fuel cost**

NGC posted average earnings on a time charter basis in 1Q00 of USD 298,000 per month/vessel (USD 197' in 1Q99 and USD 245' in 4Q99 and USD 228' in 1999). This is before deductions for about 4% of capacity as lost time in 1Q00 in connection with technical offhire for maintenance/ docking. The market rebound is due to improved cyclical conditions and margins for the petrochemical industry as well as the recent consolidation in the smaller gas carrier segment. We experience the improvement both in the Atlantic and the Asian segment. The improvement in t/c earnings comes despite the sharp increase in bunker cost due to higher oil prices.

The market outlook for the NGC segment is now better, and we believe we passed the low point in the cycle in the 1H99. We are also at this point ahead of the pace of the "history repeats itself cycle" of NGC earnings, and this is perhaps also due to the consolidation efforts that took place in 4Q99. Our cost of operations is also on a continued downward trend and at a much lower point than at the equivalent point in the cycle in 1994-95.

- **No new contracts for new buildings**

1Q00 has further seen no new contracts for any new buildings in this segment which in itself is positive. However, there is still too much capacity in the market that needs to be absorbed. New building prices in general are also on the rise after having been reduced by about one third in the last 5 years.

- **NGC EBITDA at USD 4.6 mill for 1Q00**
- **EBIT B/E reductions according to plan**

The NGC segment's earnings on an EBITDA basis were MUSD 4.6 for 1Q00 (USD 70' for 1Q99 and MUSD 2.2 for 4Q99). This is the strongest EBITDA result for this activity since 1995 – when we experienced the last peak of the cycle with average t/c earnings at USD 374,000 per vessel/month. The improved EBITDA earning capacity is contributed to the focused efforts on efficiency gains as well as the reduced cost of operations at NGC. We have also an improved marketing and service that enable us to yield a better result at this point. The EBIT B/E* level for the fleet was USD 250' per vessel/month in 1999, and the cost reductions so far this year are in line with the goal of a EBIT B/E level of USD 236' for 2000.

The NGC EBITDA earnings in 1Q00 were affected by extensive offhire periods in connection with the main engine gear breakdown on Norgas Trader from 4Q99 as well as required minor steel upgrades on the Norgas Pilot to satisfy our internal policies on CAP*** for these vessels. The offhire periods equal loss of revenue of MUSD 0.5 and about 4% of our capacity. Our longer term goal is to keep the offhire period at about 3% of capacity incl of all planned and unplanned maintenance.

**EBIT basis: Earnings after depreciation for the NGC vessels, but before interest and taxes.
*EBITDA: Earnings before interest, taxes, depreciation and allocations.
***CAP-Condition Assessment Program with Germanischer Lloyd

SPT: Weak quarter, but positive outlook

- **Positive outlook**

SPT reported an EBITDA result of MUSD 1.4 in 1Q00 (MUSD 3.5 in 1Q99 and USD 1.7 mill in 4Q99). The beginning of 1Q00 was weaker than expected, but the outlook is considered more positive. The result in 1Q00 is affected by several factors including somewhat lower activity, several days of bad weather, higher rates for spot tonnage as well as high bunker prices. We also had a lag between the pricing on our new contracts and reduced t/c cost for the core fleet compared to the old cost of tonnage and customer contracts.

- **Opportunities for further growth**

US crude imports have been marginally reduced on a 12 months basis and has not picked up after the decline during the 2H99. The associated US crude oil stock depletions have as such not been replenished. However, with the strong US economy and the expected OPEC increases in production, the volumes available for transport and imports should again increase.

- **Marginally lower US oil imports due to high oil price.**

SPT has successfully increased its overall activities the last several years based on service and focusing on safety, and the Board believes that growth opportunities for SPT still exist in a situation where there is more outsourcing of services from the integrated oil companies. The EBIT result of SPT in 2000 will, however, not be as high as in 1999.

- **SPT operates 6.6 tankers now**

SPT operated 599 tanker days during 1Q00 (749 in 1Q99 and 2750 for all 1999), and this equals 6.6 tankers as an average during the quarter. We have somewhat scaled back our operations due to the present lack of growth in the US oil imports and the high cost of charter of marginal tonnage needed, and this is the reason for the reduced volumes. The capacity utilisation for the SPT fleet is still high, the operational regularity and its on time performance is good and the level of service is high.

Aframax market

- **A stronger tanker market**

The weak Aframax market in 1999 provided SPT with somewhat better margins, since SPT charters its tonnage according to its planned needs. However, the stronger tanker market during 1Q00 has resulted in abnormally higher rates for the spot tonnage that SPT requires. In 1Q00 the daily charter cost has been as high as USD 35,000.
We managed to successfully renew our core fleet of tankers in 1999 at satisfactory rates, and as such we continue to have a positive view on the immediate and medium term future of SPT.
The new building orderbook for aframax tonnage currently stands at about 7.6% and is considered not as high as before. More OPEC production will however offer more crude oil for marine transportation and as such may yield a continued stronger market for tankers.

China activities: Unchanged result – crewing is successful

- **Training of Chinese crew and now for external customers as well.**

China strategy

IMS's strategy in China is to develop the market potential for gas transport in a logistically demanding market through the joint venture company TNGC and to establish an organisation that will contribute to even more cost-effective fleet operations in Asia. We now have two NGC vessels with full Chinese crews as well as two Princess Carriers vessels. The NGC crews have been recruited and trained through our cooperation with Wuhan Transportation University (WTU) in the Hubei Province – at the WTU –STC (Skaugen Training Centre). The plan calls for all Asia fleet carriers to operate with Chinese crew in 2000. We have also in 1Q00 experienced a strong increase in demand for our courses at the WTU – STC, and we are happy to report earnings from this, however on a small basis for the group. These courses focus on Dangerous Cargo handling, Safety, languages, computer skills and preventive vessel maintenance.

- **Unchanged result, but lower cost of operations is a good sign**

Results

The activities in China encompassed in the past very high initial costs for the training centres for our sailing personnel and the related support functions for NGC as well as start up cost for TNGC. The EBITDA result in 1Q00 was USD 12' (minus USD 320' for 1Q99 and minus USD 241' for 4Q99 and minus USD 935' in all 1999). The slight improvement is mostly due to lower cost of operations for administrative functions as we have reduced upstart expenses and also lower cost of operations for Princess Carriers (PC). PC reported an EBITDA result for its two units of USD 117' in 1Q00 (USD 274' for 1Q99 and USD 0 for 4Q99). TNGC reported an EBITDA result in 1Q00 of minus USD 11' (USD 8' for 1Q99 and minus USD 19' for 4Q99). TNGC results are affected by long offhire time associated with 1st annual guarantee work for its largest vessel, Tian En 1001. The two new work boats were delivered during the quarter, and the three LPG barges are expected to be delivered during 2Q00. TNGC does not currently have any other investment plans. TNGC still relies on its various operating licenses in China to be renewed on a regular basis.

Key statistics

	1Q00	1Q99	4Q99	1999	1998
NGC Idle time	4%	12%	3%	7%	5%
NGC Offhire days	4%	5%	8%	7%	5%
NGC Drydockings	1	1	0	5	8
NGC On-time performance	94%	93%	86%	90%	92%
NGC Estimated Fleet Broker Value (USD mill – 100% basis)	114	139	116	116	147
SPT No. of Full Service Lightering operations	122	143	120	551	432
SPT No. of Support Lighterings	28	57	38	182	150
SPT Tanker Operating days	599	749	569	2750	2271
SPT Daily lightering volume (bbls/d)	816,000	1,164,000	840,161	990,000	817,000
SPT Share of US Seaborne Crude Imports	10.2%	14.2%	10.3%	11.8%	9.7%
SPT Contract coverage Full Service Lighterings (COA/Total)	77%	81%	78%	76%	73%
IMS Share price (end of each quarter/year - NOK)	60	30	54	54	24
Average of daily share price	59	29	52	44	51

Capital and value assessment: Shares in IMS are underpriced

- **Satisfactory liquidity and unchanged key figures**
- **Debt ratio of 57% and current ratio of 243%**
- **Book equity is MUSD 76 or NOK 107 per share**
- **Equity ratio at 43%**

Capital

The mortgage debt has been repaid during the quarter by MUSD 4.4 and in accordance with the agreed repayment profi le for the Group's main loan facility. The operative cash flow makes a positive contribution to our liquidity. The net debt was at MUSD 67 and the interest-bearing debt totalled MUSD 88. The debt ratio is 57% and the ratio between current assets and current liabilities is 2.43. Debt falling due during the next 12 months represents 10% of the total debt. Total liquidity as of the balance sheet date was MUSD 21 (20 %), and this is regarded as sufficient. The book equity totalled MUSD 76 or USD 12.7/NOK 107 per share. The book equity represents 42% of the total assets.
The ratio between the EBITDA result and the net financial expenses was 4.3 (1.92 for 1Q99, 1.74 in 4Q99 and 2.4 for all of 1999).

- **Annualised EBITDA earnings of MUSD 22**
- **Cost and Service Leadership is the focus.**
- **EBITDA multiple of 7 gives a value of the shares at NOK 118**

Value assessment

During 1999 the company had an EBITDA result of MUSD 14.9 (MUSD 10 for 1998, MUSD 16.4 for 1997). Our annualised EBITDA earnings in 1Q2000 are at MUSD 22. We regard this earnings level in 1Q2000 as reflecting the improved cycle for the NGC segment compared to the weak cycle of last year. A normalised e arning level, based on the NGC vessels' historic earnings with today's cost structure, is significantly higher than during the last cycle with a peak of the cycle that occurred two years after the low point. The low point was in 1993, and the last low point was in 1999.
Based on the company's industrial strategy and focus on creating values for the shareholders through being a leading company with regard to its costs and service, we have carried out different types of assessments. We believe that an estimated earnings model is the correct model to use for our type of company and thus a model based on the EBITDA earnings of the company multiplied by an assessed factor and deducting the net debt of MUSD 67.
Today most analysts estimate this multiple should be about 7 or 8 (for the time being) and deducting for the net debt gives a value of MUSD 85 or MUSD 107 which equals USD 14 or USD 17 per share (NOK 118 or NOK 144) and using 6,009,944 shares.

- **The SPT activities alone give a value of NOK 53 per share**

SPT gives the IMS shareholders added value

SPT's average annual earnings on an EBITDA basis has been around USD 8 mill the last three years (1999 at USD 11,7 mill). At this earnings level, we can substantiate that the SPT activities alone represent a value of more than MUSD 40, or approx. NOK 53 per share, to the IMS shareholders. This implies an EBITDA multiple of approximately 5 for this activity only.

- **Broker estimates decreased by 2% in 1Q00**

Broker estimates for our owned vessels

Three independent broker estimates per 31.03.00 showed that the value of the vessels in NGC decreased a total of no more than 2% or MUSD 2.3 in 1Q00 compared to a decline of 20% or MUSD 28 in 1999 and 12% or MUSD 20 in 1998. The decline of USD 2.3 mill compares to our quarterly depreciation of MUSD 3. These broker estimates do not reflect many sales of these types of vessels and perhaps not the somewhat higher estimated new building prices and the improved earnings for such vessels.

Other items: Share write down and E-business

- **General Meeting resolved to write down 620,561 shares (9.36%)**

Write down of own shares

IMS acquired 9.36% of the company's shares under the authority given 7 January 1999. This is equivalent to 620,561 shares with a book value of MNOK 28.5 (MUSD 3.6) or NOK 46 per share.
The annual general meeting on 7 March 2000 resolved to write down the share capital with the amount of NOK 37,233,660, from 397,830,300 to 360,596,640, by redemption of 620,651 shares with par value NOK 60, equivalent to the company's treasury shares. New share capital is NOK 360,596,640 distributed on 6,009,944 shares after expiration of the creditor period 25 June 2000. The Board of Directors also received renewed authorisation from the Annual General Meeting to acquire own shares and authorisation to issue convertible loans. Since the decision to write down the shares, we have acquired 15,447 shares or 0.23% at a cost of NOK 912' or NOK 59 per share.

- **Price of shares in IMS has increased 11% since 1 January 2000**

The price of IMS shares has increased 11% since 1 January 2000 or 100% in the last 12 months. During this same period the Oslo Stock Exchange's total index has fallen 1% (up 29% last 12 months) and the shipping index has fallen 1% (up 31% last 12 months).

- **IMS joins development of E-procurement solution**

1Sea.com

During the quarter, IMS entered into co-operation with other partners in the industry and venture capital firms and formed "OneSea.com". The E-procurement solutions of OneSea.com is in our view the best developed in the trade at present, and we have decided that we will help this company to advance in its field. The investment is a modest USD 600,000. The OneSea.Com portal also has plans to apply the technology to online chartering of vessels, and our team of knowledgeable persons at SPT is in the process of helping this company establish this as well. We expect to achieve further efficiencies and cost reductions through this as well as assist this industry in changing its mode of operations.

Oslo, 10 April 2000
Board of Directors, I.M. Skaugen ASA

If you have any questions, please contact Beate Lofseik on telephone +47 23 12 04 00 or by e-mail: beate.lofseik@ngc.no. This press release is also available on the Internet at our website: http://www.skaugen.com.

IMS Consolidated

Statements of Income

USD '000

	2000 1.1-31.03	1999 1.1-31.12	1998 1.1-31.12	1999 1.1-31.03
Gross freight revenue	33,307	133,424	126,601	34,577
Voyage-related expenses	(9,860)	(38,679)	(31,328)	(8,770)
Net revenue on T/C-basis	23,447	94,745	95,273	25,807
T/C-hire	(9,704)	(43,372)	(42,119)	(12,827)
Other operating expenses	(7,499)	(32,746)	(39,193)	(9,162)
Group administration expenses	(1,060)	(3,893)	(4,505)	(1,053)
Operating result before depreciation	5,184	14,734	9,456	2,765
Depreciation of capitalized drydockings etc.	(952)	(4,314)	(4,324)	(1,140)
Depreciation of vessels	(2,525)	(9,387)	(9,907)	(2,209)
Operating result before writedowns etc.	1,707	1,033	(4,775)	(584)
Writedown of vessels	0	0	(4,310)	0
Operating result	1,707	1,033	(9,085)	(584)
Net result from associated companies	(23)	(993)	(334)	(281)
Financial income	518	1,387	1,692	196
Financial expenses	(1,740)	(7,643)	(9,070)	(1,637)
Result before taxes	**462**	**(6,216)**	**(16,797)**	**(2,306)**
Taxes	0	0	3,151	
Result	**462**	**(6,216)**	**(13,646)**	**(2,306)**
Earnings per share (USD)	*0.08*	*(0.98)*	*(2.06)*	*(0.35)*

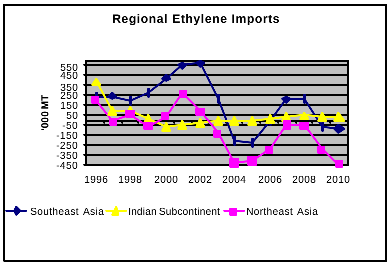
Balance sheets

USD '000

	31.3.00	31.12.99	31.3.99
Deferred tax assets	11,937	11,937	11,937
Vessels and other fixed assets	131,526	135,116	139,543
Other current assets	15,075	14,492	17,706
Cash and bank deposits	21,069	23,955	25,596
Total assets	**179,607**	**185,500**	**194,782**
Shareholders' equity	76,365	77,403	82,610
Long term liabilities	88,369	92,776	97,200
Other current liabilities, not interest bearing	14,873	15,321	14,972
Total shareholders' equity and liabilities	**179,607**	**185,500**	**194,782**

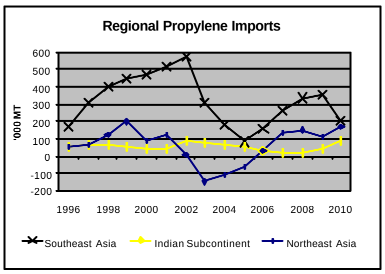
I.M. Skaugen ASA (IMS) is a marine transportation service company engaged in the transport of petrochemical gases, LPG and organic chemicals, in addition to the lightering of crude oil. Our customers are major international companies in the oil and petrochemical industry who work on a global basis. In order to serve our customers in the best possible manner we have our own representation in Oslo, Singapore, Shanghai, Wuhan/ Jingzhou, Houston and Gent. We also have our own training programme for our seagoing personnel in Wuhan, China and St.Petersburg, Russia.
The Group currently operates 32 units consisting of 14 gas carriers in Norwegian Gas Carriers (NGC), 2 chemical carriers in Princess Carriers, 1 LPG carrier and barge for the river transport of gas and 2 work boats in Hubei Tian En Petroleum Gas Transportation Co. (TNGC), 8 Aframax tankers and 4 work boats in Skaugen Petro-Trans (SPT). 3 more units are now being built for TNGC for delivery during 1H2000.

Focus: Strong growth in Asia means better times for all



Financial results for the whole chemical industry in 1999 are reflecting the improvements as the year progressed of the Asian economics and Asia's chemicals markets. The upturn has not quite been across the board, of course, but the return to growth has been surprisingly strong. Earlier this year, chemical industry economists were talking of a "V shaped" recovery. Reports from the big chemical company are strengthening their case.

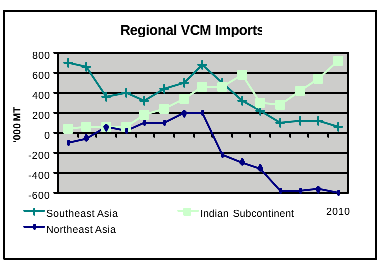
The picture is much the same in the petrochemicals and plastics although the return to growth has been somewhat longer in coming. Asia's problems were severe and hit to the core of industry. The recovery for some plastics particularly may take some more time to materialise. Certainly, great slugs of potential demand growth have been lost and it will be a while before market demand gets back to pre-crisis levels and can grow further.



Speciality-chemicals producers are not alone in pointing to much stronger sales growth from Asia in 1999 -and certainly towards the end of the year. The Commodity producers says much the same. Some also says its sales into Asia have returned to pre- 1997 levels.

The economic turnaround began last year and, thankfully, has persisted; petrochemicals markets have been improving since. Few would disagree that the low point has been passed in 1999.

It looks as though a strong recovery is underway although, as consultants such as Chem Systems suggest, growth rates are likely to be lower on an overall basis than in the past. This is by no means a bad thing if it introduces a note of caution into most companies' plans for adding more capacity in the value chain and in the region.

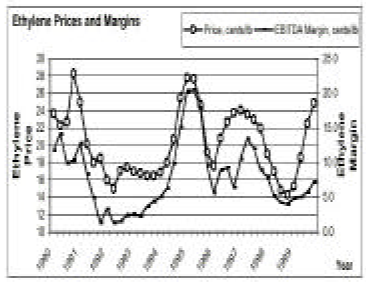


Chem Systems' data demonstrate a number of points. Rising polymer demand is reflecting economic recovery but the situation is different from country to country in Asia. China, India and, to a lesser extent, Taiwan, are the main driving forces of polymer demand right now.

Recovery in some other countries is less robust.

China's petrochemical industry has not seen much impact from the crisis. The great need for imports continues - and continues - to be the saving grace for so many producers in the region. These import requirements will provide the basis for more export oriented projects in countries such as Singapore, Malaysia, Thailand, Indonesia and Philippines.

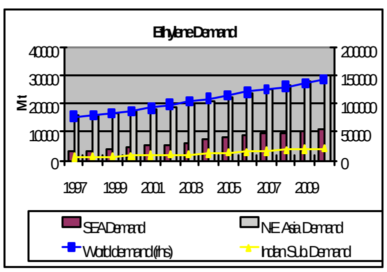
There are uncertainties, and China is such a huge sink for petrochemicals that any major move by the Chinese government can lead to acute problems. Greater focus on infrastructure, for instance, has shifted money away from petrochemicals; the mega projects in which western companies are involved have suffered as a result. There continue to be great uncertainties over WTO (World Trade Organization) membership. Everyone is aware of the major consequences of change in the China picture on regional, and global, supply/demand balances and prices.



Source: Goldman Sachs estimates

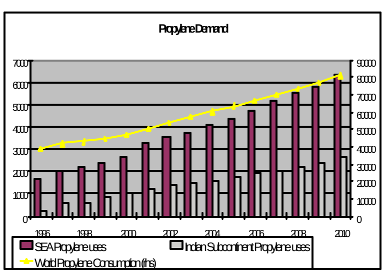
Taiwan has shielded itself from the worst of the crisis and continues to grow steadily. The development of India, on the other hand, is dramatic. According to Chem Systems, India's projected 2010 supply deficit can support three world-scale ethylene crackers, eight polypropylene plants and seven high density/linear low density polyethylene plants. Current oversupply in major commodities is forcing greater competitiveness on the industry and is also driving companies such as Reliance Industries to take a much more global view of the sector.

Change should have been forced on South Korea's petrochemical producers but there has been little progress in restructuring and nothing concrete to address current market oversupply. Producers clearly are waiting to see the extent of the recovery before they make their move.



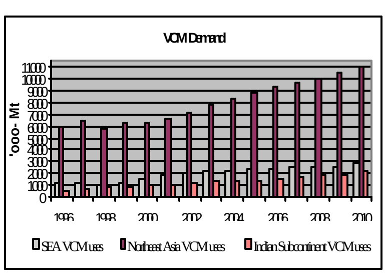
There has been some wide-reaching restructuring in Japan and there is more to come given the changes in corporate law and the country's continued economic problems.

In South East Asia, Malaysia and Singapore stand out as areas of petrochemical activity. Little real progress can be expected on projects in Thailand, the Philippines or Indonesia until some real financial hurdles have been overcome.



Much lower demand has put the brakes on new capacity investment across the region but not for long. Chem Systems believes that over half the investment in the global petrochemical industry will be made in Asia post-2000. Certainly, the main impact of under-investment will be felt between 2001 and 2003 and help certain laggard producers in Europe, particularly, weather the pressure on the business from more capacity in the Middle East. That positive impact though will perhaps not last long.

Companies in Asia have the opportunity to get it right this time. Asia's petrochemical industry cries out for restructuring but recent history, certainly questions what ultimately will be achieved. Without restructuring the industry is certain to run through another boom and bust cycle. Its only hope then is that the next trough is not as deep as the last.



Asia's petrochemical companies can benefit from better planning and greater realism; they have gained a lot from relatively easy access to technology and finance, but they have to look to the experience curve. As the petrochemical business matures so greater emphasis has to be placed not simply on economics of scale but on better site integration, enterprise resource planning and supply chain management, e-business and portfolio - optimisation.

Asia's companies will gain from tighter supply demand balances in the 2001 to 2003 period but the real performers have to be looking to the longer term. As the industry moves into a new phase, companies will have to become more astute at portfolio management and the ways in which they run their business. Stronger demand growth will provide the incentive for many to invest more but demand growth projections alone are not the answer.

Some of the leading analysts lately to report on the prospects for polyolefins in the region and they make the crucial point that Asia has really 'lost' almost 6 million tonnes of polyolefins demand - in other words, demand in 2003 is expected to be 19% lower than that predicted before the economic downturn (1997) took hold. Were it not for strong increases in China, Asian polyolefins demand growth between 1996 and 1998 would have been negative.

China's polyolefins demand is claimed to be 1.4 million tonnes lower than it might have been because of the Asian crisis and tougher competition in finished goods markets. The most significant decreases in forecast demand compared to pre crisis are in Indonesia, Thailand,

In South Korea, Malaysia and Taiwan. It is being predicted that Asian polyolefins consumption growth of 6.8% a year until 2003 (from 18.3 million tonnes in 1998 to 25.4 million tonnes in 2003).

Polypropylene demand is expected to lift to 11 million tonnes a year, high density polyethylene to 5.7 million tonnes a year, linear low density polyethylene and low density polyethvlene to 4.3 million tonnes a year.