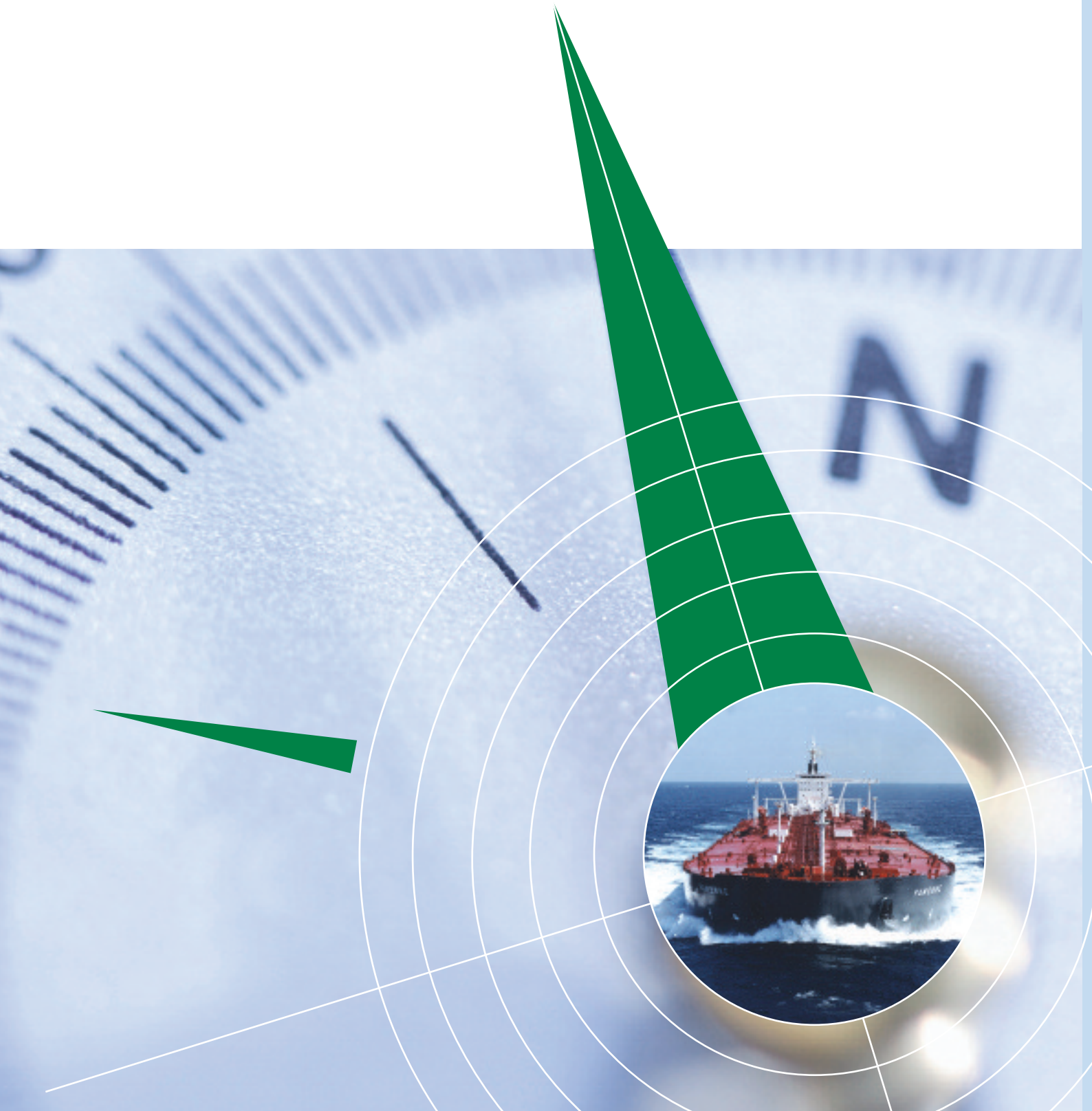




**EURONAV®**  
The ocean is our environment

Half-Year Report 2006



## **Euronav: Strong, clear leadership in a stormy market**

In the cyclical and fluctuating crude oil sea-borne transportation market, Euronav – one of the world's leading independent crude oil tanker companies – maintains its course, its balance and high standards.

Euronav focuses on flexible, proactive management of assets in terms of fleet composition and employment. Furthermore, Euronav is dedicated to safety, quality, and environmental protection, and pursues excellence through innovation, know-how, and continual improvement.

This report on Euronav's main activities during the first half of 2006 highlights the company's recent performance in this extremely competitive industry.

## HIGHLIGHT AND ACTIVITY REPORT FOR THE FIRST HALF OF THE YEAR 2006

### January

Euronav completes a three-year charter of the Suezmax *Filikon* (2002 – 149,989 dwt) with Petrobras.

### March

An order is placed with Hyundai Heavy Industries of South Korea for two new VLCCs, to be delivered in the first quarter of 2009. These state-of-the-art ships will have a 60-meter beam and a loading capacity of 320,000 dwt. Also this month, the Suezmax *Cap Jean* (1998 – 147,440 dwt) is chartered out to Petrobras for three years.

### May

Euronav fixes two newbuilding Suezmaxes *Cap Guillaume* and *Cap Philippe* (each: 2006 - 159,000 dwt) on time charter out to Valero.

### June

The Suezmax *Cap Romuald* (1998 - 147,000 dwt) is chartered out to Glencore.

### July

Euronav fixes the newbuilding Suezmax *Cap Charles* (2006 - 159,000 dwt) on charter to Vitol.

### August

Euronav signs a contract to acquire the resale of two double-hull 159,000 dwt Suezmaxes under construction at Samsung, South Korea. They are expected to be delivered in October 2008 and January 2009.

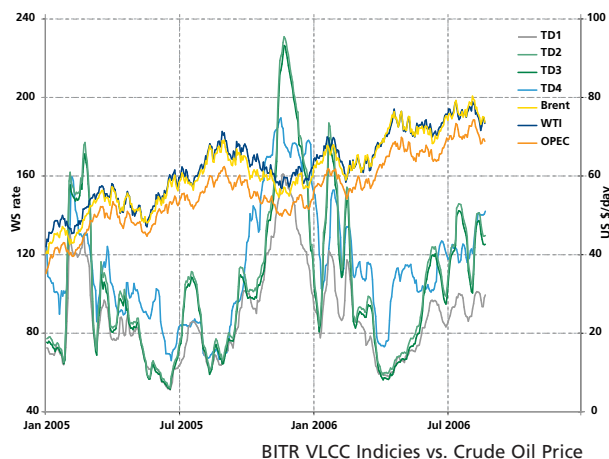
## The market

Total crude oil tanker deliveries for 2006, across all sizes, is 5.3% of the world fleet. In particular, 16 VLCCs will be delivered this year, which corresponds to a growth of the existing fleet of 3.6%. Supply will therefore not be the main market driver. From what has been seen so far, this growth has been offset by a strong customer requirement for modern high-quality ships, which excludes old single hull VLCCs from competing in many trade lanes. In addition, some VLCCs have been used by producing nations, particularly Iran, as temporary oil storage facilities.

2005 ended strongly and the first quarter of 2006 saw rates for VLCCs remain high and reasonably steady. Dollar per tonne freight was higher than it had been previously, but voyage variable costs and especially bunkers (fuel oil for ships) held back the Time Charter Equivalent rate for VLCCs to an average of USD 82,550 per day for the first quarter. Rates weakened at the end of the first quarter, in line with industry expectations, as warmer summer weather in the Northern hemisphere seasonally affected demand. However, clever use of triangulation and logistical expertise in the Tankers International (TI)

Pool resulted in Euronav's VLCCs earning an average of USD 51,360 per day for the second quarter.

The start of the third quarter has seen an unseasonal increase in rates, which bodes well for the market in the coming six to twelve months.



## The fleet

### VLCCs: Now totalling 17

During the first quarter of 2006, Euronav engaged in one major transaction: the order for two VLCCs to be constructed by Hyundai Heavy Industries Ltd. of Ulsan, South Korea. The vessels will be built in accordance with the new industry standard called Common Structural Rules (CSR) agreed by the IACS (International Association of Classification Societies). These two ships will be delivered in the first quarter of 2009. This order should be seen as part of Euronav's natural replacement process and will bring Euronav's owned VLCC fleet to 17. This 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 *VK Eddie* (2005 - 305,261 dwt).

The average age of the Euronav's VLCC fleet is currently six years. Three of the ships - *Flandre* (2004 – 305,688 dwt), *Algarve* (1999 – 298,969 dwt) and *Luxembourg* (1999 –

299,150 dwt) – are on charter to Total. The remaining vessels are operated in the TI VLCC Pool in the voyage freight market.

### Suezmax and Aframax fleet:

#### Charter coverage expands

The remainder of the fleet – 14 Suezmaxes (of which five newbuildings will be delivered by Samsung Heavy Industries of South Korea in the second semester 2006 and first quarter of 2007) and two Aframaxes – have an average age of five years, which will reduce as the newbuildings are delivered.

Since December 2005, two Suezmaxes have been chartered to Petrobras, two to Valero, one to Glencore and one to Vitol. This follows the company strategy of seeking long-term charter coverage of the Suezmax fleet. In each case the rates at renewal or extension were higher than the rates at expiry.

## Consolidated financial statements for the period ended 30 June 2006

EURONAV (the "Company") is a company domiciled in Belgium. The consolidated financial statements of the Company for the period ended 30 June 2006 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities. The financial statements were authorised for issue by the directors on 20 September 2006.

The consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting

Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union on 30 June 2006. Compared to 31 December 2005 no changes were made to the accounting policies.

Furthermore, after 30 June 2006 no events that would lead to a significant correction of the financial statements for the period ended 30 June 2006 have occurred.

A detailed income statement, balance sheet, cash flow statement and a statement of changes in equity can be consulted on [www.euronav.com](http://www.euronav.com).

	6 months to 30.06.2006	12 months to 31.12.2005	6 months to 30.06.2005
<b>Income statement</b> (in thousands of USD)			
Turnover	349,111	583,626	283,302
<b>EBITDA</b>	<b>224,658</b>	<b>372,383</b>	<b>179,683</b>
Depreciation and amortisation expenses	-69,483	-116,868	-46,795
<b>Result from operating activities</b>	<b>155,175</b>	<b>255,515</b>	<b>132,888</b>
Financial result	-29,850	-45,175	-14,578
<b>Result before income tax</b>	<b>125,325</b>	<b>210,340</b>	<b>118,310</b>
Income tax expense	-685	-1,881	-652
Deferred tax	65	961	574
<b>Result from continuing operations</b>	<b>124,705</b>	<b>209,420</b>	<b>118,232</b>
Minority interest	-	-	-
<b>Result for the period</b>	<b>124,705</b>	<b>209,420</b>	<b>118,232</b>
Weighted number of shares	52,518,862	52,518,862	52,518,862
Basic earnings per share (in USD)	2.37	3.99	2.25
Diluted earnings per share (in USD)	2.37	3.99	2.25

	6 months to 30.06.2006	12 months to 31.12.2005	6 months to 30.06.2005
<b>Balance sheet</b> (in thousands of USD)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>	<b>2,022,651</b>	<b>2,003,205</b>	<b>2,052,340</b>
Property, plant and equipment	2,009,047	1,981,276	2,026,517
Intangible assets	12,850	16,866	20,614
Financial assets	10	4,304	4,583
Deferred tax assets	744	759	626
<b>CURRENT ASSETS</b>	<b>171,799</b>	<b>214,900</b>	<b>235,019</b>
<b>TOTAL ASSETS</b>	<b>2,194,450</b>	<b>2,218,105</b>	<b>2,287,359</b>
<b>LIABILITIES</b>			
<b>EQUITY</b>	<b>929,109</b>	<b>906,319</b>	<b>815,387</b>
Capital and reserves	929,109	906,319	815,387
Minority interests	-	-	-
<b>NON-CURRENT LIABILITIES</b>	<b>1,086,363</b>	<b>1,133,029</b>	<b>964,312</b>
Loans and borrowings	1,083,766	1,129,988	961,089
Deferred tax liabilities	147	739	1,065
Employee benefits	493	454	305
Deferred government grants	-	-	-
Provisions	1,957	1,848	1,853
<b>CURRENT LIABILITIES</b>	<b>178,978</b>	<b>178,757</b>	<b>507,660</b>
<b>TOTAL LIABILITIES</b>	<b>2,194,450</b>	<b>2,218,105</b>	<b>2,287,359</b>

	6 months to	12 months to	6 months to
<b>Cash flow statement</b> (in thousands of USD)	<b>30.06.2006</b>	<b>31.12.2005</b>	<b>30.06.2005</b>
<b>Net cash and cash equivalents at the beginning of the period</b>	<b>51,388</b>	<b>61,761</b>	<b>61,761</b>
Cash flows from operating activities	229,000	316,650	178,971
Cash flows from investing activities	-88,989	-1,367,361	-990,027
Cash flows from financing activities	-147,527	1,045,504	863,080
Effect of changes in exchange rates	3,177	-5,166	-3,405
<b>Net cash and cash equivalents at the end of the period</b>	<b>47,049</b>	<b>51,388</b>	<b>110,380</b>

	6 months to	12 months to	6 months to
<b>Statement of changes in equity</b> (in thousands of USD)	<b>30.06.2006</b>	<b>31.12.2005</b>	<b>30.06.2005</b>
<b>Balance at the beginning of the period</b>	<b>906,319</b>	<b>428,987</b>	<b>428,987</b>
Available-for-sale financial assets			
Fair value revaluation	-	1,214	1,398
Transferred to profit or loss on sale	-1,214	-	-
Currency translation differences	331	-630	-558
Net income recognised directly in equity	-883	584	840
Result for the period	124,705	209,420	118,232
Total recognised income and expense	123,822	210,004	119,072
Dividends to shareholders	-101,032	-88,700	-88,700
Issue of share capital	-	356,028	356,028
Repayment of share capital	-	-	-
Treasury shares	-	-	-
Other changes	-	-	-
<b>Balance at the end of the period</b>	<b>929,109</b>	<b>906,319</b>	<b>815,387</b>

### Report of the Joint Statutory Auditors on the condensed interim consolidated financial information of EURONAV NV as of 30 June 2006

In accordance with our audit mandate, the Joint Statutory Auditors have performed a limited review on the condensed interim consolidated financial information of EURONAV NV and her subsidiaries (the 'Group') as of 30 June 2006, with a balance total of USD 2,194,450 ('000) and a share of the Group in the profit for the period ended 30 June 2006 of USD 124,705 ('000), the cash flow statement for the period ended per 30 June 2006 and the statement of changes in equity up to 30 June 2006. This condensed interim consolidated financial information was drawn up in accordance with the recognition and measurement criteria of the International Financial Reporting Standards. The condensed consolidated financial information was drawn up under the responsibility of the Group management.

We conducted our review in accordance with the 'International Review Standard on Review Engagements 2400', issued by the 'International Federation of Accountants'. This review was limited primarily to analysis, comparison and discussion of financial information and was therefore less exhaustive than a full scope audit of the financial statements, with the aim of certifying the consolidated financial statements.

Accordingly we can not certify the above mentioned condensed interim consolidated financial information.

Based on our review nothing has come to our attention that causes us to believe that the accompanying financial information does not give a true and fair view in accordance with the International Financial Reporting Standards, as adopted by the European Union on 30 June 2006.

Antwerpen, 20 September 2006

Joint statutory auditors

Helga Platteau  
Bedrijfsrevisor  
Statutory auditor  
represented by

Klynveld Peat Marwick Goerdeler  
Bedrijfsrevisoren  
Statutory auditor  
represented by

Helga Platteau

Serge Cosijns

### Euronav tonnage: More than ten million

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

- VLCC owned	6,051,991 dwt
- Suezmax owned	2,160,323 dwt
- On charter and Bareboat	2,320,197 dwt

Total owned and controlled tonnage 10,532,511 dwt

For the first time in the history of Euronav or its predecessors, the fleet exceeds ten million tonnes under control.

### Order book: Growth under control

The total order book stands at 17% of the world fleet, which is roughly 6% per year for the next 3 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. They also indicate 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 into perspective with the long period over which the vessels will be delivered. Another contributory factor is the IMO requirement that all single hull tankers should cease trading in international waters from 2010 except under limited and stringent requirements.

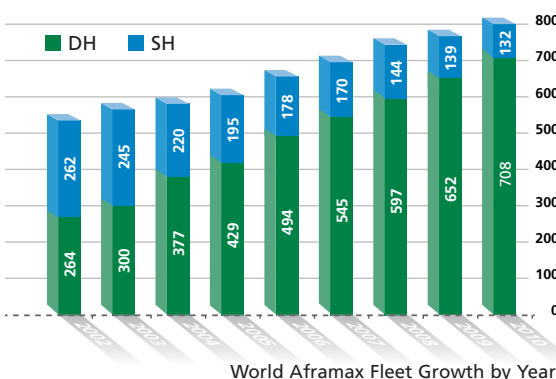
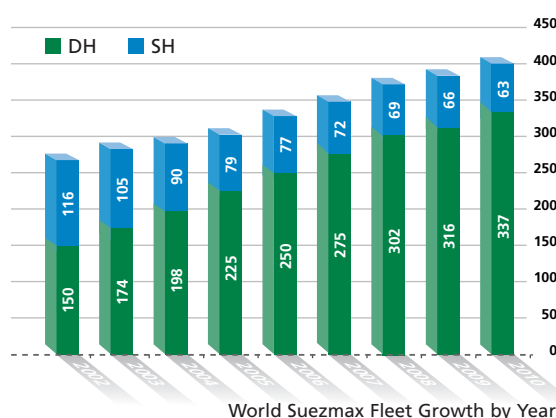
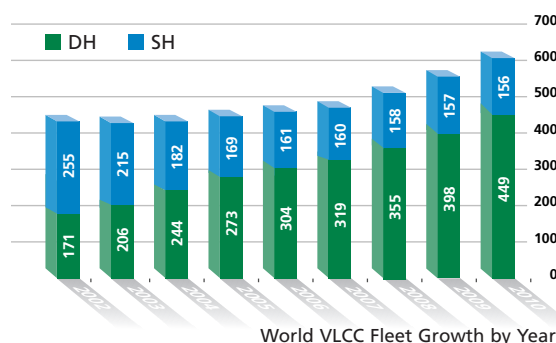
The current trend is that large quality fleets worked strategically are outperforming smaller competitors due to better utilisation, improved customer relationships and greater market knowledge.

Euronav will be ready to increase market exposure. This could happen through time charter, through the acquisition of ships or shares of shipowning companies, or simply by waiting until the most favourable opportunities arise during 2007 and 2008.

### Euronav Ship Management: All-round quality

Euronav is strongly positioned at the top end of ship management and operations of large tanker tonnage thanks to 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 from in-house management are in asset maintenance, business opportunities and risk



management. More than ever before, charterers are seeking to do business exclusively with superior quality operators whether through fixed rate long-term business or in the spot market.

### The Euronav share

Since the beginning of 2005, Euronav did not acquire any own shares on the stock exchange. Taking into account the latest declaration, 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 (in thousands of USD)		
Saverco	14,681,283	27.95%
Tanklog Companies	10,749,555	20.47%
Victrix	5,316,165	10.12%
CMB	50,028	0.09%
Third parties	21,721,831	41.36%
	52,518,862	100.00%





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