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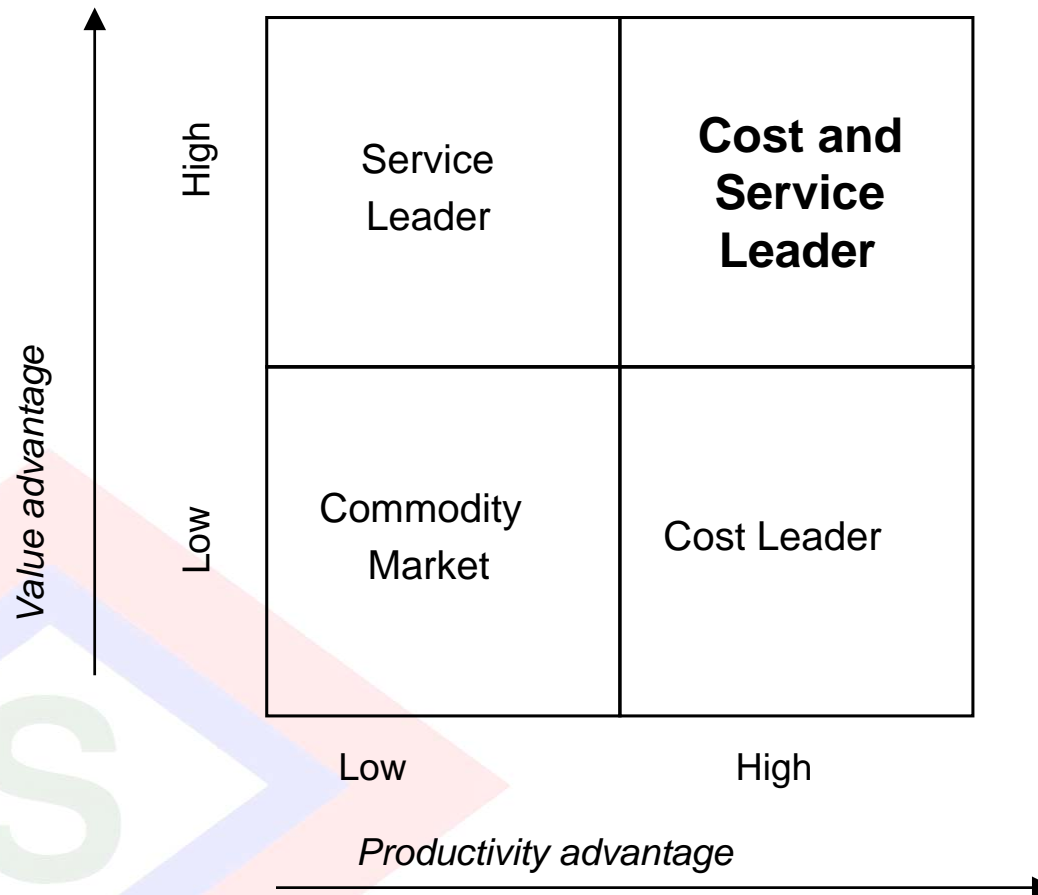
A Marine Transportation Service Company

Annual General Meeting

As presented on 1st March 2006

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The below is our strategic thinking simplified. We feel strongly that all our resources and all our actions should reflect that we have the aim of delivering the “best of service” and at “lowest possible cost”.



A clear strategy at I.M. Skaugen:

We feel we have achieved the most “defensible position” in the matrix; the top right hand corner.

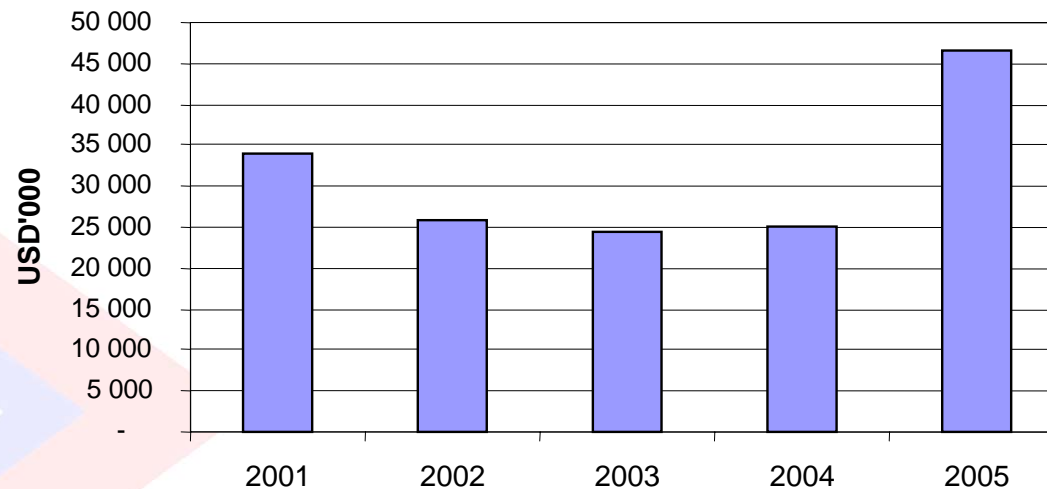
Companies that occupy this position have services that are distinctive in the value they offer as well as being cost competitive.

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Result 2005

- I.M. Skaugen Group (IMS) reported a net result of US\$28.9 million in 2005 (US\$4.1 million in 2004) - (pre-tax and before variances on derivative of convertible bonds).
- The result on an EBITDA basis is US\$46.3 million in 2005 (US\$24.9 million in 2004).

IMS Group - Annual EBITDA



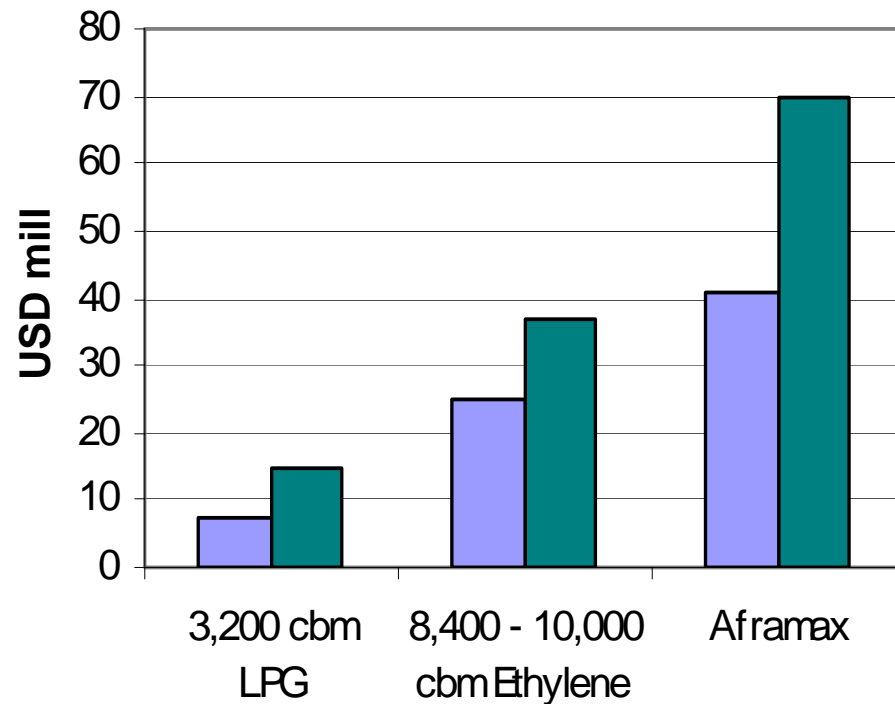
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- IMS placed significant orders in China during the year for a number of new gas carrier vessels at favorable estimated prices for the ships.
- The vessel concepts and designs are revolutionary for our Company and also fits our new shipbuilding philosophy in China. IMS is in an alliance with a Chinese domestic shipbuilder in which we are assuming more of the responsibility for not only the ship design and construction, but also for sourcing of steel, major components and more importantly the whole key cargo handling systems and components.

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- The newbuilding order book for the IMS Group, if all materialize, now stands at 21 ships with a gross value of about USD 570 mill. (on a 100% basis).
- All 21 ships (15 gas carriers and 6 aframax sized tankers for SPT) are, however, made at price levels that we consider very attractive compared to prevailing markets and thus fits our 'lowest cost provider' strategy.

Newbuilding comparison (IMS vs. prevailing market)



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MNGC now becomes ENGC

- The Norgas Carriers have been in a close cooperation with AP Moller – Maersk since October 2003 in an alliance named “MNGC”.
- AP Moller – Maersk has controlled a number of ethylene capable gas carriers of similar configuration to Norgas’ vessels, but will after December 2006 no longer exercise control of most of these gas carriers. The present cooperation will thus coming to an end in 2006.
- Camillo Eitzen & Co ASA and I.M. Skaugen ASA have in February 2006 agreed to restructure and continue their cooperation and have decided to establish a joint gas carrier pool to improve the marketing of their fleet of 5-12,000 cbm ethylene gas carriers. The revenue sharing pool will be known to the industry by the trade name 'Eitzen - Norgas Gas Carriers' (ENG).

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Acceptable results in 2006 for Norgas

- The gas carrier markets for Norgas, experienced improved earnings levels from an all time low in 2002. We think 2006 should also be acceptable due to:
- Continued Improved economic condition (i.e. above trend GDP growth)
 - More ethylene will be shipped in the coming years and with a possible “rebirth” of certain long haul trades for other petrochemical cargoes. This is primarily due to;
 - the “Middle East factor” with low cost products available for export;
 - but also due to reduction of petrochemical capacity in USA and Europe due to under-investments and again due to cost disadvantage.
 - The high growth of consumption in China is also a key factor with increase in production capacity, but with an even higher growth in demand.
 - About 2/3 of all new petrochemical capacity will be build in Middle East and about 1/3 in China

Contd.

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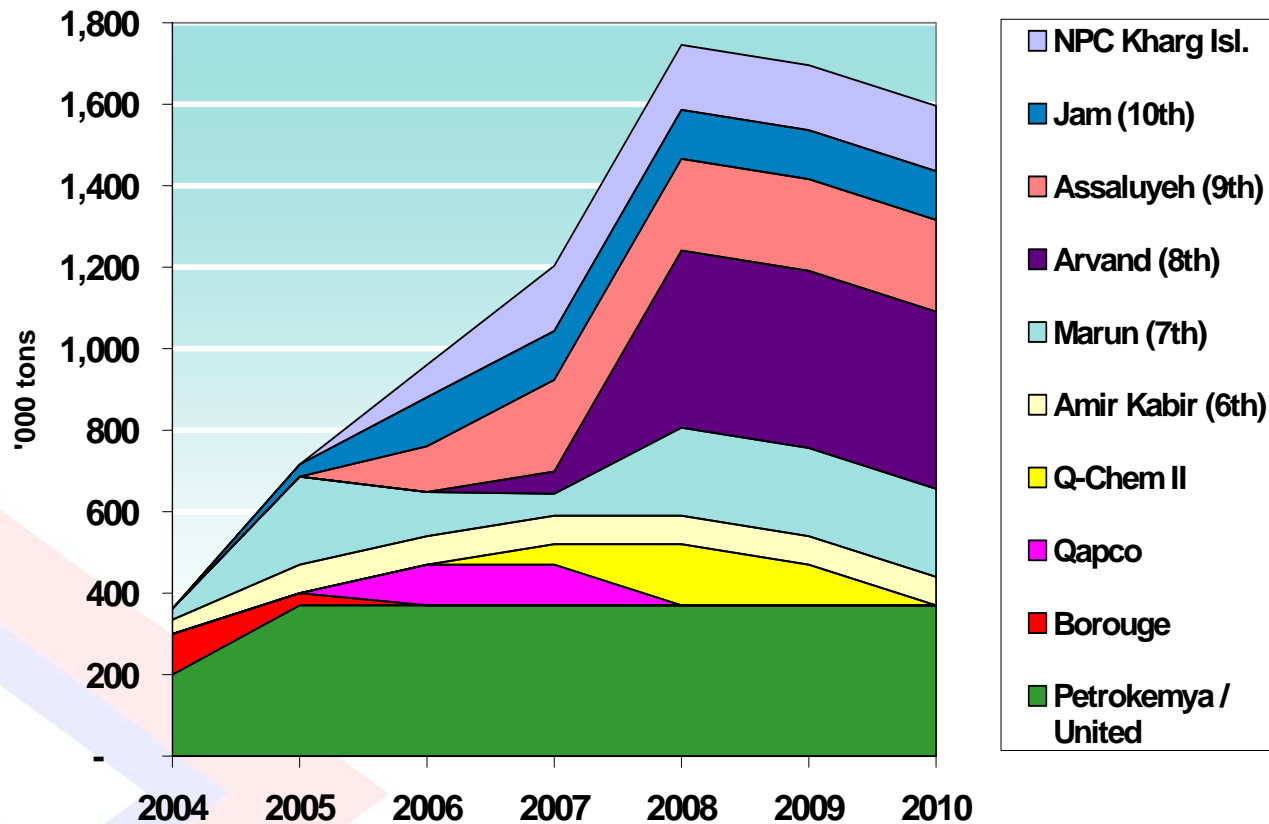
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For 2006 - Contd.

- and we expect the establishment of the ENGC alliance for improved fleet utilization and an improved service level.
- One new transportation contract with a major customer has been agreed for 4 years and at levels that reflect current earning capacity for our vessels.
- We see high growth in supply of new ships in 2007/2008/2009 and only some “recycling of vessels” – in general a net growth of the fleet from 2007 and onwards after many years of stable or even net decline in the supply of ships. We also see continued constrained shipyard and engineering capacity and a continued high cost of newbuildings that have taken place since 2003/2004.

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Production capacity AG/PG in the coming years

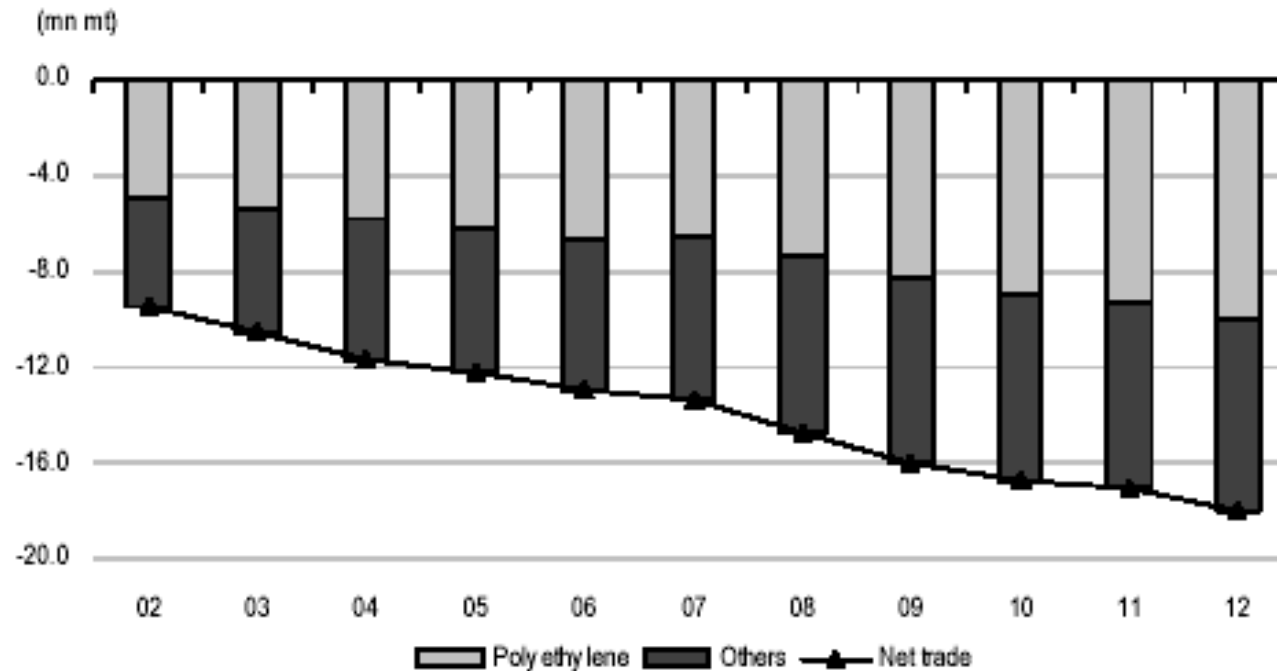


Source: Inge Steensland

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Ethylene - China net import position is likely to widen

Figure 78: China ethylene net equivalent trade



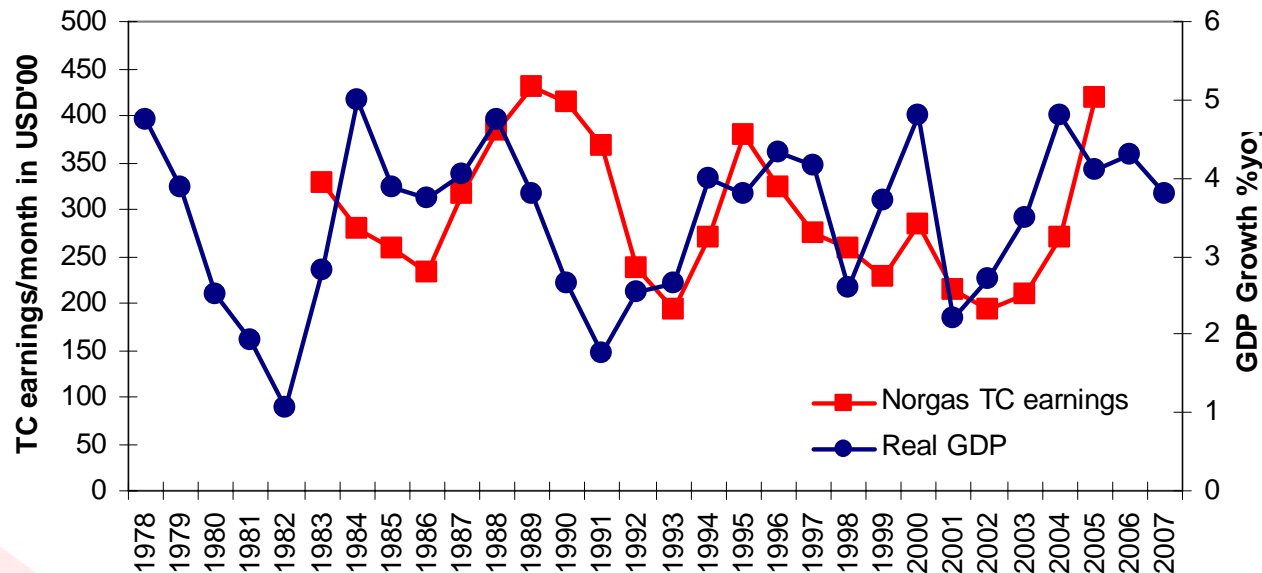
Others include vinyls, styrenics, glycol

Source: CMAI, CSFB estimates

China's ethylene capacity growth is expected to be dramatic over the next few years – in the form of key large-scale plants starting up in 2005/06

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Norgas Monthly TC Earnings vs. Real GDP Growth



- The Norgas earnings are very driven of demand for transportation services.
- Historically the growth has ranged from 1.5 to 2 times the GDP growth. The changes in earnings of Norgas have historically had a good correlation with the fluctuations of the Industrial Production Index.

Source: Goldman Sachs, Norgas. Feb. 2006

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Contract coverage for the Norgas fleet:

- Norgas' contract coverage base is in excess of 50 per cent for year 2006, an increase of about 15 per cent from early 2005.
- The contracts should yield a result that is 6 per cent higher than for 2005
- Most of the contracts are fixed at 12 months, One contract is for 24 months and the largest one is for longer term - 4 years.
- The current spot markets are in general at same levels as in 2005.

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SPT's Challenges Today

- A. We have a great customer base today.

- B. We suffer from the very volatile and strong tanker markets; both re price and availability .

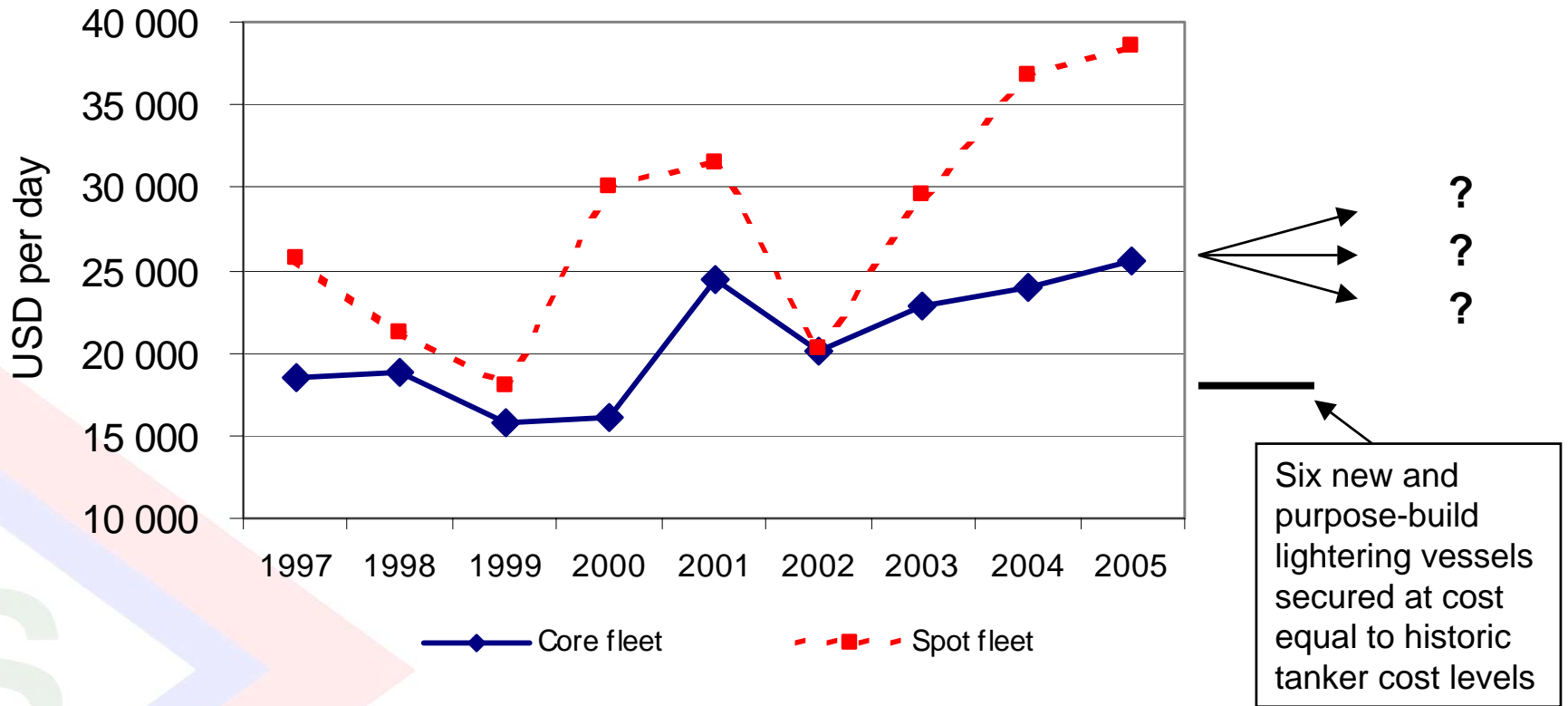
- C. We have a super core fleet in the pipeline with our 6 SPT Tankers (2007).

We need to build a bridge between these two!

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SPT - Average annual tanker cost

The trend-line has moved from \$18,000 a day to \$25,500 a day on core fleet.



Source: SPT updated Jan. 2006 **14**

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Steady as she goes !

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