Press release

Stena AB offers SEK 8 in cash per Stena Line share and Stena International BV offers to purchase 10 5/8% Notes of Stena Line

Summary

- As a result of the abolition of the tax-free retail sale within EU effective July 1, 1999, escalating fuel prices and decreasing passenger and car transportation volumes, Stena Line AB ("Stena Line") has reported large losses in recent years and, as a result, its financial position is now very weak. Stena AB ("Stena") estimates that the losses will continue during the years immediately ahead and believes that comprehensive restructuring measures are required if Stena Line is to be able to achieve acceptable profitability.

- Stena Line accordingly faces a need for a substantial amount of capital, to finance its operations and service its existing debt most of which must be covered by equity capital. Furthermore, the convertible debenture loan in the amount of SEK 558 M falls due for payment in April 2001. As the principal shareholder, the Stena sphere is in favor of covering this capital requirement through a rights issue of shares of Stena Line in an amount of approximately SEK 1,500 M that is being considered by Stena Line's Board of Directors. (See press release issued by Stena Line on October 30, 2000.) Stena may guarantee the new issue.

- In addition Stena wants to give shareholders who do not wish to participate in the new issue an opportunity to tender all of their shares to Stena for SEK 8 per share. Stena is announcing a public offer -- with the customary "90 percent subscription " clause -- to Stena Line shareholders to acquire all of their Stena Line shares. Furthermore, the offer to the shareholders is conditional upon Stena International B.V 's ("Stena International"), a wholly owned subsidary of Stena, tender offer for Stena Line's 10 5/8 % notes being completed (See below.). The offer for the shares of Stena Line represents a premium of 14% relative to the latest paid price, and 18% relative to the average price during the 30 days preceding announcement of the offer.[1]

- The Stena sphere currently owns 53.2% of the shares and 78.6% of the voting rights in Stena Line before full conversion of the company's outstanding debenture loan.

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[1] The offer does not cover convertible debetures issued by Stena Line.The conversion price is SEK 45, and the debentures fall due for payment on April 30, 2001.

- Stena International is also commencing a tender offer and consent solicitation for Stena Line’s USD 300 M 10 5/8% Senior Notes due 2008 (“Notes”) for a total consideration of 80 % of the outstanding amount of the Notes plus all interest accrued until payment date. This consideration includes compensation for the consents. The tender is conditioned on a minimum acceptance of a majority of the outstanding Notes not owned by Stena or its affiliates and receipt of consents from tendering holders removing substantially all negative covenants from the Notes. Stena and its affiliates currently hold USD 67.2 M of the Notes. The tender offer is expected to commence on November 3, 2000 and close on December 1, 2000. The consent solicitation is expected to expire on November 22, 2000. Bondholders representing approximately 46 % of the outstanding Notes not owned by Stena or its affiliates have already agreed to tender their Notes and deliver the related consents to Stena International.

- Stena Line's Board of Directors has stated that it has received the offer to the shareholders of Stena Line. The Board is considering the offer and will shortly make a decision with respect to the reasonableness of the offer.

Reasons underlying the bid for Stena Line shares and the tender for the Notes

As a principal shareholder of Stena Line, the Stena sphere has worked towards the positive development of Stena Line’s operations. Stena believes that there is a potential to achieve profitability in the currently highly unprofitable operations of Stena Line, but that this will require substantial additional corrective measures. Due to the changed conditions under which Stena Line is operating, including the elimination of tax-free sales within the European Union effective July 1, 1999, escalating fuel prices and decreasing passenger and car transportation volumes, an operational and financial stamina is required to return Stena Line to profitability. A comprehensive efficiency-improvement and rationalization program is ongoing within Stena Line to reduce losses and achieve profitability in the future. During this year, as part of this program, Stena Line acquired Scandlines AB, which provides ferry service between Sweden and Denmark/Germany, and this is expected to result in further gains from improvements in efficiency and rationalization measures. Meanwhile, there have been various reports, which are confirmed by Stena International as well as the Danish and German shareholders of Scandlines AG, that Stena International is negotiating to acquire Scandlines AG. If an agreement is reached with the shareholders of Scandlines AG and if a joint ownership to Scandlines AB and Scandlines AG is achieved, synergy gains maybe obtained. At the same time, Stena Line needs additional equity capital as a result of its current losses, the investments it requires, the need to service existing debt and the need to repay the convertible debenture loan in the amount of SEK 558 M that falls due in April 2001. Since Stena Line has identified a substantial need for a new issue of shares, Stena has found it warranted making a public bid for the outstanding Stena Line shares. This is because a financial restructuring of Stena Line can be most efficiently achieved with Stena Line as a wholly owned subsidiary of Stena.

The offer to purchase all the outstanding shares of Stena Line announced by Stena means that the other shareholders have an opportunity to sell their shares and do not have to participate in the new issue being considered by Stena Line. However, the offer contains a so-called "90-percent subscription" clause, which Stena reserves the right to waive. In addition, the offer is conditional upon Stena International's tender offer and consent solicitation for the Notes being completed. Following completion of the tender offer for the Notes, Stena will work towards the implementation of the new issue of shares in the amount of approximately SEK 1,500 M that is being considered by Stena Line's Board of Directors and may guarantee full subscription of the issue. The proceeds of such new issue are in part planned to be used to amortize loans currently outstanding.

The offer

Under terms of the offer announced by Stena, Stena Line shareholders will be offered SEK 8 per share for their Series B shares. No commission will be charged.

The offer will be made subject to the conditions that:

- it is accepted to the degree that Stena and other Stena interests become the owners of 90 % of the shares of Stena Line and more than 90 % of the voting rights in the company. However, Stena reserves the right to implement its offer even if it acquires a smaller percentage of Stena Line shares.

- the tender offer and consent solicitation for the Notes being completed.

Value of the offer

Based on the closing price paid for Stena Line shares on October 30, 2000 prior to announcement of the offer, the offer is equal to a premium of 14%.

Based on the average price paid for the shares during the period October 2 through October 30, the offer represents a premium of 18%.

Timetable

Prospectus is issued	on or about December 11, 2000
Application period	December 12, 2000 – January 9, 2001 (Preliminary)

Stena International reserves the right to extend the application period and, if this occurs, to defer the accounting for payments.

Handelsbanken Investment Banking is a financial advisor to Stena and Stena International.

Gothenburg, October 30, 2000

Stena AB   Stena International B.V.

For additional information, please call
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This announcement does not constitute an offer to purchase any securities of Stena Line mentioned herein. An offer to purchase, if any, will be made pursuant to a prospectus, statement or other document required by law in any jurisdiction where such offer is made.