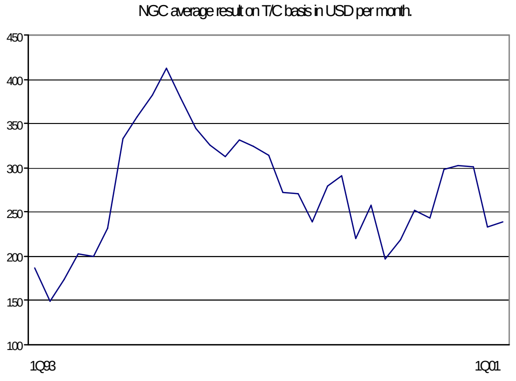
SKA – Results for 1Q01

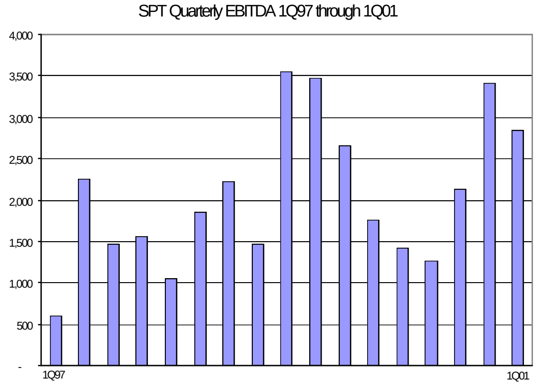
I.M. Skaugen ASA (IMS) reported a net loss of MUSD 0.2 in 1Q01 (MUSD 0.5 in 1Q00 and minus MUSD 0.5 in 4Q00). The EBITDA result is MUSD 5 for this period (MUSD 5.4 in 1Q00 and MUSD 6.6 for 4Q00).

The slightly negative earnings level trend for the Group on an EBITDA basis reflects the challenges for NGC as a result of current turbulent economic outlook in the world. We have experienced a significant drop in growth of the world wide GDP and in the industrial production in key regions since mid year 2000. These reduced growth levels, and the corresponding challenges for our customers, affects the trading opportunities and thus earning levels of NGC. This was very evident towards the end of year 2000 and has continued into 1Q01. We have however experienced somewhat improved earnings for NGC in the latter half of this period. The efforts to achieve increased efficiencies are continuing at NGC. The EBIT break even level is reduced this quarter compared to all of 2000 and we aim to record another year with a reduced EBIT break even level.

SPT had another satisfactory quarter and the two last quarters combined have been amongst the best 6 month period in the history of this company. This year as a whole looks positive and we are hopeful that these promising earning levels will continue. The China activities have basically unchanged overall results, but with an improvement in its EBITDA earnings in 1Q01.

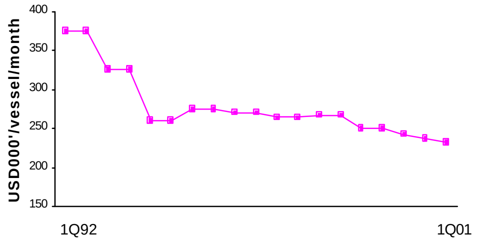
1Q01 Highlights



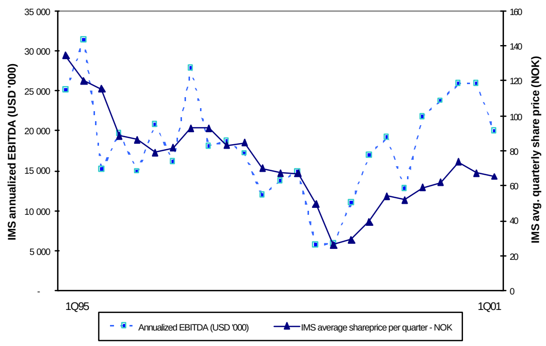


- A reduced EBITDA earning levels, resulting from the NGC drop in earnings, reflects a pre-tax loss of MUSD 0.2 in 1Q01 for the group. The Group results in 1Q99 was a profit of MUSD 0.5 and a loss of MUSD 2.3 in 1Q99.
- **SPT** continue to perform at satisfactory levels with an EBITDA-result of MUSD 2.8. in 1Q01 vrs MUSD 1.4 in 1Q00 and MUSD 1.7 in 1Q99. SPT is performing at a satisfactory earnings level during a uncertain commercial environment with fluctuating cost levels due to the volatile tanker markets.
- **NGC**: Slight improvements in t/c rates earned and at USD 238,000 per month/vessel in 1Q01 vs. USD 233,000 per month in 4Q00. A high level of idle time in 1Q01 at 10% and 13% in 4Q00.
- **NGC** - This improvement in earnings on t/c basis for our vessels vs 4Q00 reflects a slight improvement on the quite negative trend we experienced towards the end of last year and during the early part of this year. This improvement is perhaps a growing sign of overall better conditions in the world wide economy compared to what we have seen recently.

NGC: EBIT Break-even level



IMS Shareprice (NOK) and IMS Annualized quarterly EBITDA (USD)



- **NGC** - Contract for 4 new 8,400 cbm ethylene carriers with an option for six more vessels in cooperation with GATX Capital is progressing according to plan. The delivery of the first vessel will be during 1Q02 and the next two vessels during 2002 and the final in January 2003. The project and the partner we have chosen is a key to renewing the NGC fleet and further reducing our EBIT break-even level and improving service levels. NGC has a strategy to be a major provider of marine transportation of petrochemical gases and with a focus on its chief building block; ethylene
- **NGC**: EBIT B/E cost reduction progress according to our plan. The level reached was USD 232,000 against the plan of USD 226,000 per vessel per month for the full year 2001 and vs. USD 236,000 for the full year 2000.
- IMS share price maintained since 01.01.01 at a level of about NOK 65 per share. The Oslo Stock Exchange total Index (TOTX) was down 4.5 % in the same period and the OSE Shipping Index (SKIX) was up 2.1%.
- IMS paid dividend to its shareholders in the amount of NOK 2 per share in 1Q01.
- 138 347 shares or 2.3% treasury shares acquired at cost of MUSD 1 or NOK 62.50 per share has been decided amortized and written down as per the Annual General Meeting on March 8 2001. This will be effective medio July 2001. New number of outstanding shares in IMS will be 5.871.597 after this write down.
- We have on 26th February 2001 acquired a 6 month option to buy another 125,000 shares of IMS in august 2001 and at a strike price of NOK 55 per share. There has been a development that created an uncertainty on the existence of the underlying IMS shares of this transaction. This has now been clarified to us by our counterparty in the transaction. It seems evident to us that one of the two securities houses involved are now in a “short position” on these shares and have to acquire these in the general market place and before August 2001.

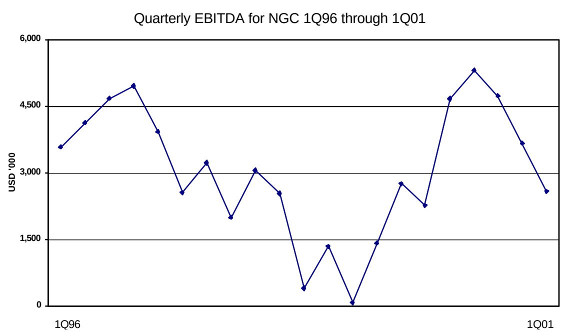
Segment information

	Consolidated**					Gas ***				
USD '000	*1Q01*	*1Q00*	*4Q00*	*2000 Accum*	*1999 Accum*	*1Q01*	*1Q00*	*4Q00*	*2000 Accum*	*1999 Accum*
Freight revenue on t/c basis	37 902	24 004	31 149	114 372	96 539	8 133	10 573	8 552	40 297	30 296
Vessels' operating cost and t/c hire	-31 931	-17 735	-23 861	-86 864	-77 636	-5 150	-5 601	-4 523	-20 712	-22 418
Unallocated administration costs	-922	-844	-685	-3 038	-3 983	-347	-313	-374	-1 244	-1 385
EBITDA*	5 049	5 425	6 603	24 470	14 920	2 636	4 659	3 655	18 341	6 493

	Lightering					China Activities				
USD '000	*1Q01*	*1Q00*	*4Q00*	*2000 Accum*	*1999 Accum*	*1Q01*	*1Q00*	*4Q00*	*2000 Accum*	*1999 Accum*
Freight revenue on t/c basis	28 894	12 852	21 857	71 600	63 352	875	579	740	2 475	2 891
Vessels' operating cost and t/c hire	-26 048	-11 429	-18 447	-63 371	-51 941	-733	-589	-891	-2 781	-3 277
Unallocated administration costs	-	-		-	-	-			-	-549
EBITDA*	2 846	1 423	3 410	8 229	11 411	142	-10	-151	-306	-935

* 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: Improved results and margins



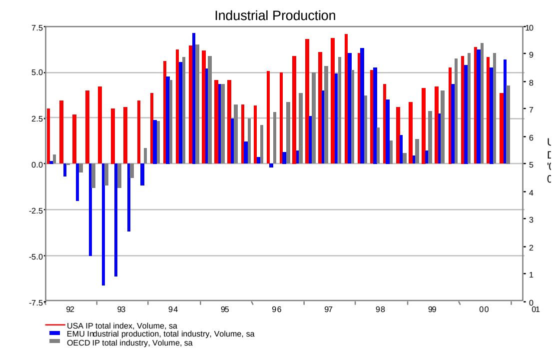
NGC achieved an EBITDA result of MUSD 2.5 1Q01 vrs MUSD 4.6 1Q00 and MUSD 3.6 in 4Q00

NGC posted average earnings on a time charter basis for 1Q01 of USD 238,000 month/vessel (USD 298,000 for 1Q00, USD 233,000 for 4Q'00 and USD 197,000 for 1Q99). (Before deductions for lost time in connection with technical off hire for maintenance/docking, but inclusive of any idle time for commercial reasons).

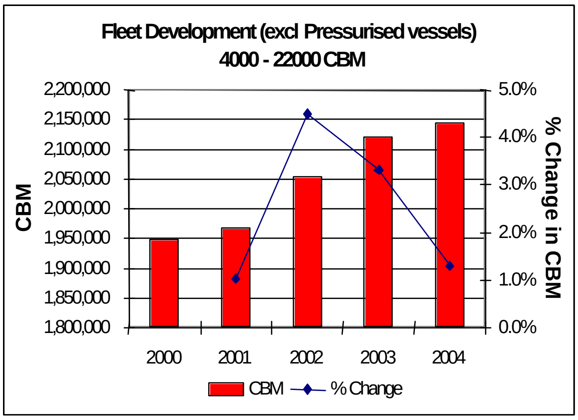
The off hire in 1Q01 was logged at 5.2% of our capacity in 1Q01 (3.9% for all of 2000). We had 2 dry-dockings during 1Q01. The focus we have on off hire levels will be continued in 2001 to ensure we reach our longer-term goal of an average of 3% for all unplanned and planned off-hire. 8 dry-dockings are planned for all of 2001.

- **NGC T/C earnings at USD 238` vrs 233` last quarter The EBITDA result for**
- **NGC is very sensitive to change in GDP growth or industrial production.**

With the current short-term outlook for a reduced growth in the industrial production and reduced GDP growth world wide, we expect business prospects could be soft in 1H 2001 as we did experience a slowdown during the latter half of 4Q00. NGC earnings and the activity for our customers has historically been very sensitive changes in the growth of Industrial production and GDP in key regions of the world.



A possible scenario of reduced oil prices will make bunker (fuel) available at lower prices than the very high levels we had in 2000. This, combined with anticipated lower interest rates in USD, will further enhance trade opportunities that have been limited due to higher raw material prices for our customers.



- **Long term growth trend line in demand is anticipated at 4-5%**

- **We expect new building cost to increase**

- **Fleet Development 4000-22000 CBM**

- **The fleet grew by 8% in 2000, mostly due to the Navigator vessels that came on stream in 2H00**

- **Scrapping was about 1% in 2000**

- **The Order book calls for about 3% increase annually for next 3 years; less any scrapping of such vessels**

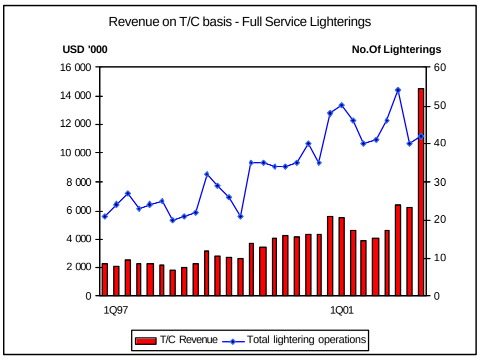
The long-term market outlook for NGC is by us considered positive, and this view is supported by the market analysis we have commissioned from third parties. An update on this major study was commissioned in 1Q01 and the fundamental underlying conditions point to a gradual recovery for this business and our customers in the petrochemical industry. The study confirms our perception of the anticipated growth levels and point to significant positive developments in this market that gives credibility to our way of operating and our overall strategy. We also expect from the study that the new building or the replacement cost of such vessels to rise moderately and thus halting the reductions of the recent decade and that have affected the trading conditions adversely for our type of business.

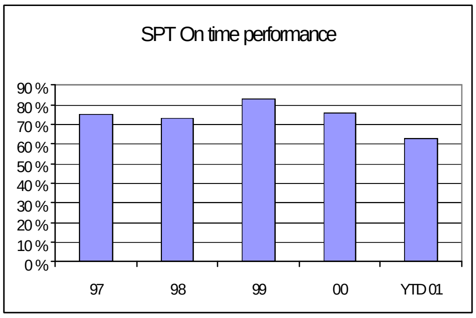
Last year saw high level of growth in the fleet of new vessels for the semi-refrigerated gas carrier segment (the semi refrigerated fleet below 22,000 cbm size of vessels), but not so much contracting for new vessels of this kind. The fleet grew with 12 vessels, equal to 8.2% of capacity, in 2000. 5 of these vessels were the Navigator vessels of 22,000 cbm each or almost half of this total increase. 4 vessels equal to about 1% of capacity were retired in 2000. Scrapping of such vessels are expected to remain at this low level. The long term trend line in demand has been around 4-5% for these products and a growth in the fleet at a higher level is considered negative for the utilization and thus the profitability of vessel owners.

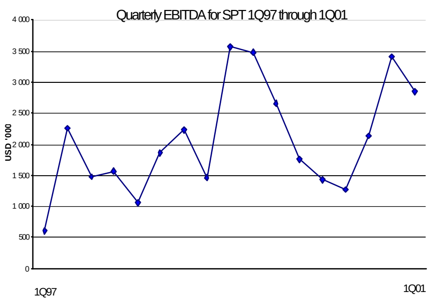
There has been no new orders placed since august 2000 and the order book for such new vessels now stands at about 10%; with an expected increase of about 3 % annually up to and including 2003.
The expected annual increase of capacity is 1.0% in 2001, 4.5% in 2002, 3.3% in 2003 and 1.3% in 2004. (Assuming no scrapping of any such vessels).

- EBITDA: Earnings before interest, taxes, depreciation and allocations
- EBIT Break-even: The earnings we need per vessel/month to cover all costs incl. depreciation, but excluding interest and taxes.

SPT: Positive Outlook







SPT reported an EBITDA result of MUSD 2.8 in 1Q01(MUSD 1.4 in 1Q00 and MUSD 3.4 in 4Q00). The activity level continues to be high. For 2001, we assume high import activity for SPT key customers resulting in higher volumes and a high utilisation of vessels and, thus, another busy year for SPT. The capacity utilisation for the SPT fleet is high, the operational regularity is good and the level of service is high.

The two last quarters combined are amongst the best period in the history of SPT and the annualised EBITDA earning levels are about MUSD 12.5. Last year this entity enjoyed EBITDA earnings of MUSD 8.2, while the average of several years has been around USD 8 million annually.

SPT is a market leader for the lightering of crude oil in the US Gulf and with an estimated market share of about 40% among the 3 independent operators. The company currently handles more than 10.5% of the crude oil imported to the USA by sea. In 1Q01 the company handled an average of 914,000 barrels of crude oil per day (816,000 barrels per day in 1Q00 and 930,000 barrels in all of 2000). SPT operated 757 tanker days in 1Q01 (599 in 1Q00 and 2,682 in all 2000.) - an average of 8 Aframax tankers.

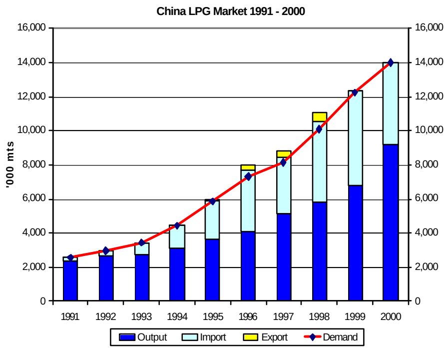
SPT has successfully increased its overall activities the last several years based on service and focusing on safety, and we believe that growth opportunities for SPT thus exist in a situation where there is also a trend of more outsourcing of logistics services from the key integrated oil companies. We now perform lightering services not only in US Gulf, but on US East Coast and lately also US West Coast on a regular basis

The changing import patterns of crude oil into USA and the volatile Aframax market has provided SPT with a challenge to secure a more steady supply of tonnage in order to render an improved service to our customers. A core fleet of 5 ships is secured for 2001 on a fixed and agreed rate basis and against contracts that have fixed volumes and rates

The lightering business is marked by reasonably high barriers of entry due to the focus on safety and the infrastructure needed. There are three independent operators that serve this market niche in addition to one oil company that serves its own needs. This combined capacity is sufficient to serve the customers, and we do not anticipate any new competing modes of logistics to replace the lightering trade in the near future. Lightering offers relatively low cost and flexible solutions with an outstanding safety record between the current operators.

China activities: The strategy is now creating results for the group

- **Team in China is key to success in fleet renewal project and further reduction of our EBIT B/E level in NGC**



LPG and chemical logistics in China

Recruitment and training of Crew

China Activities reported an EBITDA result of USD 142,000 in 1Q01(a loss of USD 10,000 in 1Q00 and a loss of USD 151,000 in 4Q00).

Although the China activities isolated contribute insignificantly to the Group's result, the Board considers this business unit to have a longer term potential and offers a competitive advantage of strategic importance.

The development of the infrastructure in the inland areas served by TNGC is slower than expected, and the very high LPG prices due to the high oil prices have slowed down the imports of LPG to China. The build up of our presence in China is a challenging process, but we make steps in the right direction. The Board continues to view China as a promising market for the transport of petrochemical gases and LPG as well as a source of affordable crewing, fleet management services and vessel construction and repairs

The contract for four new ethylene carriers could not have been achieved without our presence and experience in China, and our activities in China are an investment towards further reductions in the EBIT B/E for NGC. We consider the TNGC operations as the final leg of a possible future integrated waterborne logistic chain to be offered to inland customers in China. We will thus continue working to further utilise the TNGC fleet as well as commercialise the crewing and training services we offer.

Our activities in China consist of our joint venture for gas transport on the Yangtze river, TNGC, organic chemical transportation by Princess Carriers as well as "AFSC" (Asian Fleet Service Centre) which is under development for crewing, training and fleet management services. The AFSC includes the recruitment and training of Chinese seafarers in the WUT-STC (Wuhan University of Technology – Skaugen Training Centre).

Key statistics

	1Q01	1Q00	2000	1999	1998
NGC Idle time	10%	4%	5%	7%	5%
NGC Offhire days	5.24%	4%	3.9%	7%	5%
NGC Drydockings	2	1	4	5	8
NGC On-time performance	100%	94%	99%	90%	92%
SPT No. of Full Service Lightering operations	127	122	541	551	432
SPT No. of Support Lighterings	36	28	132	182	150
SPT Tanker Operating days	757	599	2682	2750	2271
SPT Daily lightering volume (bbls/d)	915,000	816,000	930,000	990,000	817,000
SPT Share of US Seaborne Crude Imports	10.5%	10,2%	10.5%	11.8%	9.7%
IMS Share price (end of each quarter/year - NOK)	65	77%	65	54	24
Average of daily share price	65.32	59	64.9	44	51.9

Capital and value assessment

- **Satisfactory liquidity and unchanged key figures**
- **Debt ratio of 57% and current ratio of 217%.**
- **Net Debt at MUSD 63**
- **Book equity is MUSD 73.2 or NOK 113.7 per share**
- **Equity ratio at 42.7%**
- **Newbuilding project requires only minor cash injections before delivery**
- **The options have a benefit for us to explore**

Key financial balance sheet ratios unchanged
The mortgage debt has been repaid by MUSD 4.4 during the 1Q01 and in accordance with the agreed repayment profile for the Group's main loan facility.

Debt falling due during the next 12 months represents 10% of the total debt. The net debt was at MUSD 63.5 and the interest-bearing debt totalled MUSD 82. The debt ratio is 57% and the ratio between current assets and current liabilities is 217%.

Total liquidity as of the balance sheet date was MUSD 15.5 (19%), and this is regarded as sufficient for our current business activities.

The book equity totalled MUSD 73.2 or USD 12.47/NOK 113.7 per share. The book equity represents 42.7% of the total assets

The financing for the four firm orders for new ethylene carriers will not require IMS to issue any further equity or take on more risk capital. We have developed a fully financed newbuilding project that will only require cash injection of relative minor amounts of equity during the construction period. At delivery, the available financing is for a total of about 85% of the newbuilding price.

We are currently considering these option vessels and the commercial and financial alternatives we have. We have agreed with the yard that we can alter the size and configuration of these vessels and have the vessels at the same basic terms; i.e changing only the actual cost of the alterations we make. The first option will, if declared be delivered in April 2003 and the second vessel in July 2003. The utilization of these options by IMS will require us to increase our financial capabilities. We consider the utilization of these options to be financially beneficial to the company and contribute to its overall strategy.

.

Key financial balance sheet ratios

	1Q01	2000	1999	1998
Debt paid MUSD	4.4	8.8	8.8	12
Net debt MUSD	63.5	63	70	68
Interest-bearing debt MUSD	82.1	86	92.7	101.5
Debt ratio %	57%	57%	58%	58%
Current ratio %	217%	253%	251%	297%
Total liquidity MUSD	16	18	24	34
Total liquidity %	19%	18%	22%	28%
Book equity MUSD	73.2	76.6	77.4	85.8
Book equity per share USD	12.5	12.96	12.49	12.95
Book equity per share NOK	114	114	100	98
Book equity / total assets %	43%	43%	42%	42%

The IMS share

- **General Meeting resolved to write down its current portfolio of 138,347 treasury shares (2,3%)**
- **New shareholding is 5,871,597 shares after write down**
- **IMS share price unchanged 1Q01; at USD 7.1 or NOK 65 per share**
- **EBITDA at MUSD 24, Net interest bearing Debt at MUSD 66.5 and multiplied by 6; gives USD 13 or NOK 118 per share**
- **Book value of NOK 113 per share or USD 12,50 or 114 per share**

The Annual General meeting on 8 March 2001 resolved to write down the share capital with the amount of NOK 8,300,820, from NOK 360,596,640 to NOK 352,295,820 by redemption of the Company's 138,347 treasury shares. New share capital is NOK 352,295,820 distributed on 5,871,597 shares after expiration of the creditor notice period in abt. 2 months. The Board of Directors also received renewed authorisation from the Annual General Meeting to acquire up to 587,160 shares, equalling 10 % of total outstanding shares.

The Company has acquired an option to 125,000 IMS shares at strike 55.- and with maturity on 24 August 2001.

The price of IMS shares has remained unchanged since 1 January 2001. During this same period the Oslo Stock Exchange's total index has fallen 4.5 % and the shipping index has risen by 2.1 %.

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. The 12 months EBITDA earnings stands at MUSD 24 and this multiplied by an assessed factor and then deducting the current net interest bearing debt of MUSD 66.5 Today most analysts estimate this multiple should be about 6 which deducting for the net interest bearing debt gives a value of MUSD 77 which equals USD 13 per share (NOK 120 per share). The current share price of NOK 65 reflects a multiplication of about 4.5 when applying this valuation model.

An alternative approach to such a valuation of the company is to review the independent evaluations of our vessel assets compared to our book value and thus the equity per share. Many Sale and Purchase brokers have evaluated all our vessels over the last 6 months. All these evaluations have stated an average value of MUSD 121.8 for all of our vessels on 100% ownership basis, and this is MUSD 6.3 below the value of these assets on our books. The 14 NGC vessels have by six different brokers been evaluated at MUSD 102.5 to MUSD 112.4 with an average of MUSD 105. This type of valuation do not allocate any value to the EBITDA earning capability of SPT; a value that is much higher than the value of its assets as per the book value. The total recorded equity on our books of USD 12.5 per share (NOK 113 per share) or MUSD 73.2 in total is thus also one statement of the valuation of the company and also this is above the OSE pricing of the shares

Oslo, 9 April 2001
I.M. Skaugen ASA

If you have any questions, please contact:
Hilde Gjesing on telephone +47 23 12 03 60 or by e-mail:hilde.gjessing@ngc.no.
This press release is also available on the Internet at our website:
http://www.skaugen.com.

I.M. Skaugen ASA (IMS) is a marine transportation service company engaged in the transport of petrochemical gases and LPG in addition to the lightering of crude oil. Our customers are major, international companies in the oil and petrochemical industry whom we serve on a global basis from our representation in Oslo, Houston, Singapore, Shanghai, Wuhan /Jingzhou, and Gent. We also have our own training programme for our seagoing personnel in Wuhan, China and St.Petersburg, Russia. The Group currently operates 35 units consisting of 14 gas carriers in NGC, 2 chemical carriers in Princess Carriers, 1 LPG carrier and 4 barges for the river transport of gas and 2 work boats in Hubei Tian En Petroleum Gas Transportation Co. (TNGC), and 8 Aframax tankers and 4 work boats in Skaugen PetroTrans (SPT). IMS has ordered 4 ethylene gas carriers to be employed with NGC and with delivery 2002-3 and with an option for 6 more with delivery 2003-4.

I M Skaugen Consolidated

Statements of Income

USD '000	2001 1.1 - 31.3	2000 1.1 - 31.3	2000 1.1-31.12
Gross freight revenue	48 024	33 307	155 544
Voyage-related expenses	(10 726)	(9 860)	(43 747)
Net revenue on T/C-basis	37 298	23 447	111 797
T/C-hire	(24 240)	(9 704)	(56 941)
Other operating expenses	(7 358)	(7 499)	(28 560)
Group administration expenses	(922)	(1 060)	(2 947)
Operating result before depreciation	4 778	5 184	23 349
Depreciation of capitalized drydockings etc.	(687)	(952)	(4 330)
Depreciation of vessels	(2 515)	(2 525)	(9 750)
Writedown of vessels	0	0	(1 316)
Operating result	1 576	1 707	7 953
Net result from associated companies	(33)	(23)	(192)
Financial income	101	518	1 034
Financial expenses	(1 849)	(1 740)	(7 273)
Result before taxes	**(205)**	**462**	**1 522**
Taxes	0	0	(1 522)
Result	**(205)**	**462**	**0**
Earnings/diluted earnings per share (USD)	*(0,03)*	*0,08*	*0,00*

Balance sheets

USD '000	**31.03.01**	**31.03.00**	**31.12.00**
Fixed Assets			
Intangible Fixed Assets	10 415	11 937	10 415
Tangible Fixed Assets	120 958	125 190	121 879
Financial Fixed Assets	5 469	6 336	5 547
Total Fixed Assets	**136 842**	**143 463**	**137 841**
Current Assets			
Receivables	18 795	15 075	20 997
Cash and bankdeposits	15 597	21 069	18 361
Total Current Assets	**34 392**	**36 144**	**39 358**
Total Assets	**171 234**	**179 607**	**177 199**
Equity			
Paid-In Equity	52 970	54 173	53 522
Other Equity	20 277	22 192	20 482
Total Equity	**73 247**	**76 365**	**74 004**
Liabilities			
Long term liabilities	82 160	88 369	86 040
Other current liabilities, not interest bearing	15 827	14 873	17 155
Liabilities	**97 987**	**103 242**	**103 195**
Total shareholders' equity and liabilities	**171 234**	**179 607**	**177 199**
	-	-	-

Statement of Cash Flow

USD '000	**31.03.01**	**31.03.00**
Cash Flow from Operations	5 336	3 141
Cash Flow from Investments	(4 220)	(1 627)
Cash Flow from Financing	(3 880)	(4 400)
Net changes in cash and cash equivalents	**(2 764)**	**(2 886)**
Cash and cash equivalents 1.1	**18 361**	**23 955**
Cash and cash equivalents 31.3	**15 597**	**21 069**

Changes in Equity

USD '000	**31.03.01**	**31.03.00**
Equity per 31 December	**74 004**	**77 403**
Acquisition of treasury shares	(552)	(1 500)
Net result for the period	(205)	462
Equity per 31 March	**73 247**	**76 365**

Notes

The interim report is presented in accordance with the same accounting principles as where used in the accounts at year end.