

HALF YEAR REPORT 2009



STRONG FIRST HALF YEAR RESULT

Reduced claims frequency and the rebound in the financial markets have resulted in a very strong first half year result of USD 46.4 million.

Commenting on the 2nd quarter results, Skuld's Chief Executive Officer, Douglas Jacobsohn, says: "The 2nd Quarter result shows that the strategy confirmed last year not to depend on supplementary calls, but rather to weather the financial turmoil by drawing on our financial strength was correct. Our free reserves are now close to the level before the financial crisis".

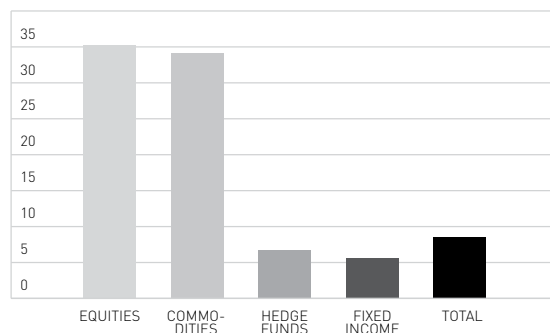
The Club continues its focus on maintaining a balanced technical result (premium income less claims and operating expenses). We are therefore pleased to once again present a positive technical result which is better than our initial expectations due to lower claims frequency in the first half of 2009. The Club has maintained a well diversified investment portfolio during the financial crisis and the rebound in the financial markets has led to a significant recovery and a further strengthening of our free reserves.

The technical result of USD 14.2 million is an improvement of USD 6.7 million compared to Q2 2008. It is believed that part of the improvement is a result of reduced shipping activity due to the financial crisis and the absence of any significant losses in the current policy year.

Claims reported to the Pool from other P&I Clubs are still at a modest level. However, there has been some deterioration on older policy years and we therefore maintain a conservative view on the pool claims level for the remaining second half of 2009.

Return on investments was 8.6% at 20 August, resulting in a net investment income, including adjustments of exchange rate effects, totalling USD 32.2 million. During the first half of 2009, there has been a significant rebound in the financial markets and the Club's investment performance on individual asset classes is illustrated below:

INVESTMENT RETURN AS OF 20 AUGUST 2009 / IN PERCENT



Our commitment to service and transparency has been positively received and the membership base is growing and now stands at 51 million GT mutual and total premium income increased by 15% compared to Q2 2008 including charterers' liability for fixed premium.

The half year end result of USD 46.4 million will lift the free reserves to a comfortable USD 190.3 million.

Yours Sincerely
Assuranceforeningen Skuld (Gjensidig)

DOUGLAS JACOBSON
PRESIDENT AND CHIEF EXECUTIVE OFFICER

CONSOLIDATED
INCOME AND
EXPENDITURE
ACCOUNT AS
OF 20.08.09

| MUSD | 2009 (Q2) | 2008 (Q2) |
|---|--------------|--------------|
| TECHNICAL ACCOUNT | | |
| Premiums and calls | 122.6 | 106.5 |
| Reinsurance premiums | -13.5 | -10.6 |
| Premiums for own account | 109.1 | 95.9 |
| Claims incurred for own account | -75.1 | -72.7 |
| Acquisition costs | -15.0 | -10.7 |
| Administrative expenses | -4.7 | -5.0 |
| Net operating expenses | -19.7 | -15.6 |
| Balance carried to non-technical account | 14.2 | 7.5 |

NON TECHNICAL ACCOUNT

| | | |
|---|-------------|------------|
| Balance from technical account | 14.2 | 7.5 |
| Net investment income | 32.2 | -3.0 |
| Taxes | 0.0 | 0.0 |
| Balance carried to contingency reserve | 46.4 | 4.5 |

BALANCE
SHEET AS OF
20.08.09

| MUSD | 2009 (Q2) | 2008 (Q2) |
|-------------------------------|--------------|--------------|
| ASSETS | | |
| Financial investments | 482.5 | 473.5 |
| Debtors | 21.7 | 20.8 |
| Other assets | 43.5 | 65.4 |
| Prepayment and accrued income | 1.2 | 1.3 |
| Total assets | 548.9 | 560.9 |

LIABILITIES

| | | |
|--|--------------|--------------|
| Provision for outstanding claims for own account | 284.0 | 293.8 |
| Contingency reserve | 190.3 | 207.9 |
| Technical provisions for own account | 474.3 | 501.8 |
| Provisions for other liabilities | 8.4 | 8.7 |
| Creditors | 16.8 | 12.9 |
| Accruals and deferred income | 49.3 | 37.5 |
| Total liabilities | 548.9 | 560.9 |

In the P&L, a relevant portion of overhead expenses are allocated to claims-, acquisition- and investment expenses respectively.



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