Key Points 2Q 2000

Key Points 2Q 2000

- **NGC**: Earnings are stable with t/c rates at USD 302,000 per month/vessel vrs USD 298,000 per month in 1Q00 and average of USD 228,000 per month in all 1999.
- **NGC**: EBIT B/E cost progress according to our plan of USD 236' per vessel per month for the full year 2000 vrs USD 250' in 1999.
- **NGC**: Norgas Discoverer hit by the suezmax oil tanker "Greek Fighter" in late June. The vessel will need extensive repairs, and loss of revenue for 3Q00 is estimated at USD 600,000. All expected direct costs for us as owners are charged to 2Q results.
- **SPT:** A weaker quarter as a surge in the aframax tanker market still creates much higher cost of spot charter for our marginal tonnage needs. Repricing of contracts are in process with effect from 3Q00.

Key Points 2Q 2000

- **IMS**: Preliminary newbuilding contract signed for four new 8,400 cbm ethylene carriers for delivery 2002; with an option for six more vessels. The contract will enable us to renew the NGC fleet and strengthen our position as the second largest ethylene transporter.
- **IMS** share price up 29.6% since 1 January 00 to NOK 70, but still considered fundamentally undervalued compared to its peers and also due to the improvements in the IMS EBITDA earnings.
- **IMS** - 620,561 shares or 9.36% written down on June 28th as per the annual general meeting on March 7th. New number of shares in IMS is 6,009,944. Current portfolio of own shares are 97.647 or 1.6%. IMS will continue within its guidelines and limits to buy own shares at prices deemed favourable.

Key Points 2Q 2000

Contract for new ethylene carriers

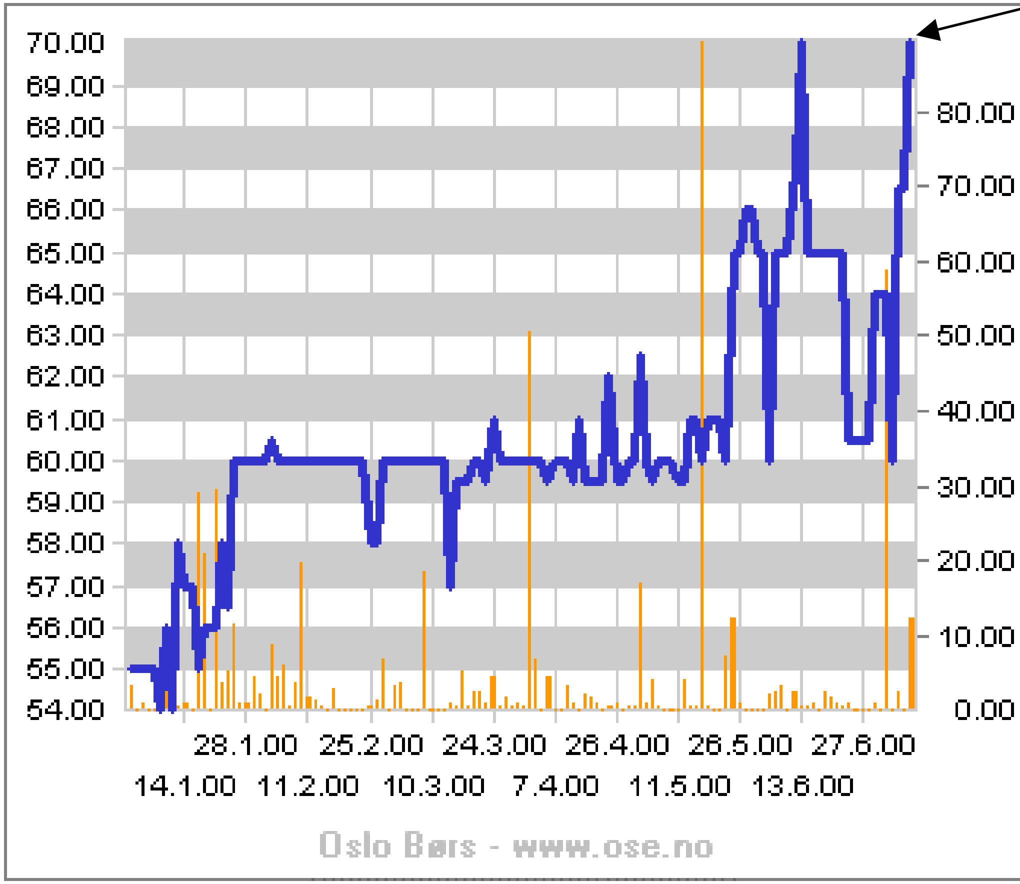
- IMS has contracted for four new 8,400 cbm ethylene carriers for delivery 2002. We have a further option for 6 more – a total of 10 vessels.
- The total delivered cost of all 10 vessels (incl. of the option vessels) will be abt MUSD 220.
- IMS to own 50% of new company which will be the buyer of the first 4 vessels
- The vessels to sail as part of the NGC fleet
- This contract will cover our needs to replace the fleet of NGC to ensure we are a competitive force as the second largest ethylene carrier in the world and in this business in the next decades.
- The delivery of the first 4 vessels reduces avg. age of NGC fleet with 5 years

Contract for new ethylene carriers cont.

- NGC EBIT B/E will be further reduced
- Increased earnings capacity compared to the Norgas Average vessel
- Chinese yards competitive on price and quality
- Part of China Activities and our presence in China made us capable of securing the best terms
- Based on the market analysis available to us, the current replacement cost of such vessels seems attractive and the Board believes the timing for such purchases are right.
- The cost of replacement by newbuilding have decreased by abt 35% the last 5 years.

Key Points 2Q 2000

IMS Share price 1 January 00 – YTD 00



Share price responding to the announcement of the newbuilding contract

Key Points 2Q 2000

IMS Consolidated - Key Figures

USD mill	2Q00	1Q00	4Q99	all 99	all 98
Gross freight revenues	37,9	33,3	29,5	133,4	126,4
EBITDA	5,9	5,4	3,0	14,8	10,0
EBIT	2,1	1,7	(0,5)	1,1	(4,7)
Net finance	(1,4)	(1,2)	(1,7)	(6,3)	(7,5)
Interest coverage ratio*	4,1				
Total liquidity	22,5				
Interest bearing debt	88,0				
Net debt	64,0				
Liquidity ratio	21 %				
Debt ratio	57 %				
Short-term debt/total debt	15 %				
Book equity	76,8				

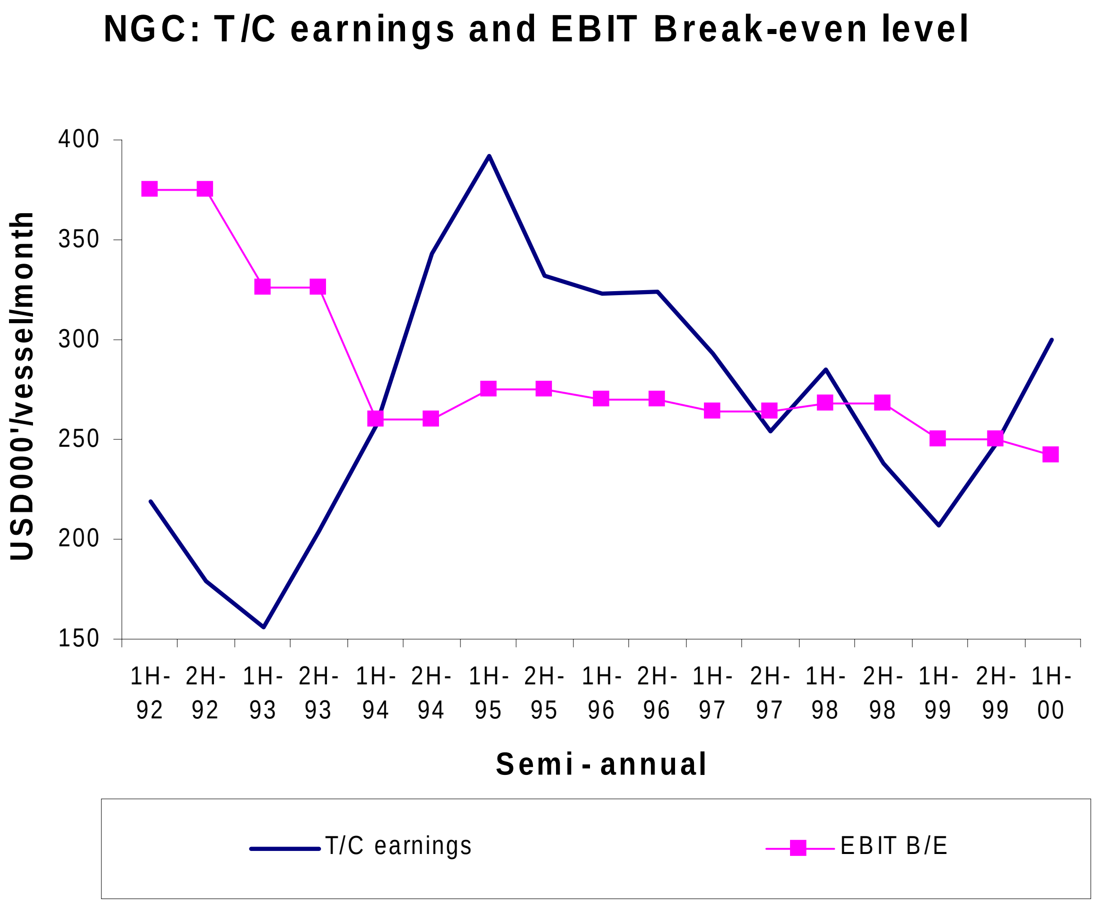
*EBITDA over net financial changes

Key Points 2Q 2000

Key statistics

	2Q00	2Q99	1H00	1H99	1999
NGC Idle time	1%	9%	3%	10%	7%
NGC Offhire days	1%	7%	3%	6%	7%
NGC Drydockings	0	2	1	3	5
NGC On-time performance	100%	92%	97%	93%	90%
NGC Estimated Fleet Broker Value (USD mill – 100% basis)	110	127	124	127	116
SPT No. of Full Service Lightering operations	137	150	259	293	551
SPT No. of Support Lighterings	36	38	64	95	182
SPT Tanker Operating days	660	771	1259	1,520	2750
SPT Daily lightering volume (bbls/d)	972,000	1,009,000	894,000	1,070,000	990,000
SPT Share of US Seaborne Crude Imports	13.2%	12.6%	11.9%	12.7%	11.8%
SPT Contract coverage Full Service Lighterings (COA/Total)	73%	79%	69%	80%	76%
IMS Share price (end of each quarter/year - NOK)	64	53	64	53	54
Average of daily share price	62	40	60	35	44

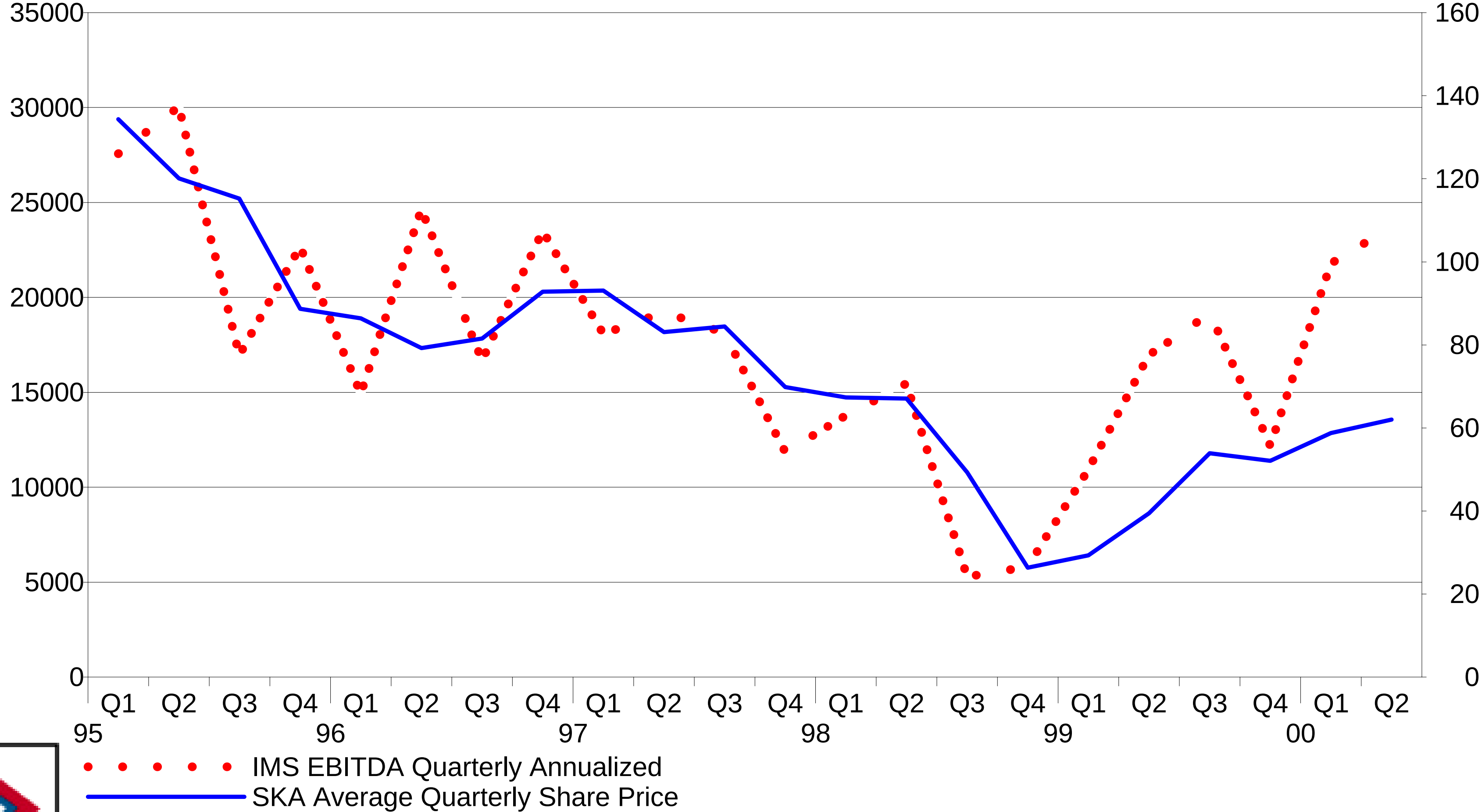
Key Points 2Q 2000



- Significant improvements in cost since low cycle '92/'93.
- Low cycle in 1999 at a higher level than in 1993
- Sizable growth in earnings in 1H00
- EBIT break-even presently at USD 242,000/vessel/month
- The goal for 2000 is a EBIT break-even level of 236,000.
- Earnings/month/vessel in 1H00 was 44% higher than 1H99

Key Points 2Q 2000

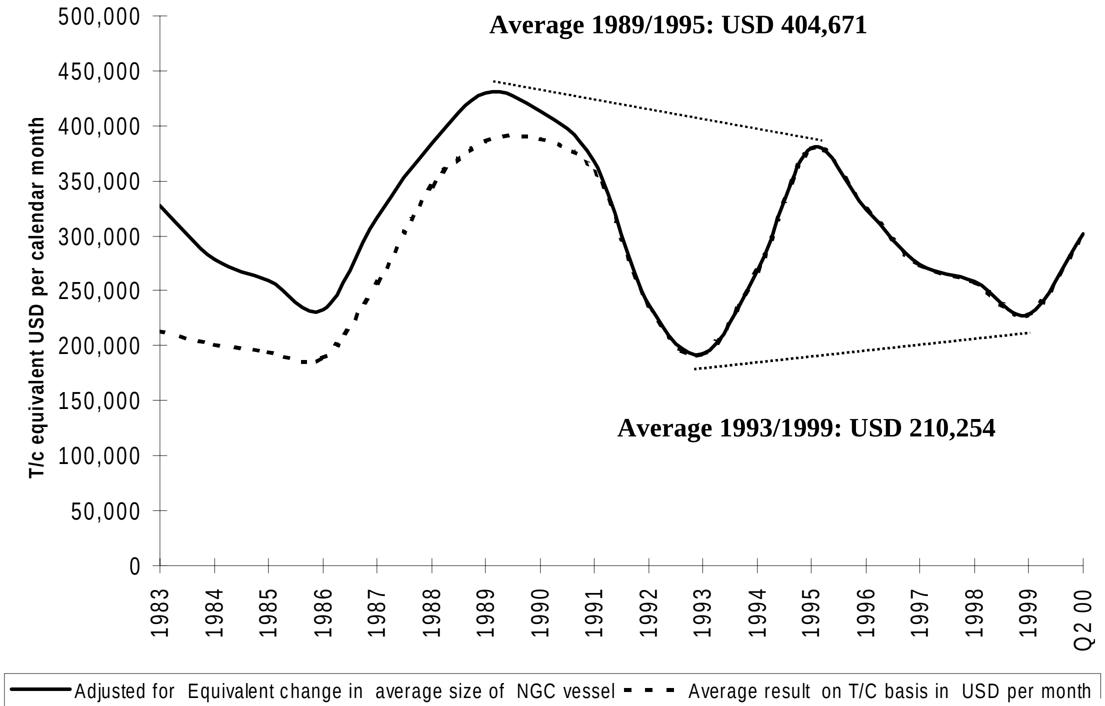
SKA Shareprice (NOK) and IMS Quarterly Annualized EBITDA (USD)



Key Points 2Q 2000

NGC Pool Earnings on T/C Basis

"Norgas Average" monthly timecharter equivalent 1983 – 2Q 2000, Nominal amounts



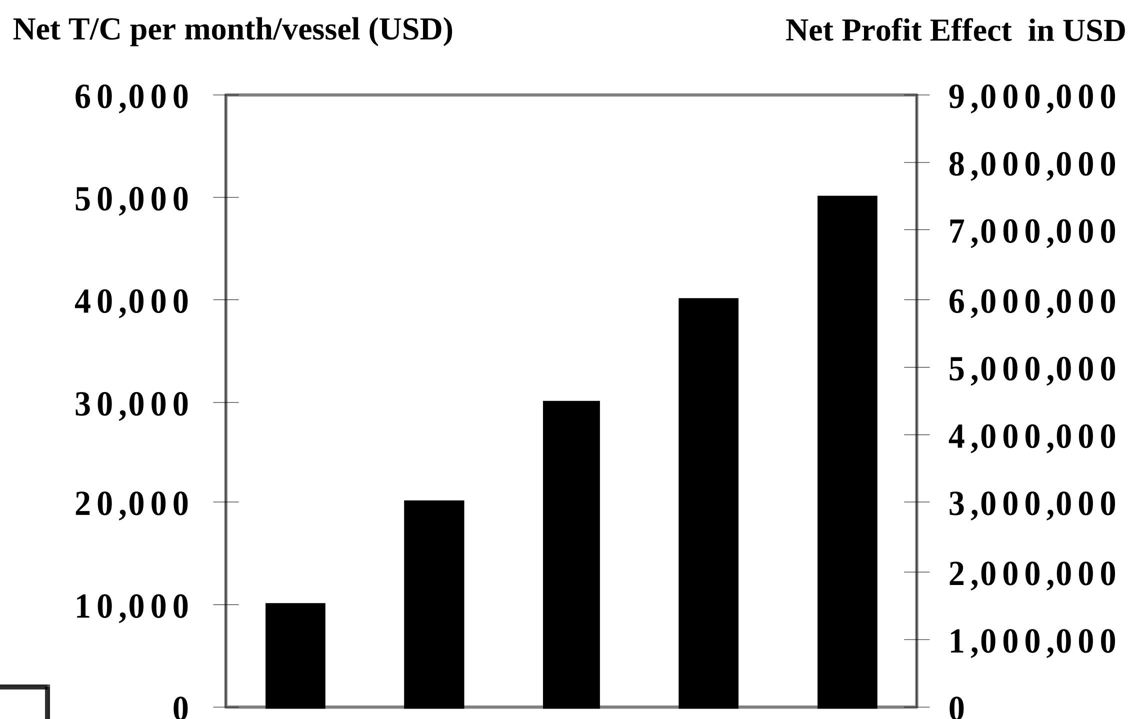
	Adjusted for Equivalent change in average size of NGC vessel	Average result on T/C basis in USD per month
1983	327,720	213,840
1984	278,320	201,600
1985	259,052	194,400
1986	232,508	189,360
1987	315,940	257,760
1988	384,305	345,360
1989	429,806	386,250
1990	413,049	388,440
1991	367,030	357,300
1992	236,873	234,240
1993	192,508	192,920
1994	268,742	268,742
1995	379,537	379,537
1996	323,890	323,890
1997	273,806	273,806
1998	258,384	258,384
1999	228,000	228,000
Q1 00	298,000	298,000
Q2 00	302,000	302,000

Years	*Average adjusted for Equivalent change in average size of NGC vessel*	*Average result on T/C basis in USD per month*
1983 - 1999	**304,086**	**276,108**
1992 - 1999	**270,218**	**269,940**
1994 - 1998	**288,727**	**288,727**

- **Average of the high and low: USD 307,463**
- **Average of the period 1989 -1999: USD 307,456**

Key Points 2Q 2000

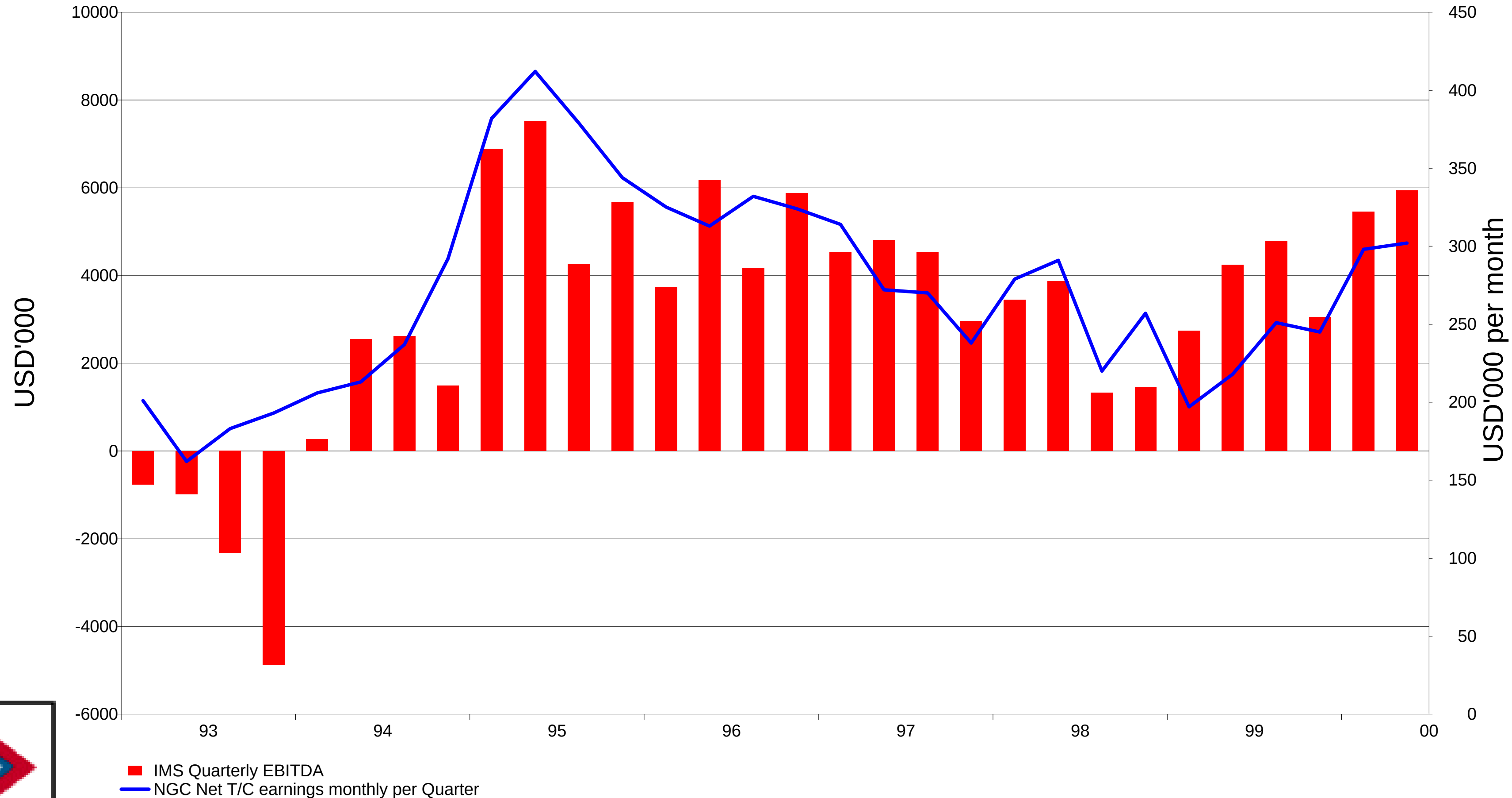
NET T/C TO PROFIT - THE OPERATIONAL GEARING IS HIGH:
EFFECT OF CHANGE IN MONTHLY T/C EARNINGS ON THE YEARLY NET PROFIT



- An increase in the net t/c earnings of USD 10,000 per vessel per month equals a bottom line effect of USD 1.5 mill.

Key Points 2Q 2000

Improved EBITDA for NGC relative to its net income on T/C basis - this is due to improvements in our cost position and improved markets



Key Points 2Q 2000

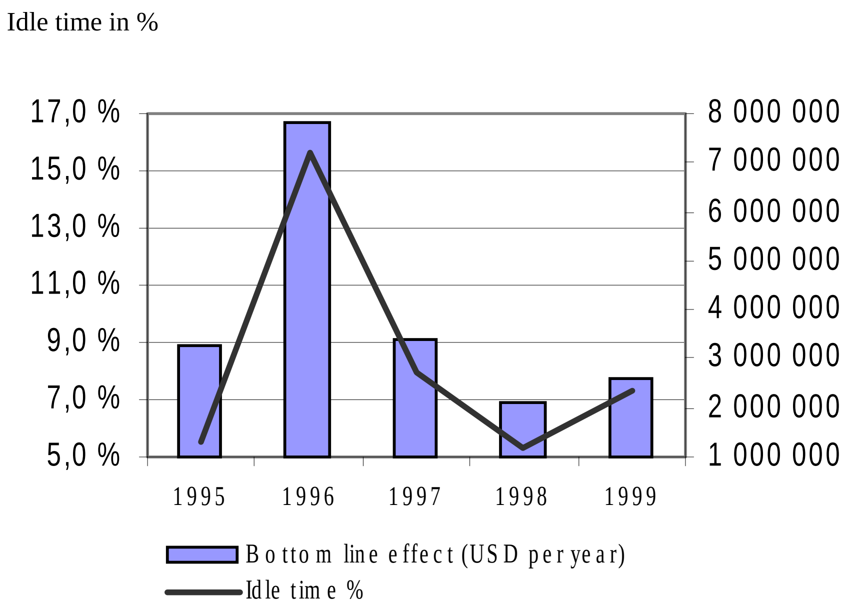
NGC: Market rebound and Consolidation

- NGC posted average earnings on a time charter basis in 2Q00 of USD 302,000 per month/vessel compared to USD 298,000 for 1Q00 (USD 218’ in 2Q99 and USD 228’ average in 1999).
- Our accounting policies for revenues caused somewhat weaker earnings in June due to the Norgas Discoverer incident late June for this ship and the Norgas Voyager being used as standby rescue vessel. 3Q00 is expected to show further improvements in the earnings for the NGC vessels.
- Bunker costs are still high due to the high oil prices.
- The NGC segment earnings on an EBITDA basis were MUSD 5.3 for 2Q00, accumulated MUSD 10 (MUSD 1.4 for 2Q99 and MUSD 1.4 for 1H99).
- The stronger EBITDA result is on the same level as 2H95 – a point in time when we experienced the last peak of the cycle and with average t/c earnings at a higher level and at USD 361,000 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.

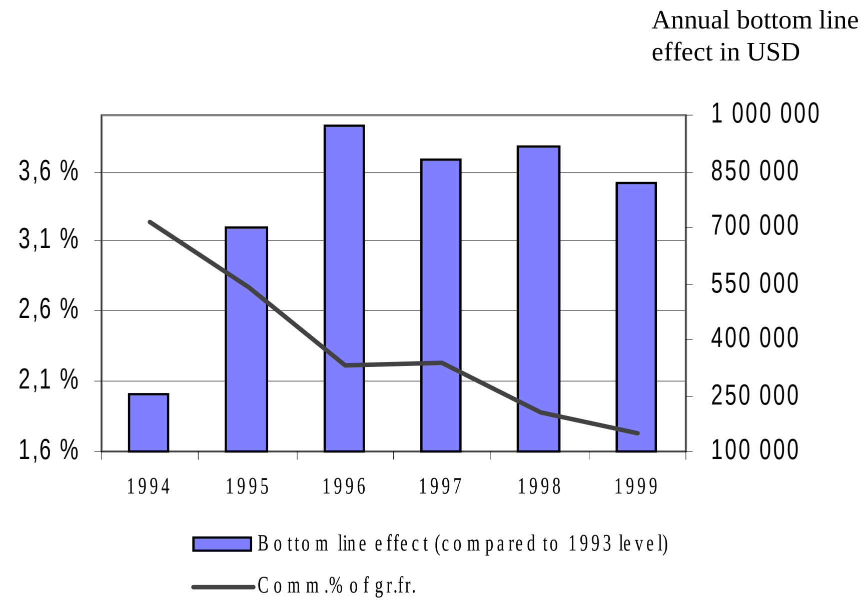
Key Points 2Q 2000

Reduced idle time and commission costs

NGC POOL, IDLE TIME*



ALL COMMISSIONS* PAID BY NGC IN PERCENT OF GROSS FREIGHT AND DEMURRAGE



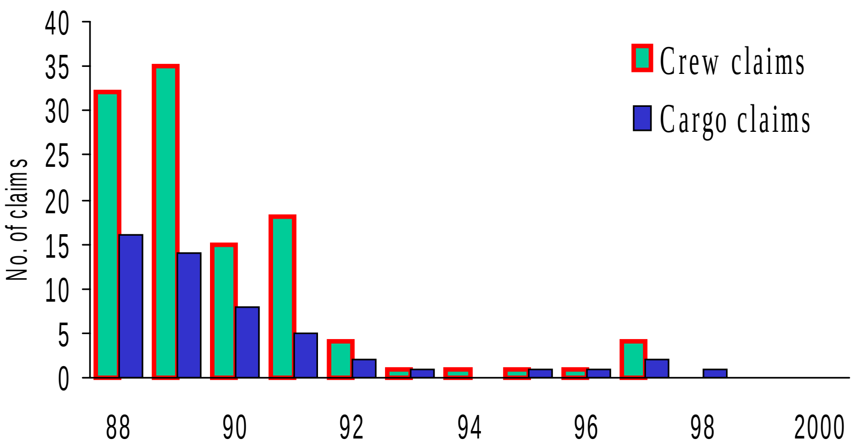
**idle time commenced recording from Jan '95 and onwards*

**(incl. address commissions paid to customers)*

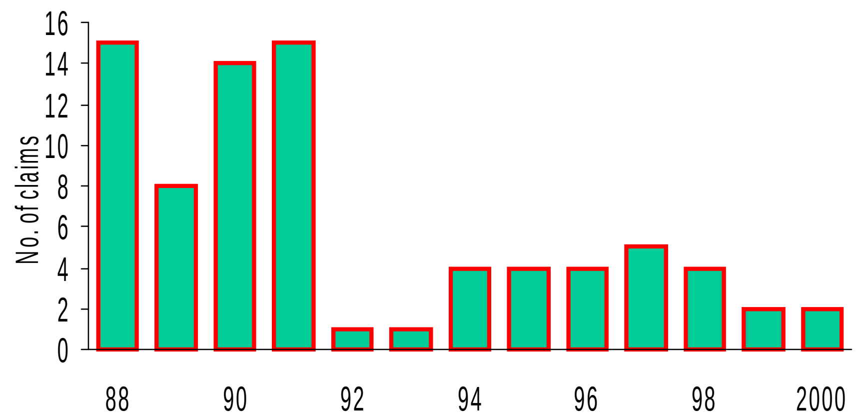
Key Points 2Q 2000

NGC - Focus on efficiency and quality of operation

P&I Insurance Claims



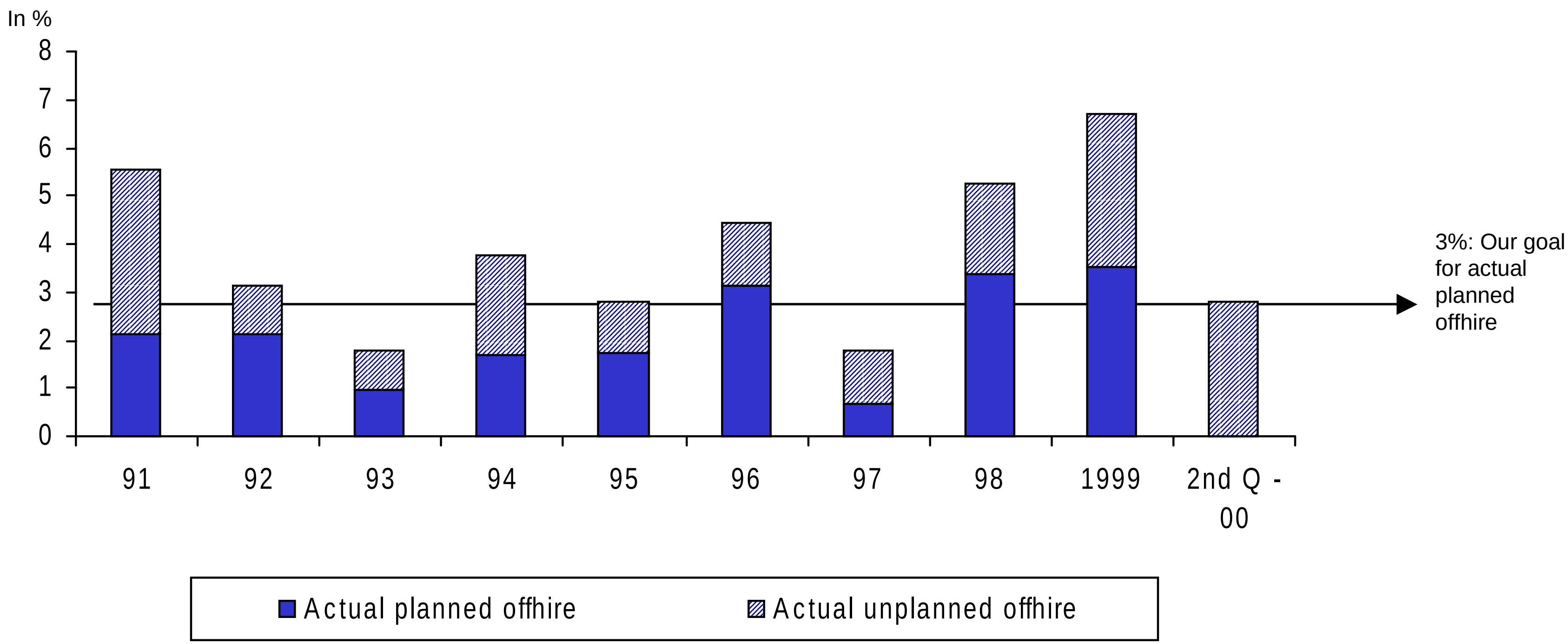
H&M Insurance Claims



Key Points 2Q 2000

Planned and unplanned offhire - in % of capacity per year

- The Trend for unplanned offhire is good - the planned take somewhat more time due to our new policy for choosing drydocking locations.



Number of Dry-Dockings:

1991	1992	1993	1994	1995	1996	1997	1998	1999
3	4	5	10	3	9	2	8	5

Key Points 2Q 2000

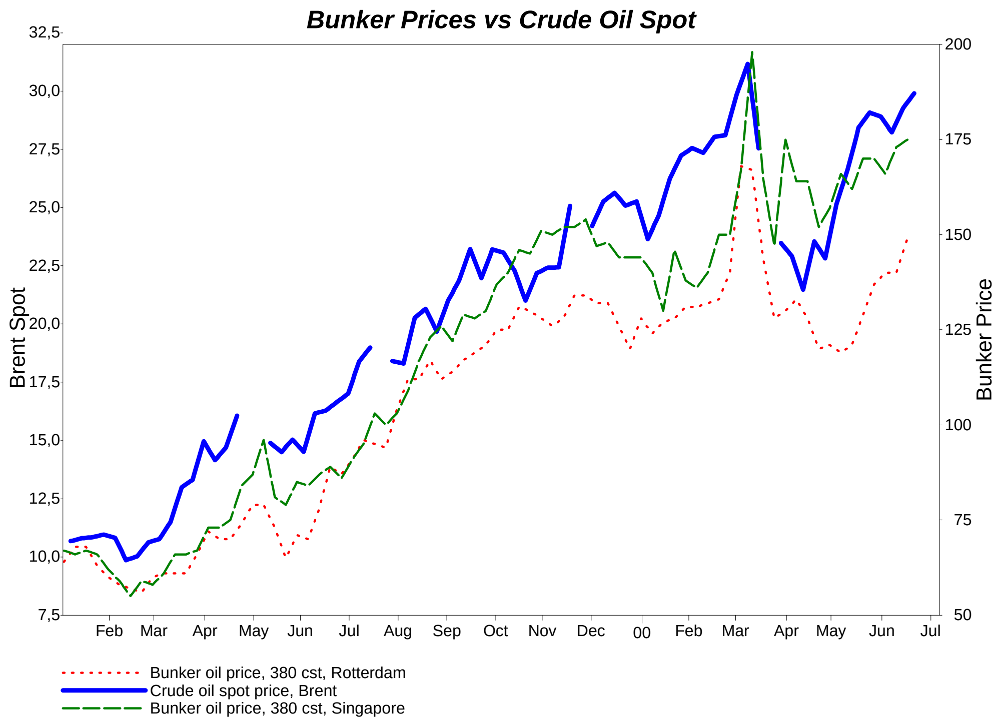
NGC Market Outlook:

- General improvement in the business environment for most of our customers in the petrochemical industry.
- Important contributors to the increased demand for transportation have been improved freight volumes, the European longer haul imports and also finally the effects of the consolidation in the smaller gas carrier segment in 4Q99.
- However, based on certain other owners' results from their gas carriers in this segment and the results of the larger chemical carriers operators - (many of these chemical carrier companies serving the same industry and customers as NGC), the recovery does no longer look to us like a clear "history repeats itself scenario" as we may have suggested in our 1Q00 report.
- It maybe more of a gradual overall recovery rather than a steep recovery from the low in 1H99 to a peak 18-24 months later.
- An increase in demand for transport of petchem gases is further backed by an external forecast commissioned by us which predicts that longer-haul trade pattern will again increase as Europe will rely more on longer haul imports and demand will continue to increase in Asia.

Key Points 2Q 2000

Oil prices are up 195% since the beginning of 1999. Bunker prices are up 161% in the same time period.

- Oil prices remain at high levels. OPEC has agreed to keep prices in the ranges of $22-28. The average price during 2Q00 has been $26,7. Bunker prices are following the same trend as Crude Oil with high prices and low supplies.
- The longer term outlook for Bunker Prices depends on the actions of OPEC. At the OPEC meeting at the end of June OPEC agreed to increase production but it is not expected to have a dramatic impact.



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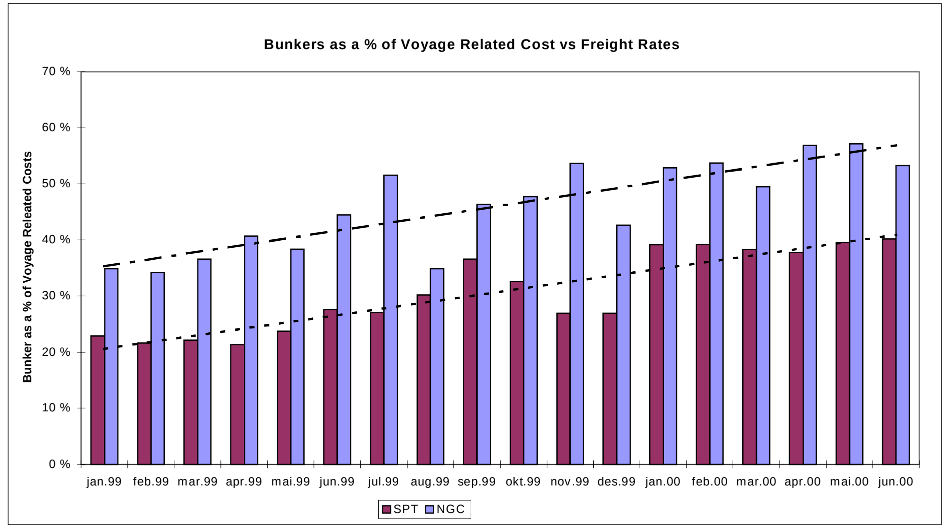
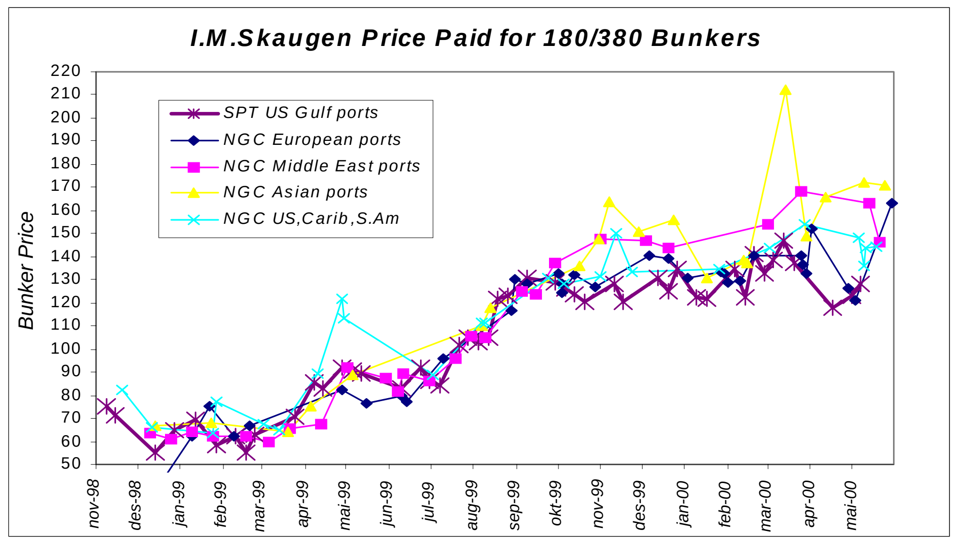
Key Points 2Q 2000

Fuel prices are continuing to squeeze the shipping industry

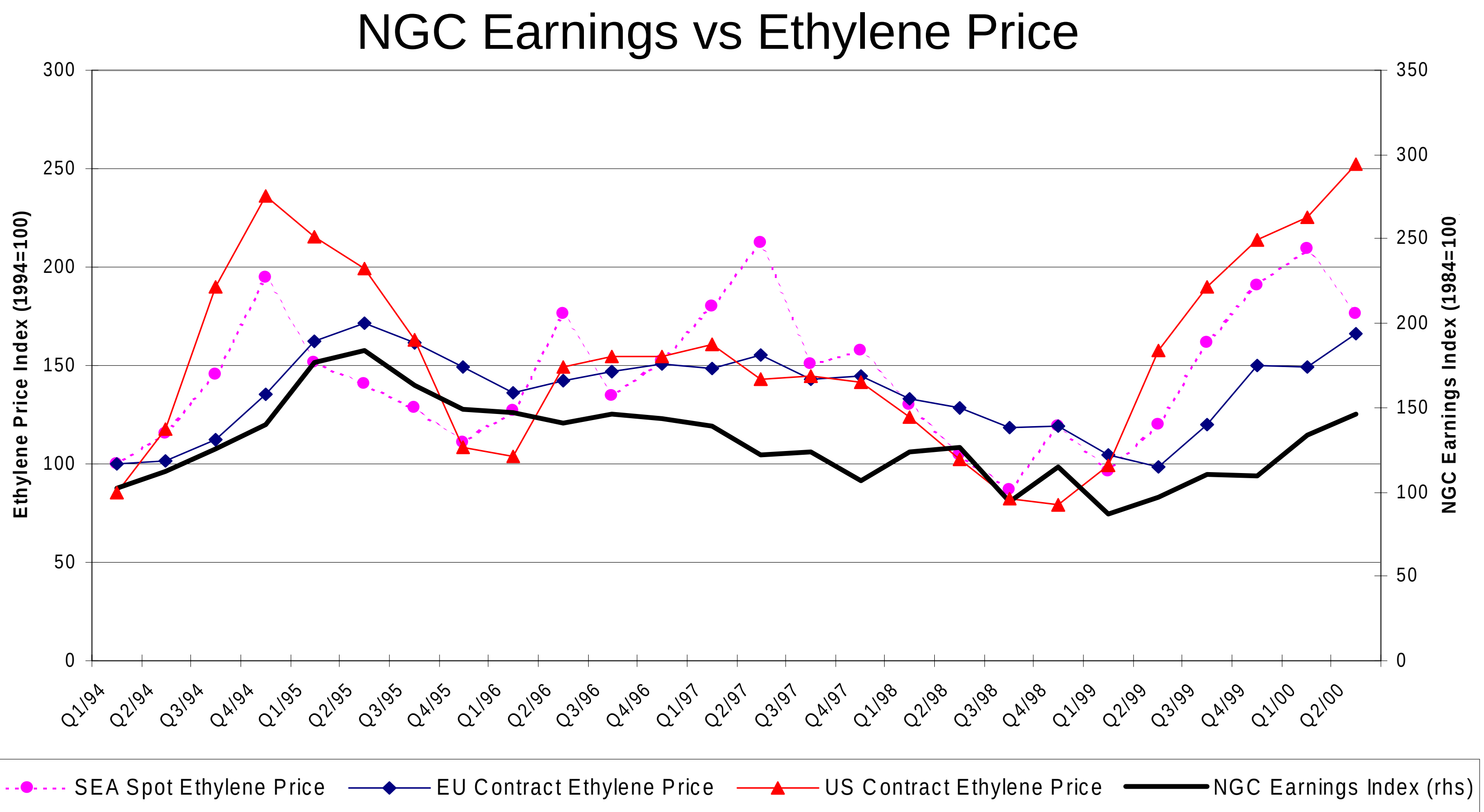
- During 2Q00 Bunker Costs were for SPT, the same as 1Q00, 39% of the Voyage Related Costs compared to 24% for the same period in 1999.
- For NGC bunkers are consuming 4% more of the Voyage Related Costs than 1Q00. In the NGC Pool, Bunker Costs where 56% of the voyage Related Costs as compared to 41% for the same period for last year.





Key Points 2Q 2000

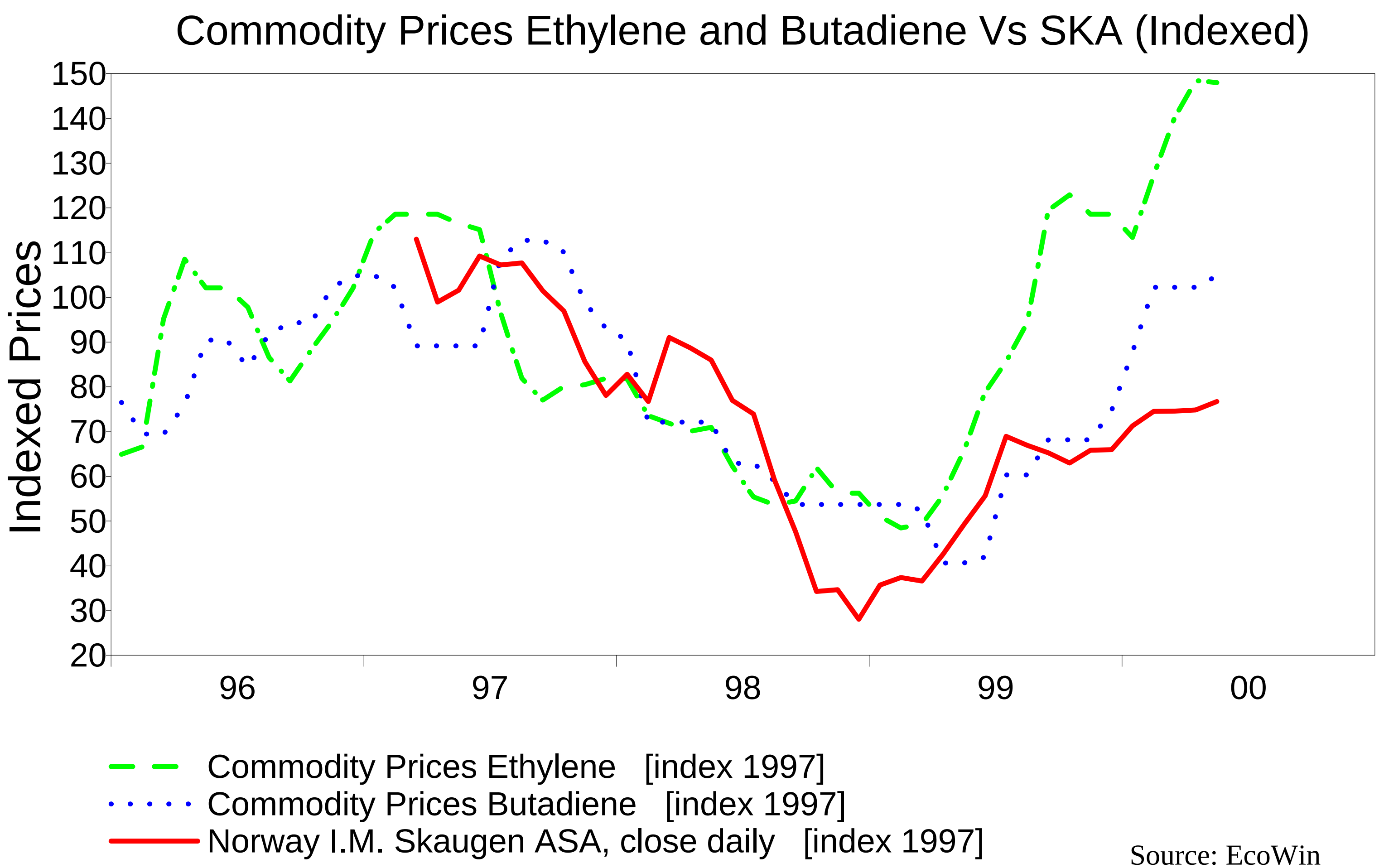
NGC Earnings and ethylene price: close correlation



Source: DeWitt ethylene report, NGC

Key Points 2Q 2000

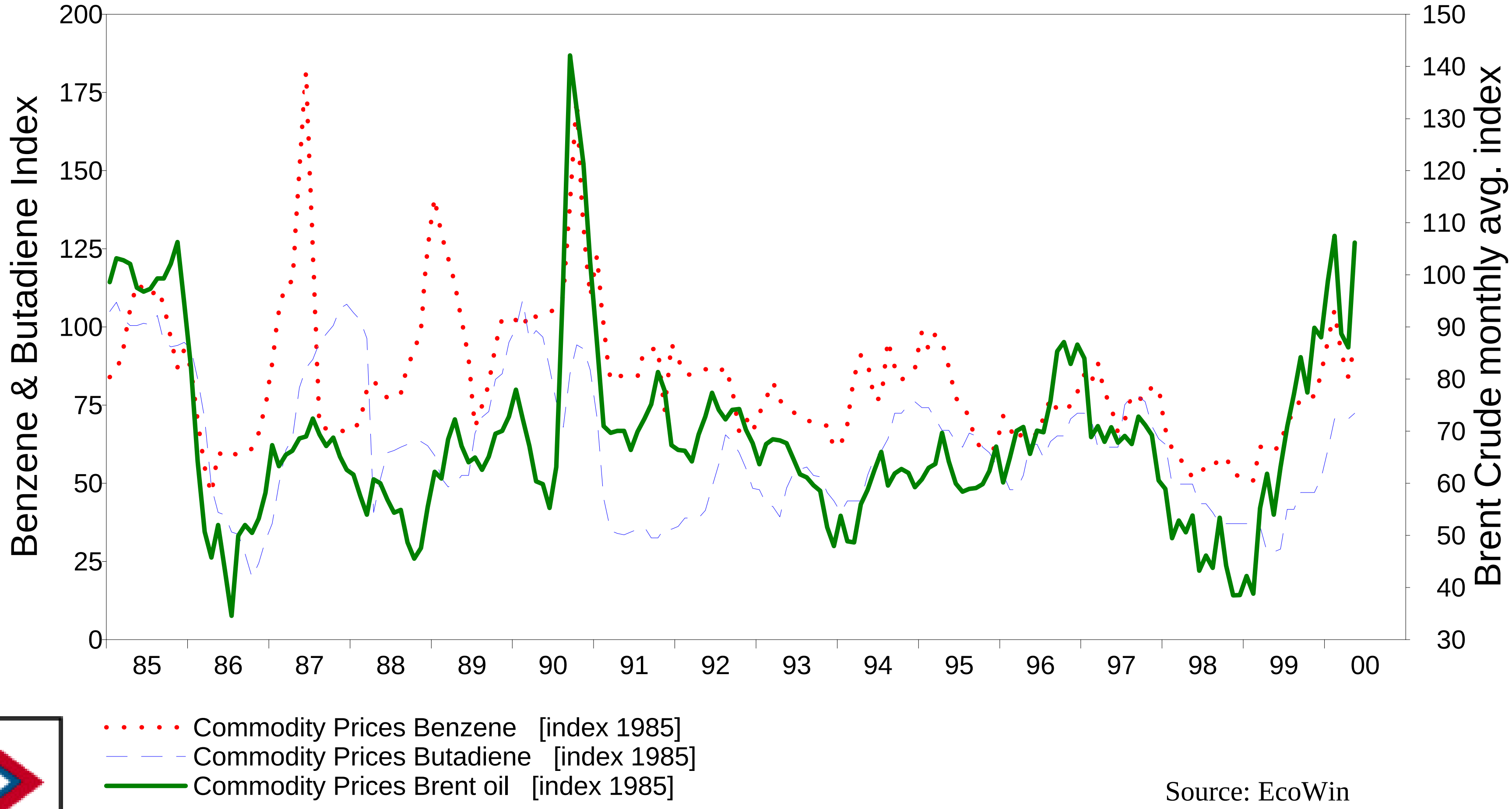
The SKA share follows the same trend as key commodity prices



Source: EcoWin

Key Points 2Q 2000

Commodity prices remains high due to the sustained high crude oil price and the general economic condition in major commodity consuming countries.

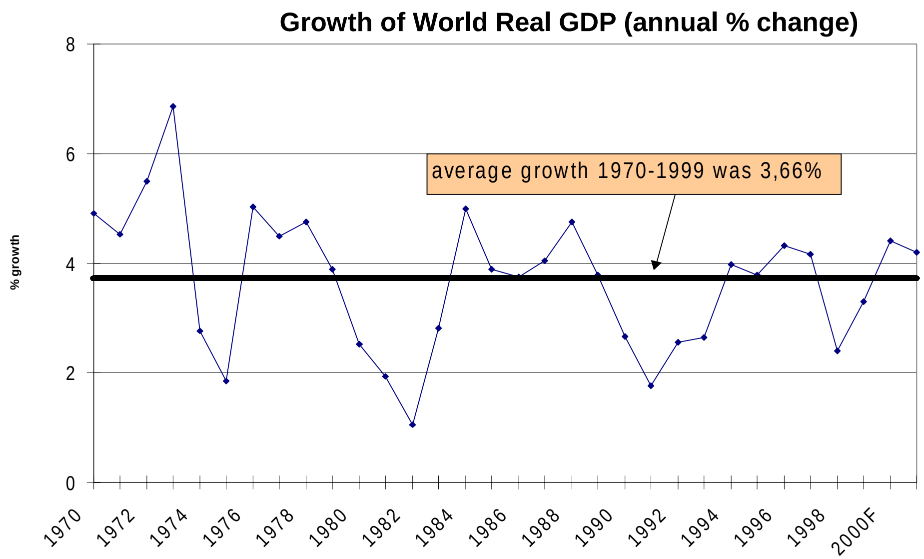


Source: EcoWin

Key Points 2Q 2000

Global Growth outlook

- The latest research from Goldman Sachs forecasts a global GDP growth of 4,6% this year and 4,2% in 2001.The below graph shows global GDP growth from 1970 to 1999, with forecasts until 2001. The graph is based on IMF historical figures, and Goldman Sachs forecasts.



	Real GDP Growth				
	1997	1998	1999	2000F	2001F
Global growth	4.2%	2.4%	3.3%	4.6%	4.2%
OECD	3.2%	2.5%	2.8%	3.8%	3.4%
EMU 11	2.2%	2.8%	2.3%	3.4%	3.3%
ASEAN	3.6%	-9.6%	2.6%	4.7%	5.0%
Asian NIEs	5.9%	-2.6%	7.7%	6.8%	6.0%
Emerging World	5.8%	1.6%	4.1%	5.5%	5.4%
USA	4.5%	4.3%	4.1%	5.1%	3.9%
Japan	1.6%	-2.5%	0.2%	2.2%	3.2%
Germany	1.8%	2.2%	1.5%	2.7%	2.6%
France	2.0%	3.2%	2.9%	3.7%	3.5%
Italy	1.5%	1.5%	1.4%	2.8%	2.9%
United Kingdom	3.5%	2.2%	2.1%	3.0%	2.4%
Canada	4.0%	3.1%	4.2%	4.6%	3.4%
China	8.8%	7.8%	7.2%	7.5%	7.5%
Russia	0.9%	-4.9%	3.2%	5.0%	3.5%

Source: GS Research/IMF

Key Points 2Q 2000

- European and Asian demand will rise further in 2000.
- Major capacity additions coming on-stream may temporarily halt the improved petchem profitability before progress towards the expected new peak of the cycle in 2003-2004.
- Asia will re-emerge as the key demand centre.
- More than half of all new petchem project investments will be in Asia

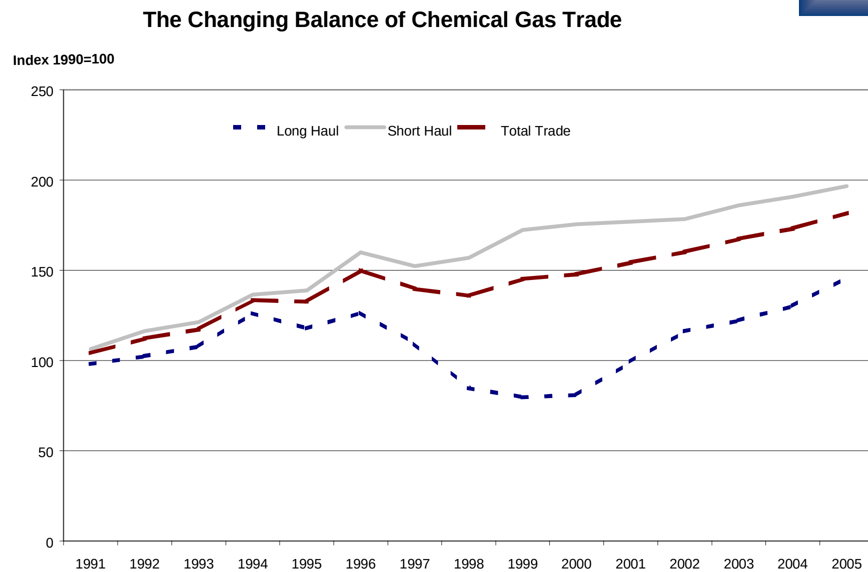
Ethylene Capacity Additions by Region (000tonnes)

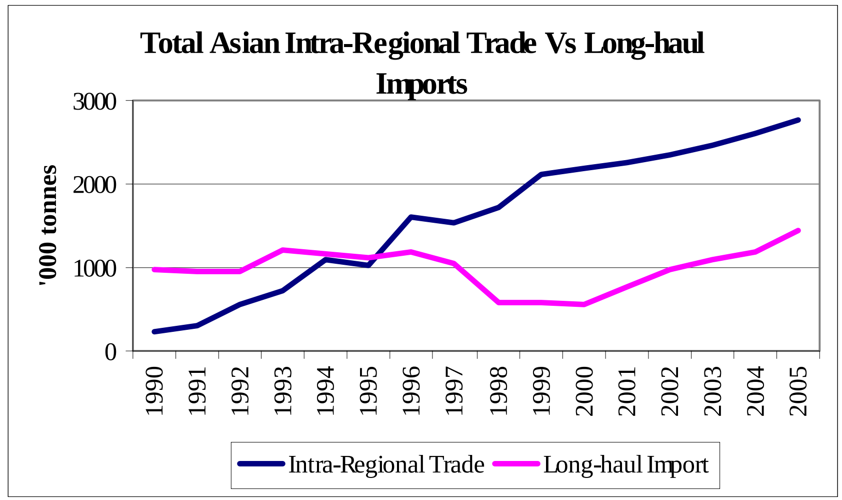
Planned (000tonnes)	2000	2001	2002	2003	2004
Asia	2420	900	500	600	-
W.Europe	510	930	220	-	-
FSU	140	340	-	-	-
Middle East	1600	1120	500	-	-
North Africa	700	-	-	-	-
Americas	3772	850	1000	1550	-
Other/not incl. above	-	-	100	1650	9000

Source: MSI April 2000

Key Points 2Q 2000

- Total chemical gas trade growth is estimated to grow by 6% (10,3mnt) - led by the Asian recovery.
- The upturn masks the continuing shift in trade pattern from long-haul to short-haul – long haul is down 33% from 1995 at 16% of total trade.

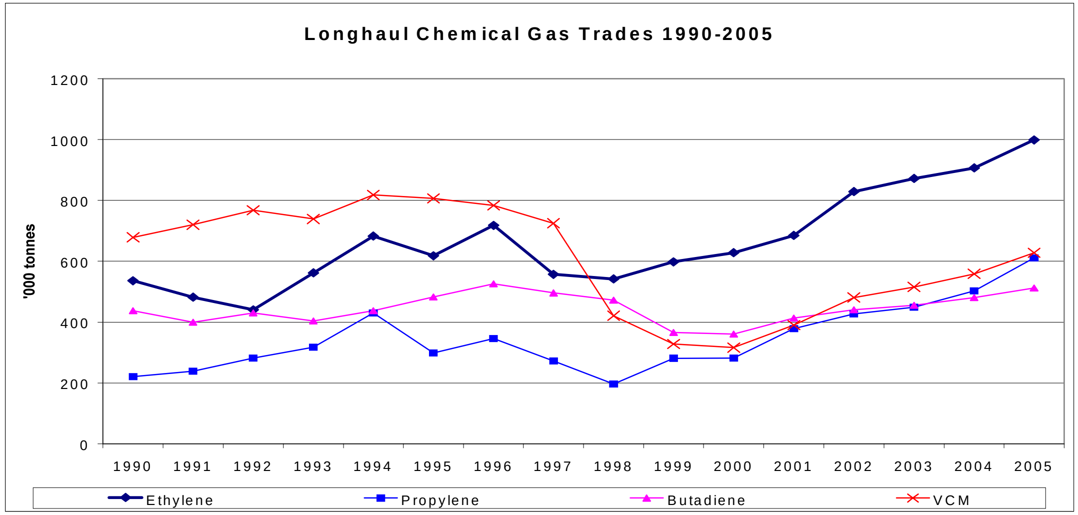




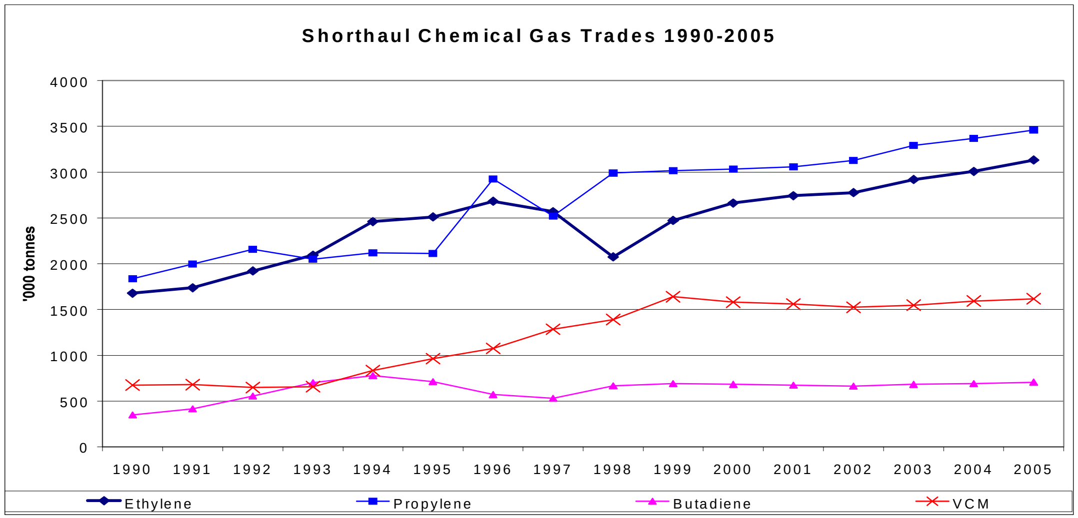
Source: MSI April 2000

Key Points 2Q 2000

- Volumes on key longhaul routes declined further in 1999 and are now around 2/3 of their peak in 1995.



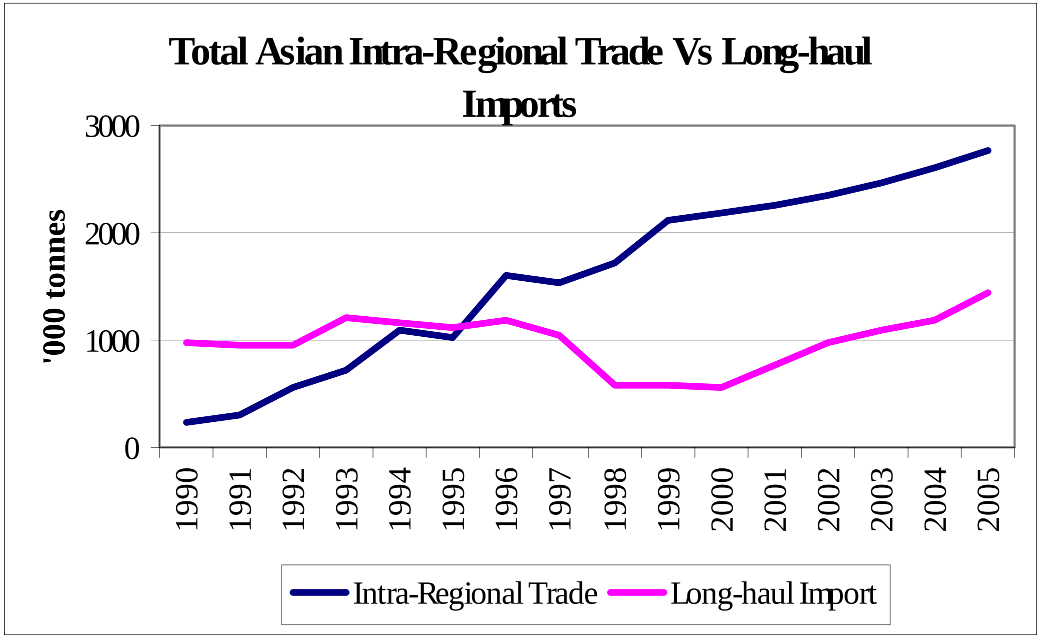
- Conversely, short-haul movements reached an all-time high in 1999



Source: MSI April 2000

Key Points 2Q 2000

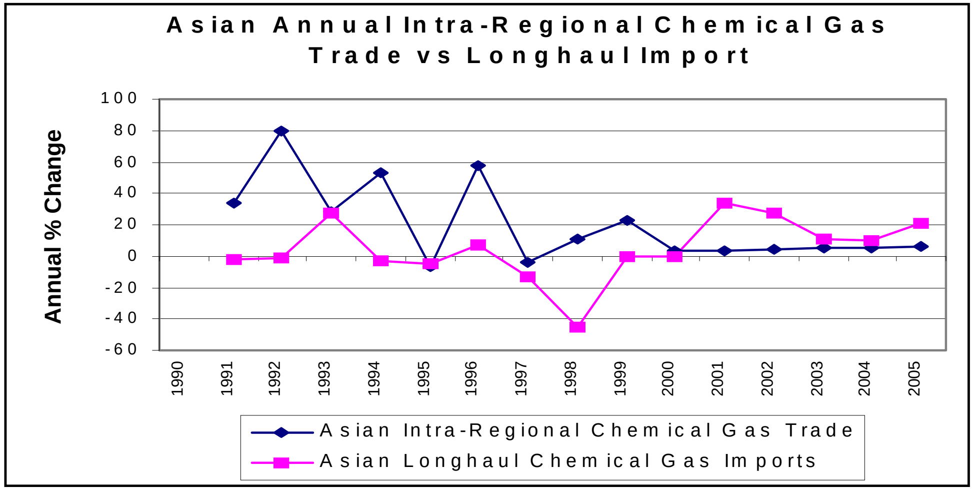
- Asia's growing self- sufficiency further erodes the need for long-haul trade, but the segment will remain a significant contributor to the gas carrier demand in the region.
- Asian trades will account for 70% of all trade growth over the next six years.
- MSI also predicts that Ethylene trade volumes will more than double by 2010 as recovery in SEA gains ground.



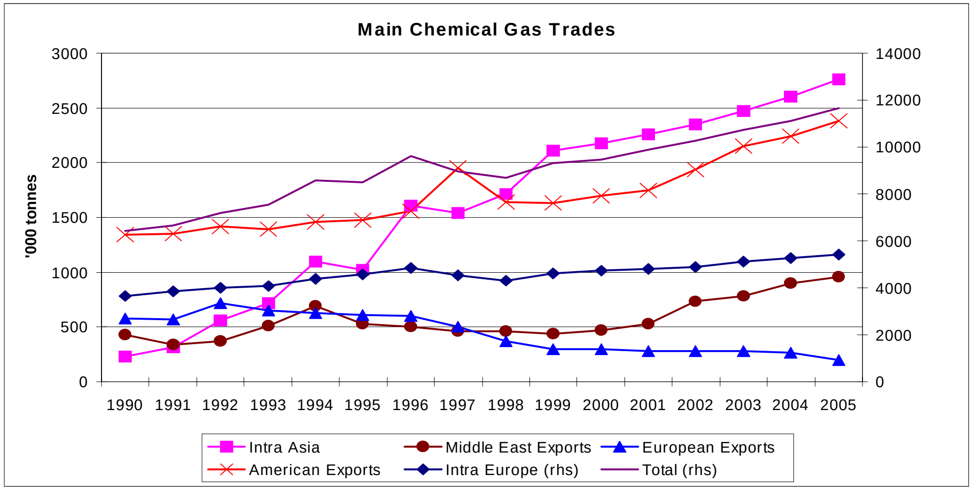
Source: MSI April 2000

Key Points 2Q 2000

- The low rate of growth in Asian intra-regional trades continues as regional petrochemical companies struggle with high debt and losses accumulated during the late 1990's recession
- MSI accordingly predicts longhaul imports will re-emerge



- The main trade routes are summarised indicating the strong recovery in the longhaul trades over the forecast period



Source: MSI April 2000

Key Points 2Q 2000

- Worldwide seaborne LPG exports in 1999 were up 2,1% from 1998.
- Focus of new production shifted from Middle East to Africa, following OPEC's quotas.
- Shipments to the two main importing regions Europe and Asia regained momentum, with China leading the way with 17% growth.

Worldwide Seaborne LPG Exports (Mn tonnes)

	1997	1998	1999
Middle East	24,9	25,4	24,9
Asia/Pacific	5,3	5,0	4,9
Africa	5,5	6,8	8,3
North Sea	7,1	6,7	6,7
Nth America	0,9	1,0	1,0
Sth America	2,0	2,1	2,2
Russia	0,1	0,1	0,1
Total	**45,8**	**47,1**	**48,1**

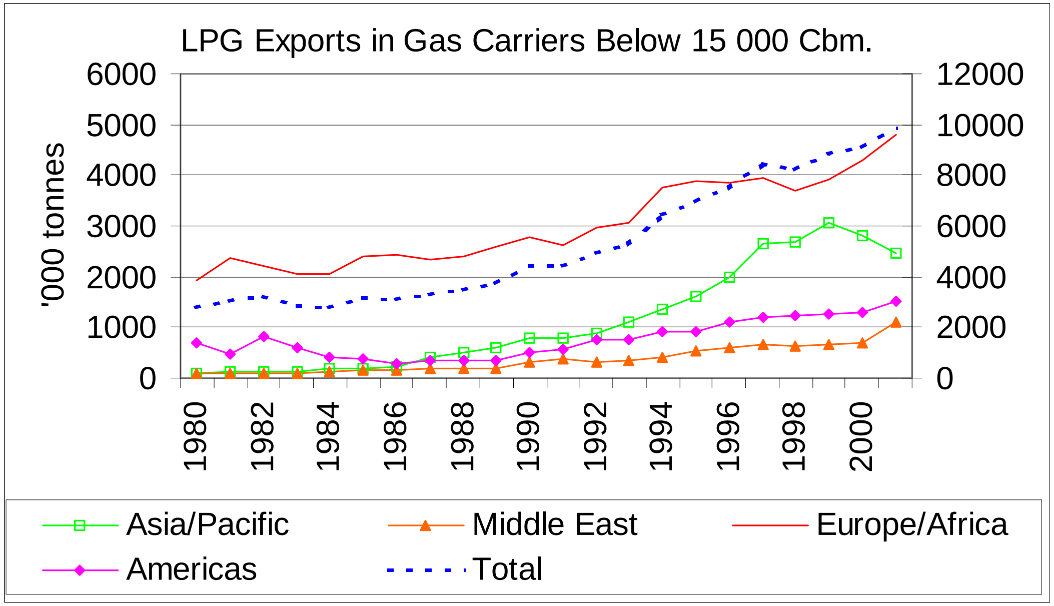
Worldwide Seaborne LPG Imports (Mn tonnes)

	1997	1998	1999
Middle East	0,1	0,1	0,1
Asia/Pacific	25,2	24,6	26,1
EEA	9,1	9,3	9,7
Turkey	2,0	2,3	2,6
Africa	1,0	1,2	1,5
USA	1,9	3,0	1,5
Mexico	0,8	0,7	0,7
S. America	5,1	4,8	5,4
Total	**45,2**	**46,0**	**47,3**

Source: MSI April 2000

Key Points 2Q 2000

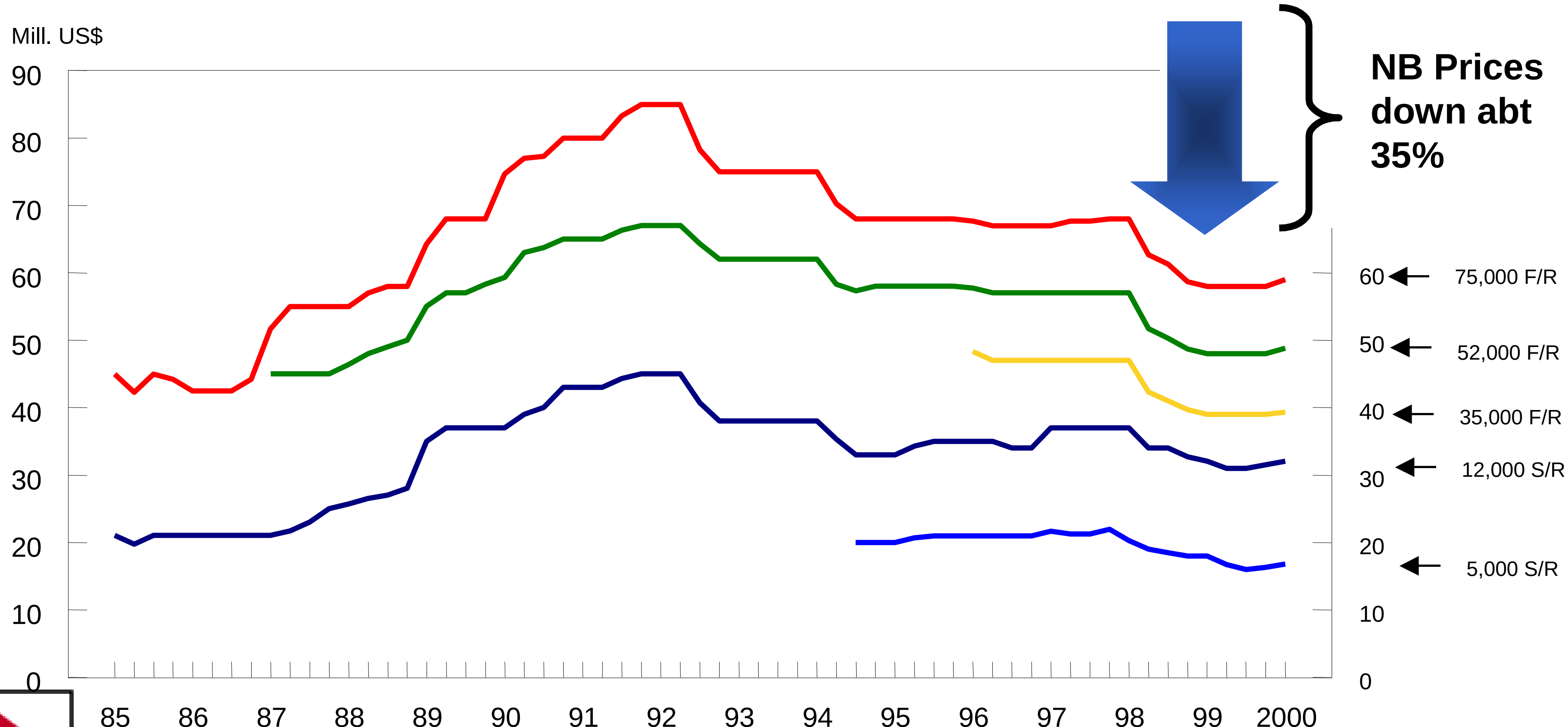
- MSI predicts further growth in LPG trade in the coming ten years with average annual growth of 1,8%. Supply growth will be driven by North and West Africa, and demand growth focused on China and India.



Source: MSI April 2000

Key Points 2Q 2000

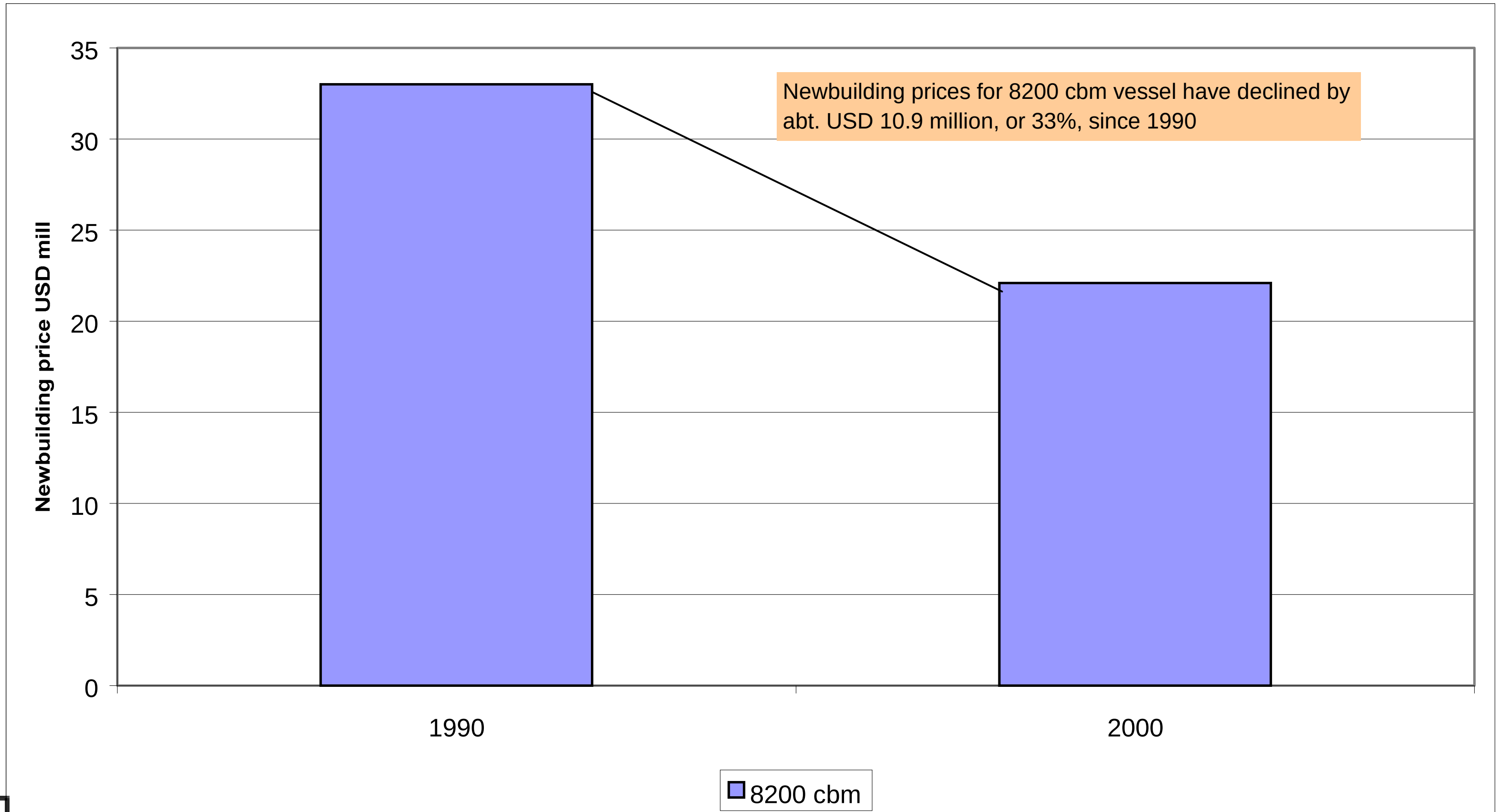
Newbuilding prices for gas vessels have over the last 5 years declined about 35%, and it is believed that this declining trend has now stopped and that such prices may increase somewhat again.



Source: R.S. Platou Economic Research a.s

Key Points 2Q 2000

Newbuilding prices



Key Points 2Q 2000

SPT: Weak results this quarter, but positive outlook

- EBITDA result of MUSD 1.2 in 2Q00, accumulated MUSD 2.6 in 1H00 (MUSD 3.5 in 2Q99 and MUSD 7 in 1H99). The result is affected by a rising cost for spot tonnage as well as high bunker prices.
- The rates for Aframax tankers we need on spot basis to cover our marginal needs have been as high as USD 40,000 per day, and it has taken time to adjust the lightering rates with our customers accordingly.
- SPT is in the process of re-pricing its services. For customers without term contracts, the new prices will mostly take effect from the beginning of 3Q00.
- The lightering volumes have increased in the recent months following the escalated OPEC production. With a continued strong US economy combined with historically low US inventories of crude oil, we expect the second half to be quite active for lightering. Nevertheless, the EBIT result for SPT will not be as high in 2000 as it was in 1999.

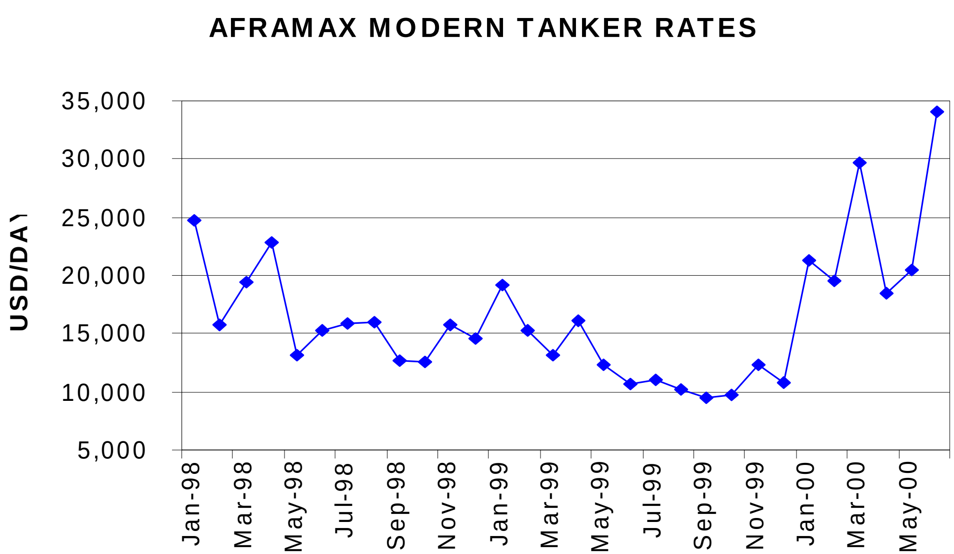
Key Points 2Q 2000

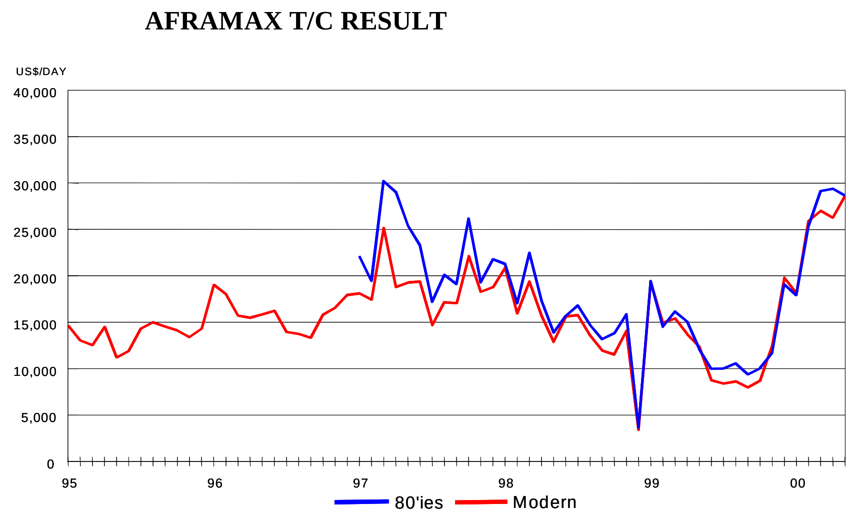
SPT: Weak results this quarter, but positive outlook

- SPT operated 660 tanker days during 2Q00, accumulated 1259 days in 1H00 (771 in 2Q99 and 2750 for all 1999), and this equals 7.3 tankers as an average during the quarter.
- We have somewhat scaled back our operations due to the present 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 satisfactory and the level of service is high, although the tight ship market has at times made it difficult to secure spot tonnage to alleviate customary delays in the lightering schedules.
- In June, SPT was for the second time in a row awarded by the US Coast Guard as the Runner Up for the prestigious “William M. Benkert Award” for their safety and environmental protection programs. This is the premier national award that recognises excellence in marine environmental protection.

Key Points 2Q 2000

Development in Aframax tanker rates





A Marine Transportation Service Company

Key Points 2Q 2000

China Activities: Unchanged result – crewing is successful and contributes to NGC's lower operating costs

- IMS' strategy in China is both to develop the market potential for gas transportation as well as establish competence to ensure an even more efficient management of our fleet in Asia.
- Two NGC vessels and two PC vessels with Chinese crew. The plan calls for all Asia fleet carriers to operate with Chinese crew.
- The current fleet replacement program for IMS and thus for NGC fleet of gas carriers could not have taken place as it has without the presence of the team we have in China allowing us to proceed on the basis of our know-how and relationships in China.
- TNGC has now innovated and penetrated into the Pentane transportation market in the Yangtze river, and it became the largest operator. This is also a higher paying cargo than LPG.
- We had one incident in TNGC in May 2000.
- TNGC relies on its various operating licenses in China to be renewed on a regular basis.

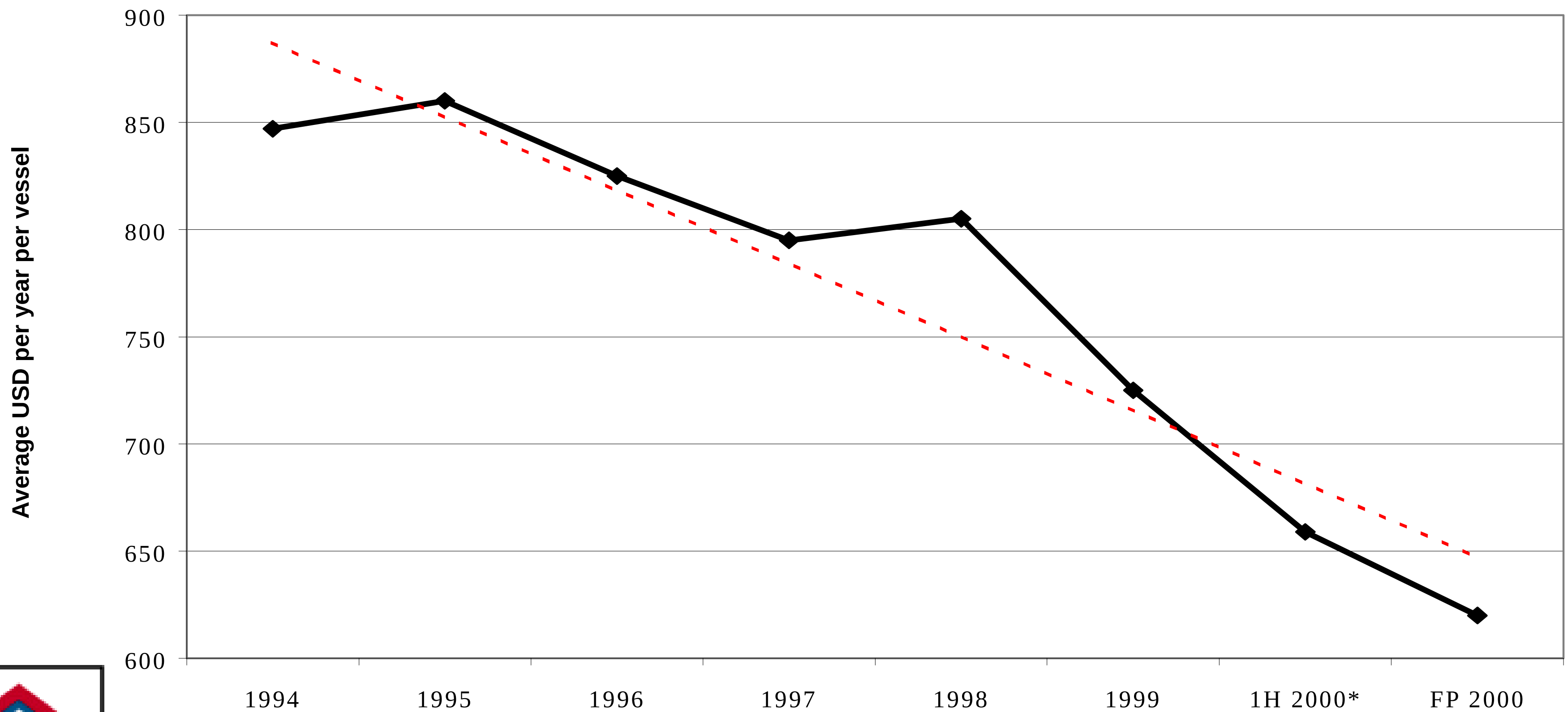
Key Points 2Q 2000

China Activities: cont.

- EBITDA result in 2Q00 was minus USD 135, minus USD 123’ accumulated (minus USD 102’ for 2Q99 and minus USD 513’ for 2H99). The slightly weaker result is mostly due to higher bunker cost and lower freight rates.
- PC reported an EBITDA result for its two units of USD 115' in 2Q00, USD 232' accumulated (USD 273’ for 2Q99 and USD 443' for 2H99).
- TNGC reported an EBITDA result in 2Q00 of minus USD 22’, minus USD 33 accumulated (USD 10’ for 2Q99 and USD 18’ for 2H99).
- TNGC results are affected by high oil prices and the high LPG prices which affect the LPG volumes imported in addition to the continued high domestic production of domestic LPG along the river.
- Three LPG barges delivered during 2Q00.

Key Points 2Q 2000

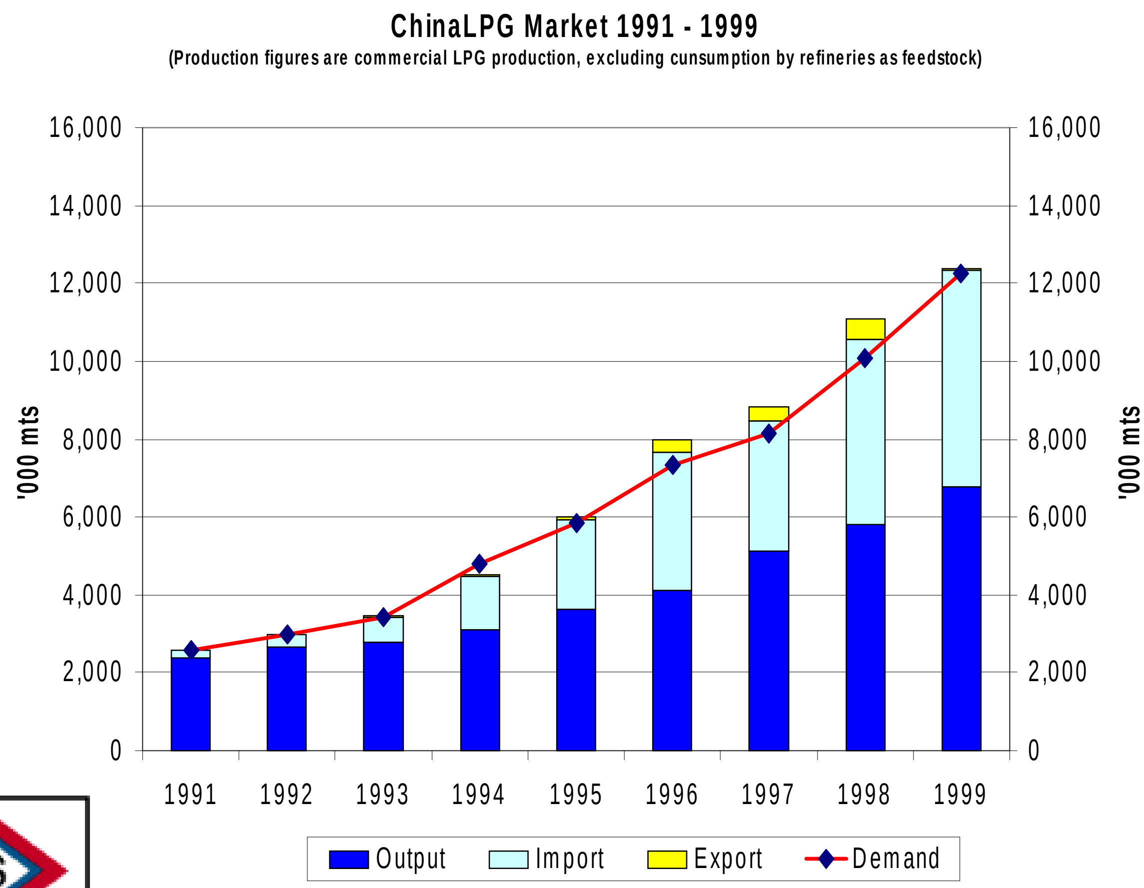
NGC Crew expenses - with our present forecast on the results from the “China Clipper” project (Based on 14 NGC vessels)



* 1H 2000 figure is annualized

Key Points 2Q 2000

The Chinese LPG market volumes are growing



- Chinese LPG demand continue its exponential growth
- Import volume is still growing, but now with a slightly slower growth rate than domestic production.

Source: Xinhua News Agency

Key Points 2Q 2000

Share write down and buy back of own shares

- The share capital has been written down with the amount of NOK 37,233,660, from 397,830,300 to 360,596,640 and effective by June 28th, and 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.
- IMS has acquired a further 97,647 shares or 1.6% at a cost of MNOK 6.5’ or NOK 66 per share after the Annual General Meeting.
- The price of IMS shares has increased 29.6% since 1 January 2000 and 6.7% in 2Q00.
- During this same period the Oslo Stock Exchange’s total index has fallen 3.6%, and the shipping index has fallen 0.3%.

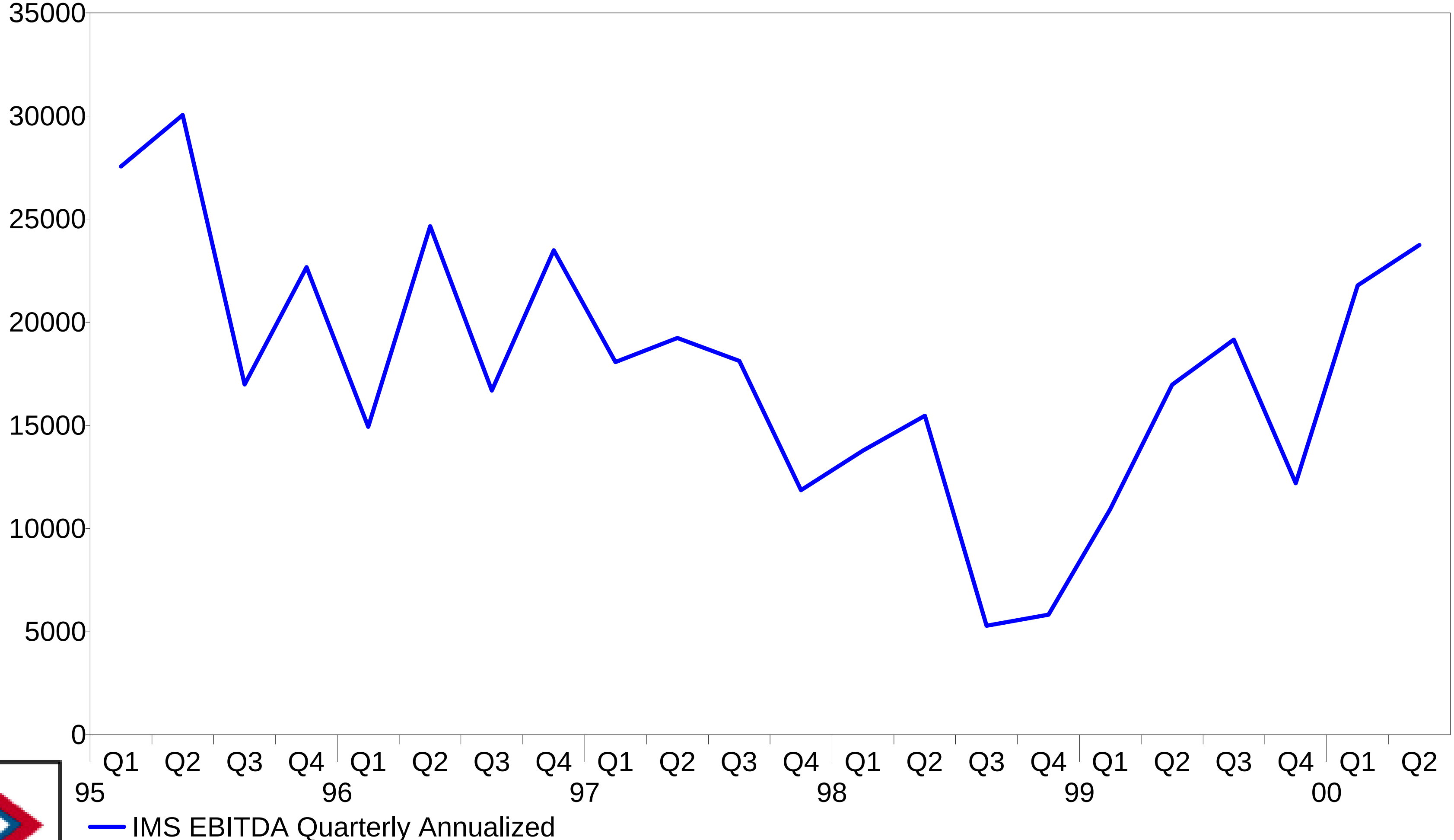
Key Points 2Q 2000

The IMS share: An EBITDA multiple model

- 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 per 1H2000 are at MUSD 23. We regard this earnings level in 1H2000 as reflecting the improved cycle for the NGC segment compared to the weaker cycle of last year.
- 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 64.
- 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 95 or MUSD 118 which equals USD 16 or USD 20 per share (NOK 135 or NOK 168) and using 6,009,944 shares.

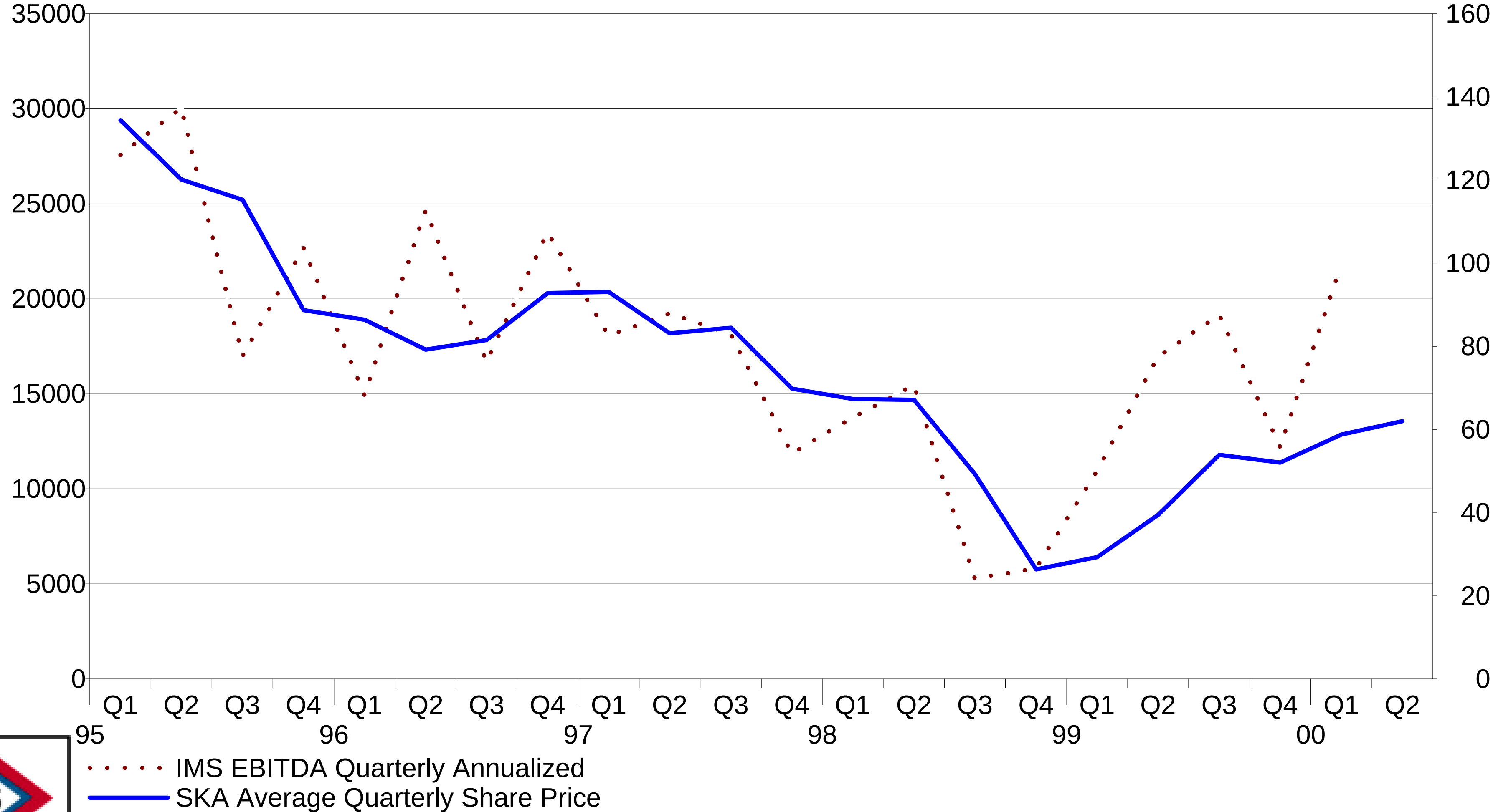
Key Points 2Q 2000

IMS Quarterly Annualized EBITDA (USD ‘000)



Key Points 2Q 2000

SKA Shareprice (NOK) and IMS Quarterly Annualized EBITDA (USD)

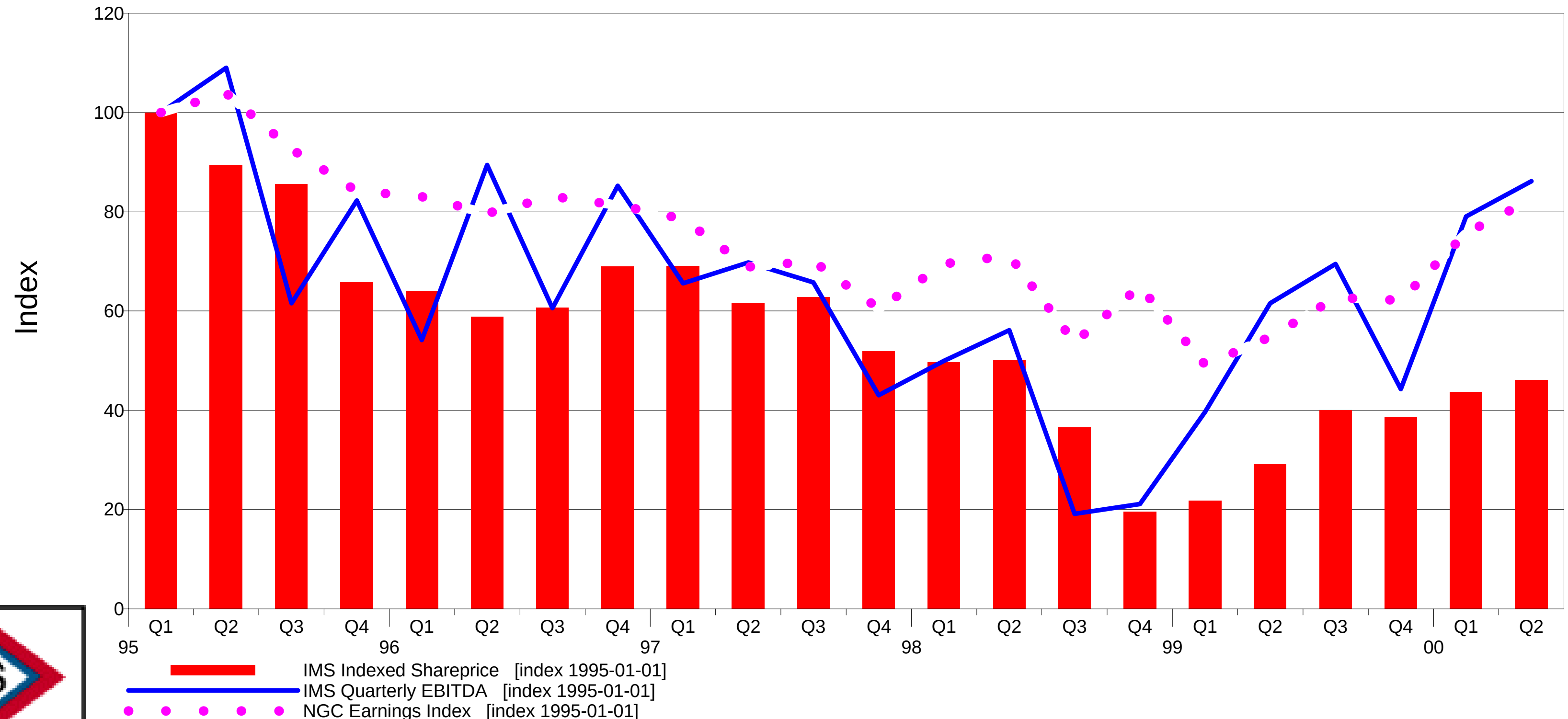


Key Points 2Q 2000

IMS share strongly under priced compared to its own history and the market

- The share price does not yet reflect our improved EBITDA earnings nor the improved earnings for the NGC vessels

IMS Share price (NOK), quarterly IMS EBITDA (USD) and NGC Earnings on t/c basis (USD). Indexed from 1Q95 - 2Q00



Key Points 2Q 2000

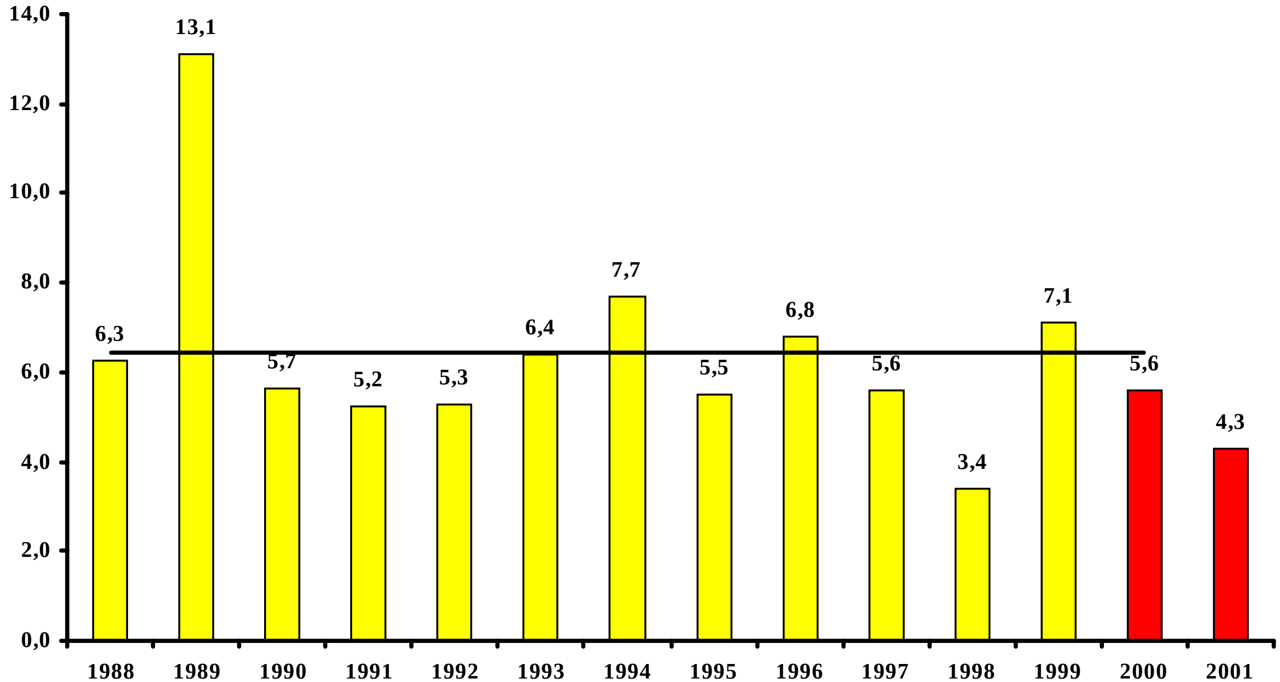
The I.M. Skaugen ASA share has outperformed major market indicies over the past 6 months

Stock/Index	December 31, 1999	March 31, 2000	June 30, 2000	Change +/- % 31.12.99	Change +/- % 31.03.00
I.M. Skaugen ASA	***54***	***60***	***64***	***18.52%***	***6.67%***
OSE Total Index	1359.6	1345.27	1373.58	1.03%	2.10%
OSE Shipping Index	973.2	962.95	962.98	-1.05%	0.00%
Dow Jones Transportation Index	2977.2	2763.24	2645.37	-11.15%	-4.27%
S&P Transportation Index	596.91	578.09	563.43	-5.61%	-2.54%
S&P Chemicals Index	526.77	445.53	375.24	-28.77%	-15.78%
S&P Oil International Integrated Index	958.36	934.67	945.8	-1.31%	1.19%

Source: EcoWin

Key Points 2Q 2000

P/CF NORWEGIAN SHIPPING SHARES (1988-01e)



- **Shipping shares look inexpensive in a historical perspective**
- **Timing?**

Source: March 2000