

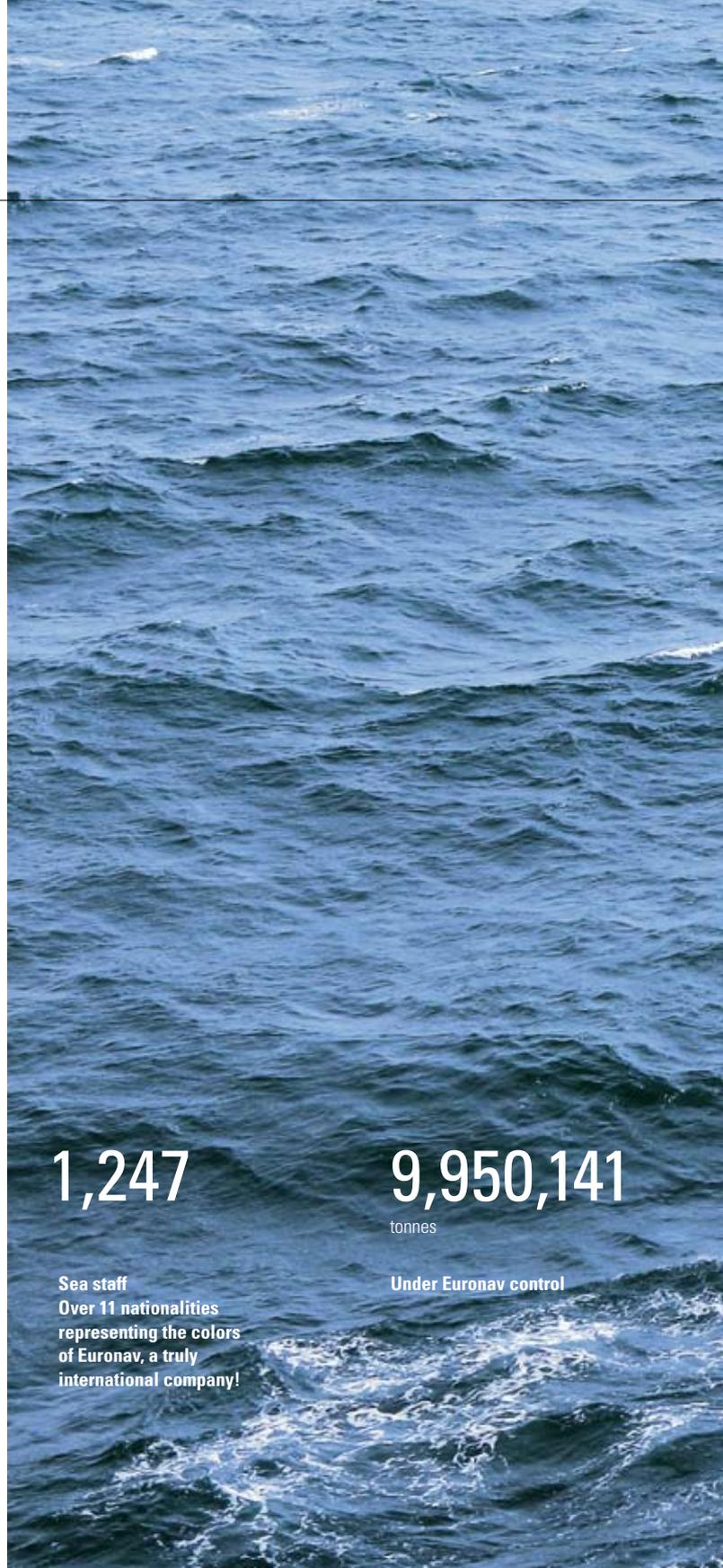
HALF YEAR REPORT 2007



**EURONAV**  
The ocean is our environment

# In the wake of the **Belgica**





## Euronav Team Building

Euronav is the proud sole sponsor of the expedition 'In the wake of the Belgica' which will be taking place under the leadership of Dixie Dansercoer later this year. For Euronav it is an excellent opportunity to demonstrate our commitment to building partnerships outside the shipping industry and our main business to fulfil a wider role in the community. This particular event will have a strong shipping theme, be linked to education, geographical exploration, meteorology and a culturally diverse team working in close cooperation. It will therefore entail many elements that Euronav's teams both at sea and ashore recognise and face every day. Euronav will build and leverage key themes in our daily working practices around the ideas and experiences which the expedition will evoke. The challenges of the expedition will mirror the challenges of our whole business and allow us an opportunity for reflection. It will be an exciting polar year!

**173,362**

(in thousands of USD)

### **EBIT - First semester 2007**

A growth of 11.7% compared to first semester 2006

**17.6%**

of the total Euronav fleet is under construction

**1,247**

**Sea staff  
Over 11 nationalities  
representing the colors  
of Euronav, a truly  
international company!**

**9,950,141**

tonnes

**Under Euronav control**

“ PARTICIPATING IN THE EXPEDITION ‘IN THE WAKE OF THE BELGICA’ ILLUSTRATES TO US ALL THAT TEAMWORK, COURAGE AND PERSISTENCE TURN DREAMS AND ASPIRATIONS INTO REALITIES AND ACHIEVEMENTS.”

**Paddy Rodgers** - CEO



# Highlight and activity report for the first half year of 2007

## January

Euronav took delivery of the *Cap Victor* (2007-158,853 dwt) from Samsung Heavy Industries Ltd. of South Korea on the 5<sup>th</sup> of January and delivered the vessel immediately on time charter to BP for a period of three years.

## February

Euronav took delivery of the *Cap Lara* (2007-158,862 dwt) from Samsung Heavy Industries Ltd. of South Korea on the 15<sup>th</sup> of February and commenced trading her on the spot voyage market prior to her delivery scheduled in September of 2007 to Valero under a time charter for a period of four years.

## March

## April

Euronav took delivery of the *KHK Vision* (2007-305,040 dwt) on time charter for five years from Tai Chong Chiang of Hong Kong. The *KHK Vision* is a newbuilding constructed at Daewoo Shipbuilding and Marine Engineering Ltd. of South Korea.

## May

Euronav is paid USD 20.8 million on the 19<sup>th</sup> of May by the owners of the *Shinyo Landes* in compensation for early cancellation of the long term time charter to Euronav.

## June

Euronav sold and on 5<sup>th</sup> June delivered the *Savoie* (1993-306,430 dwt) to her buyers. Buyers time chartered the vessel to Korea Line Corporation who entered the vessel back in the Tankers International (TI) Pool.

## The market

Total crude oil tanker deliveries across all sizes for 2007 are 5.7% of the world fleet. In particular, 34 VLCCs will be delivered this year which corresponds to a growth of 6% of the existing fleet. From what has been seen so far, this growth has been offset by a strong customer requirement for modern high quality ships which exclude old single hull VLCCs from competing in a lot of the trade lanes. In addition, some double hull modern VLCCs have been contracted for conversion to FSPOs (Floating Storage, Production and Offloading units of which four are expected to be delivered this year for conversion) and several single hull vessels for conversion to bulk carriers.

2006 ended weakly due to an abnormally mild winter and the first quarter of 2007 saw rates for VLCCs start low but regain some strength during February, eventually averaging USD 51,000 for the first quarter. Bunkers (fuel oil for ships), which make up the bulk of variable costs, started the year lower than the 2006 average but climbed steadily during the first half year as OPEC cuts affected the most heavy crude oil production. The higher bunker prices in the second quarter and particularly going into the third quarter have held back the Time Charter Equivalent rate for VLCCs. Rates strengthened at the end of the first quarter and good use of triangulation and logistical expertise in the TI pool resulted in Euronav's spot VLCCs earnings of USD 56,250 per day on average for the second quarter and USD 54,600 per day for the first semester as a whole.

The third quarter has seen a typically seasonal dip in rates which has perhaps been exacerbated by the loss of 700,000 bpd (barrels per day) of production in West Africa (principally Nigeria) due to civil unrest and more generally by OPEC cutting back to restrain consumers from stock building in advance of the winter. A secondary effect of OPEC cuts has been the tightening of differentials between light and

heavy oil as the bulk of OPEC production cuts relate to heavy grades. This has also squeezed refining margins and thus discouraging marginal refinery runs. This trend can be quickly reversed if there is seasonally stronger demand as the winter approaches.

## The fleet

### VLCC FLEET

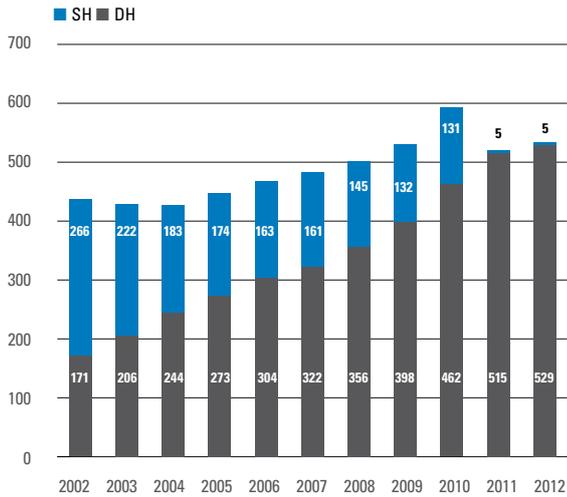
Euronav has sold and redelivered to owners two of its oldest vessels this year (the *Savoie* (1993-306,430 dwt) and the *Shinyo Landes* (1993-306,474 dwt)). This should be seen as part of Euronav's natural replacement process and will bring Euronav's owned VLCC fleet (including newbuildings) to 17. This number includes two V-Plus vessels: the *TI Europe* (2002-441,561 dwt) and the *TI Asia* (2002-441,893 dwt) and two 50% joint venture ships, the *Ardenne Venture* (2004-318,658 dwt) and the *VK Eddie* (2005-305,261 dwt).

The *Luxembourg* (1999 - 299,150 dwt) and the *Algarve* (1999 - 298,969 dwt) which were on time charter out for the last five and a half years to Total have been redelivered to Euronav in July and August respectively. Only one VLCC - the *Flandre* (2004 - 305,688 dwt) - remains on charter to Total. The remaining vessels are operated in the TI Pool in the voyage freight market. The TI Pool is operating the largest modern fleet worldwide and will see its fleet reach 46 vessels later this year. The average of Euronav's VLCC fleet is currently six years, the same as one year ago!

### SUEZMAX AND AFRAMAX FLEET

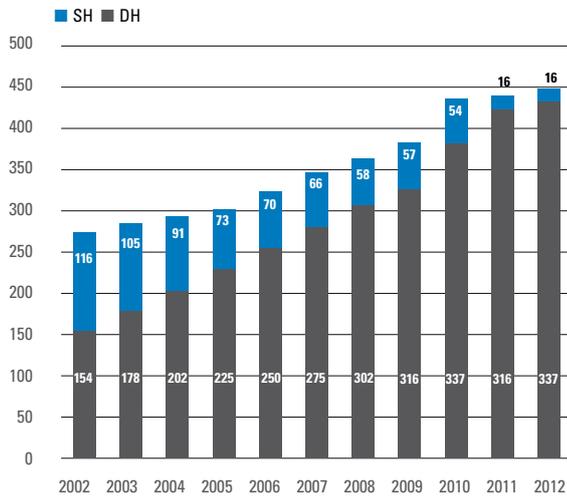
At the beginning of the year the *Cap Victor* (2007-158,853 dwt) and the *Cap Lara* (2007-158,862 dwt) joined the Euronav fleet comprising 14 Suezmaxes and two Aframax. The average age is five years which will reduce as the newbuildings are delivered.

**WORLD VLCC FLEET GROWTH**  
by year



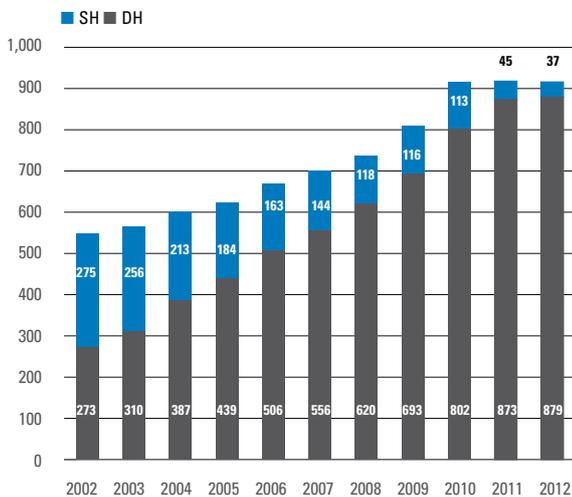
source: clarkson's

**WORLD SUEZMAX FLEET GROWTH**  
by year



source: clarkson's

**WORLD AFRAMAX FLEET GROWTH**  
by year



source: clarkson's

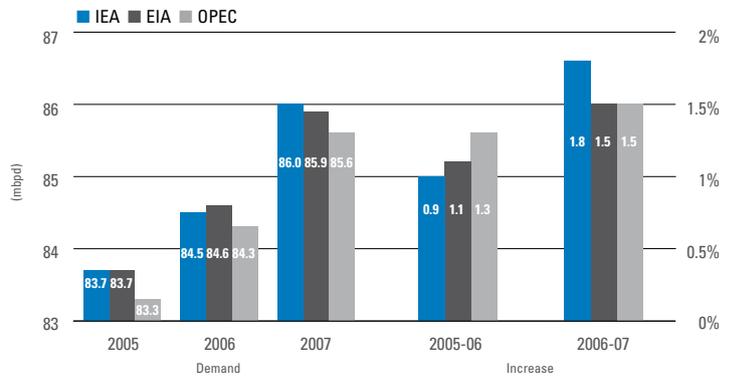
Euronav tonnage profile including vessels on order and on charter is as follows:

VLCC owned	5,173,269 dwt
Suezmax owned	2,795,648 dwt
On charter in and bareboat	1,981,224 dwt
<b>Total owned and controlled tonnage</b>	<b>9,950,141 dwt</b>

The total world order book for VLCCs stands at 39.2% of the world fleet between now and 2011 with 31.3% due to be phased out in 2010 under IMO regulations. Leaving a net growth over four years of 7.9%, which is roughly 2% per year for the next four years. The graphs show the expected world fleet growth based on the current shipyard newbuilding order book by each size category of large crude oil tanker and the division of each sector between single and double hull vessels. Since 2002, the world's shipyards have expanded their forward order book dramatically, particularly in container ships, LNG carriers and to a lesser extent crude oil tankers. The order book for large crude oil tankers in terms of vessels and deadweight is significant but should be put in perspective with the long period over which the vessels will be delivered and the IMO requirement that all single hull tankers cease trading in international waters from 2010 except under limited and stringent requirements.

Crude oil demand is anticipated to keep pace with net fleet growth as it builds within a range of 1.3 to 1.6 mbpd (million barrels per day) in the 2007 forecasts and at similar rates over the medium term in all of the main oil organisations predictions. Provided customers continue to stress and demand quality modern double hull tonnage over older single hull tonnage the outlook remains positive.

**CRUDE OIL DEMAND OUTLOOK**



The current trend is that large quality fleets strategically operated are outperforming smaller competitors through better utilisation, better customer relationships and better market knowledge. Euronav will be ready to adjust market exposure through time charter, acquisition or sale of ships or shares of shipowning companies or to wait, adopting a position of maximum opportunity as 2008 and 2009 unfold.

Euronav has positioned itself at the top end of ship management and operations of large tanker tonnage thanks to a world class in-house ship management. This allows Euronav to market quality service with quality assets which are maintained and protected to the highest standards. The benefits

to be derived by in-house management are in asset maintenance, business opportunities and risk management. Charterers are more than ever seeking to do business exclusively with superior quality operators whether through fixed rate long term business or in the spot market.

## Condensed consolidated interim financial statements

The following are excerpts from the condensed consolidated interim financial statements of EURONAV for the six months ended 30 June 2007. The condensed consolidated interim financial statements were authorised for issue by the board of directors on 28 August 2007.

A full version of the condensed consolidated interim financial statements prepared in accordance with IAS 34 and including the joint statutory auditors' review report can be downloaded from [www.euronav.com](http://www.euronav.com).

	6 months to	6 months to
Income statement (in thousands of USD)	30.06.2007	30.06.2006
Turnover	329,092	349,111
<b>EBITDA</b>	<b>250,603</b>	<b>224,658</b>
Depreciation and amortisation expenses	-77,241	-69,483
<b>Result from operating activities</b>	<b>173,362</b>	<b>155,175</b>
Financial result	-37,059	-29,850
<b>Result before income tax</b>	<b>136,303</b>	<b>125,325</b>
Income tax expense	-815	-685
Deferred tax	37	65
<b>Result for the period</b>	<b>135,525</b>	<b>124,705</b>
Of which:		
Group share	135,525	124,705
Minority share	-	-
Weighted number of shares	52,518,862	52,518,862
Basic earnings per share (in USD)	2.58	2.37
Diluted earnings per share (in USD)	2.58	2.37
Balance sheet (in thousands of USD)	30.06.2007	31.12.2006
<b>Assets</b>		
<b>Non-current assets</b>	<b>2,168,663</b>	<b>2,165,302</b>
Property, plant and equipment	2,163,133	2,155,824
Intangible assets	4,740	8,745
Financial assets	12	10
Deferred tax assets	778	723
<b>Current assets</b>	<b>189,105</b>	<b>174,892</b>
<b>Total assets</b>	<b>2,357,768</b>	<b>2,340,194</b>
<b>Liabilities</b>		
<b>Equity</b>	<b>1,040,258</b>	<b>1,022,483</b>
Capital and reserves	1,040,258	1,022,483
Minority interests	-	-
<b>Non-current liabilities</b>	<b>1,093,749</b>	<b>1,107,555</b>
Loans and borrowings	1,091,089	1,104,938
Deferred tax liabilities	-	-
Employee benefits	2,222	620
Deferred government grants	-	-
Provisions	438	1,997
<b>Current liabilities</b>	<b>223,761</b>	<b>210,156</b>
<b>Total liabilities</b>	<b>2,357,768</b>	<b>2,340,194</b>



Cap Leon (2003-159,043 dwt), Suezmax Ice Class 1C



Cap Leon (2003-159,043 dwt), Suezmax Ice Class 1C

	6 months to	6 months to
Cash flow statement (in thousands of USD)	30.06.2007	30.06.2006
<b>Net cash and cash equivalents at the beginning of the period</b>	<b>63,239</b>	<b>51,388</b>
Cash flows from operating activities	140,135	229,000
Cash flows from investing activities	-31,909	-88,989
Cash flows from financing activities	-123,365	-147,527
Effect of changes in exchange rates	-333	3,177
<b>Net cash and cash equivalents at the end of the period</b>	<b>47,767</b>	<b>47,049</b>

	6 months to	6 months to
Statement of changes in equity (in thousands of USD)	30.06.2007	30.06.2006
<b>Balance at the beginning of the period</b>	<b>1,022,483</b>	<b>906,319</b>
Available-for-sale financial assets		
Fair value revaluation	-	-
Transferred to profit or loss on sale	-	-1,214
Currency translation differences	49	331
Net income recognised directly in equity	49	-883
Result for the period	135,525	124,705
Total recognised income and expense	135,574	123,822
Dividends to shareholders	-117,799	-101,032
Issue of share capital	-	-
Repayment of share capital	-	-
Treasury shares	-	-
Other changes	-	-
<b>Balance at the end of the period</b>	<b>1,040,258</b>	<b>929,109</b>

## The Euronav share

During the first half year of 2007, Euronav did not acquire any own shares on the stock exchange. According to the information available to Euronav at the time of preparing this report, the shareholders' structure is as shown in the table:

Fortis bank, Petercam, Dexia Bank and KBC are the appointed financial institutions where the holders of financial instruments can exercise their rights.

Shares		
Saverco	14,685,003	27.96%
Tanklog Companies	10,759,555	20.49%
Victrix	5,316,165	10.12%
<b>Third parties</b>	<b>21,758,139</b>	<b>41.43%</b>
<b>Total</b>	<b>52,518,862</b>	<b>100.00%</b>



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Ce rapport est également disponible en français.  
Dit verslag is ook beschikbaar in het Nederlands.

This report can be downloaded on our website: [www.euronav.com](http://www.euronav.com)

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