



EURONAV
The ocean is our environment

PRESENTATION FOR ITMMA

Creating and running
an International Group

Antwerp, 19th April 2007

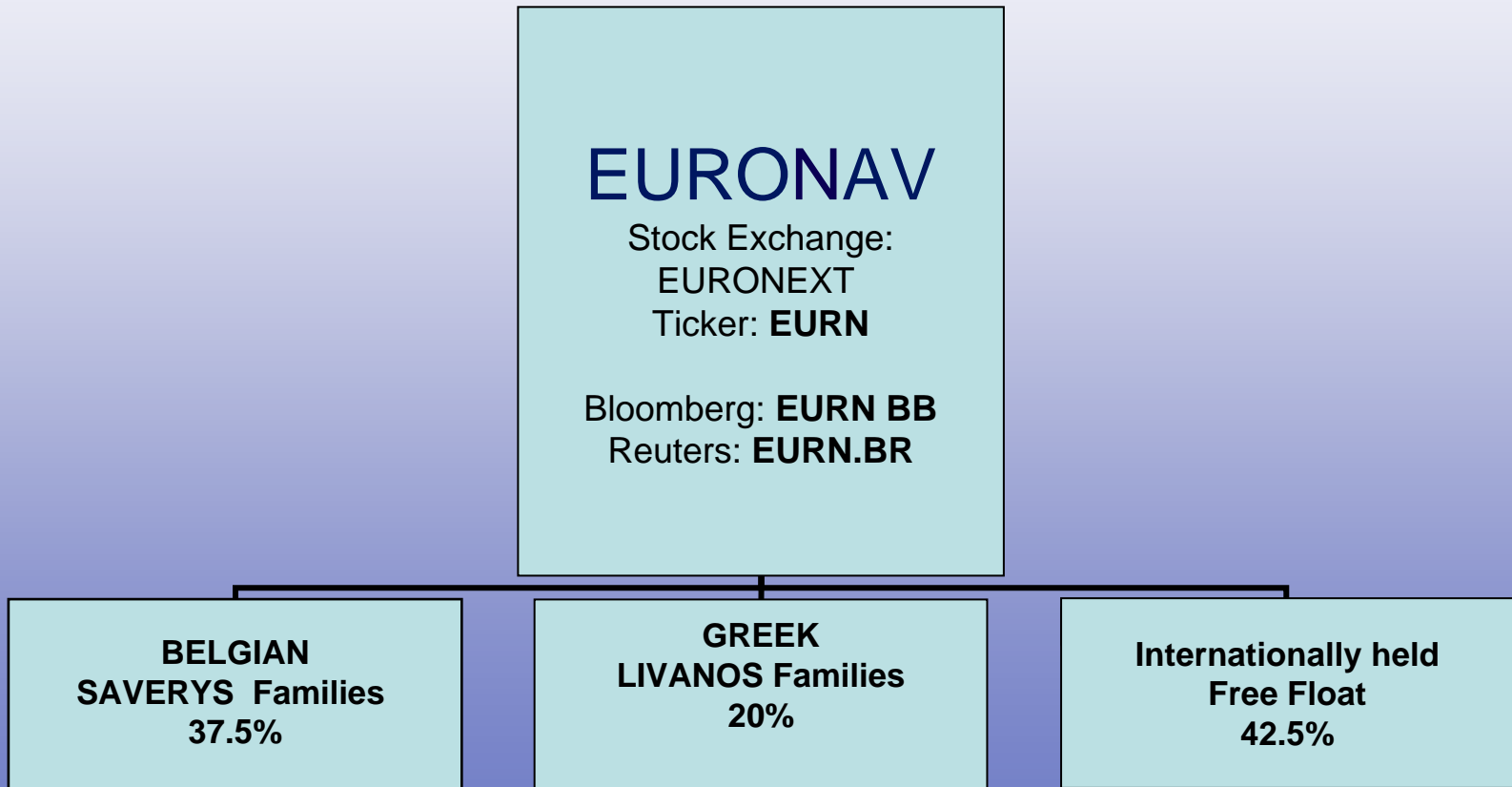
A photograph of an offshore oil rig at dusk. The rig is illuminated by warm lights, and the sky is a deep blue with scattered clouds. The rig features a prominent white structure with a circular platform on top, and various pipes and cranes are visible. The foreground shows a white deck with circular lights.

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Belgian Public Company engaged in owning, operating and managing bulk transportation of crude oil





Make up of Euronav Staff

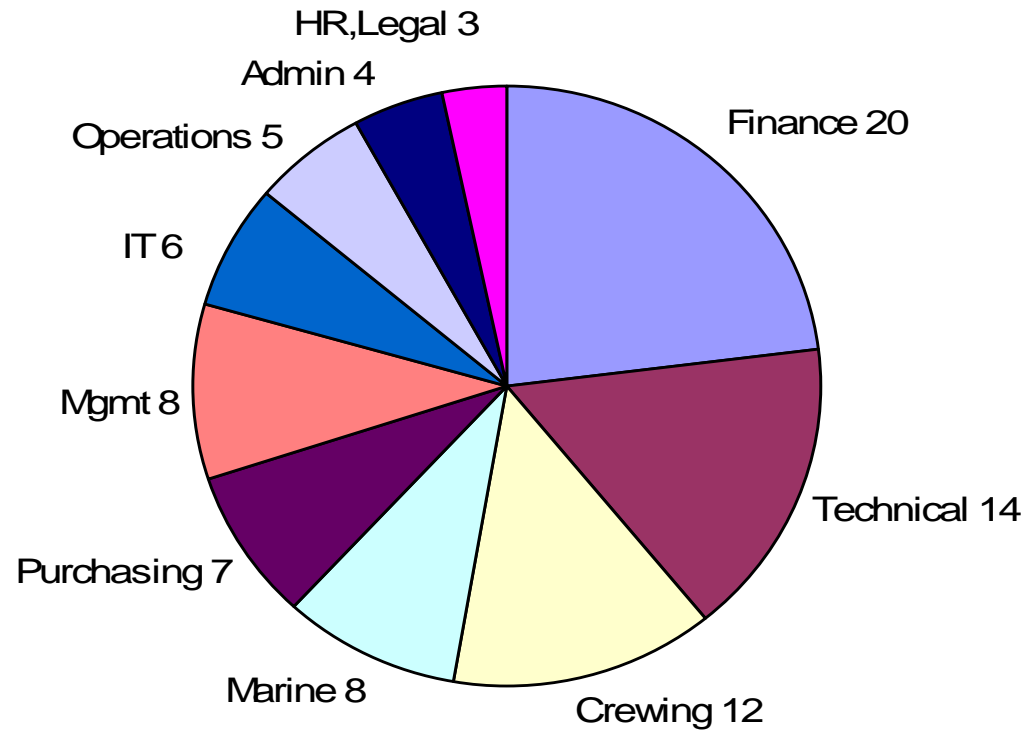
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- 31/12/06 1,292 seafarers on Board our vessels, 635 officers, 80 cadets, 657 ratings
- 6 nationalities make up the vast majority of our crew, Belgian, French, Greek and Bulgarian officers with Salvadorian and Philippino deck hands
- Ashore Euronav has four offices: Antwerp, Piraeus, London and Nantes with 87 shore base staff



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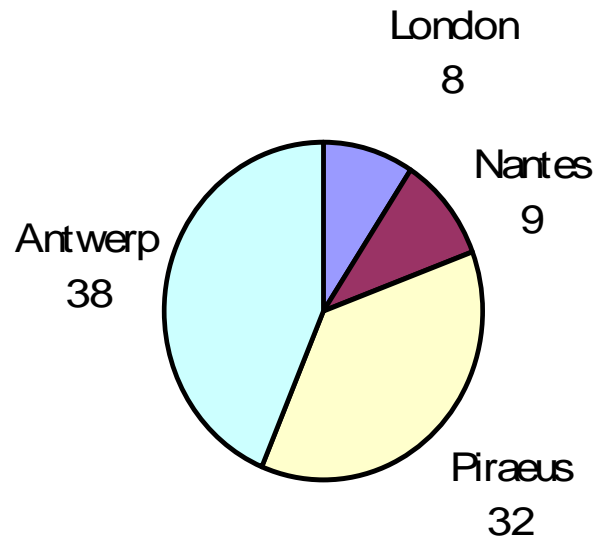
Shore staff by function





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Shore staff by location





WORLD'S LARGEST TANKERS...

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Longer than the Eiffel Tower!



Can carry eq. to 5.6 million kegs of Beer!

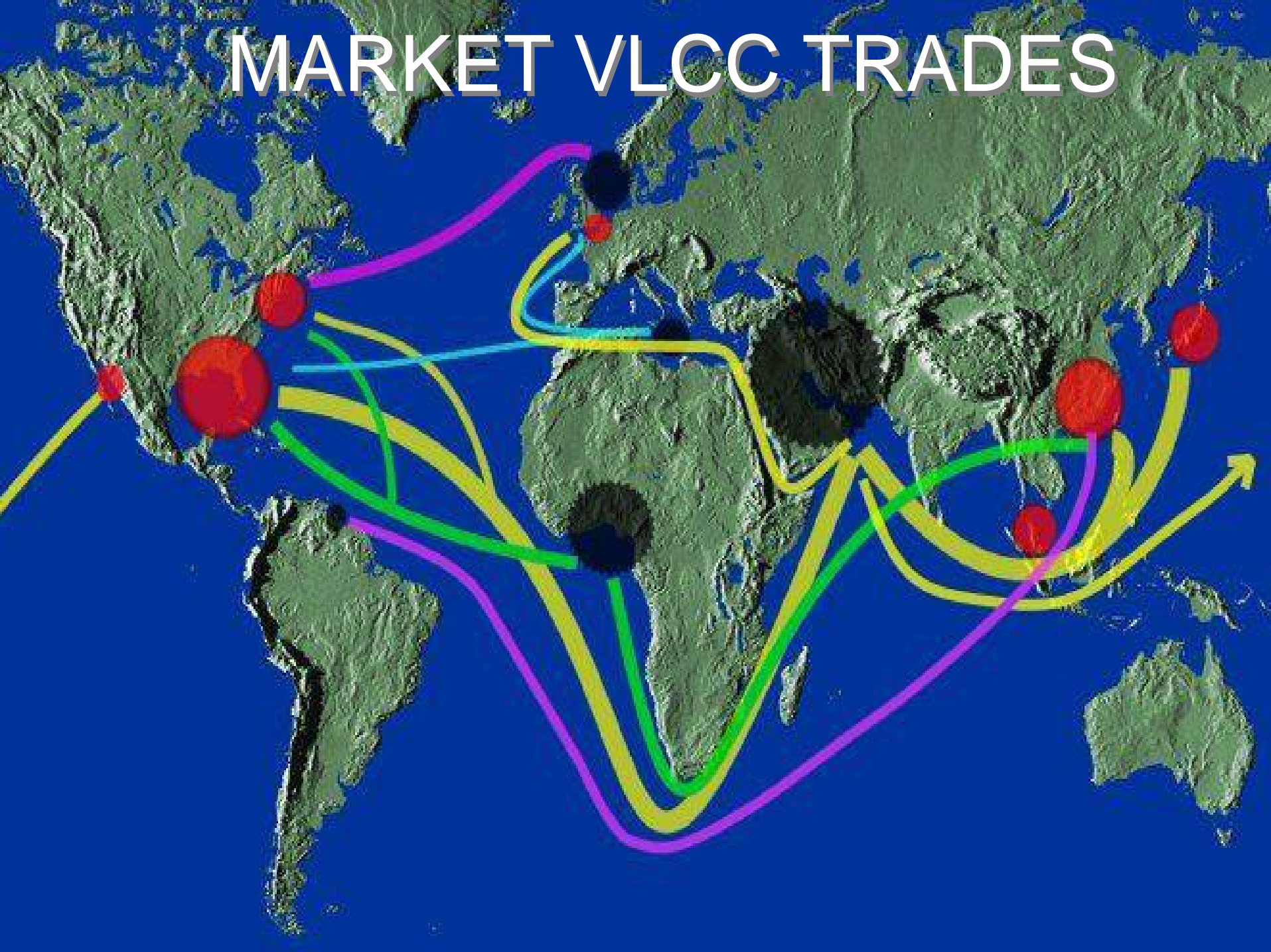


From keel to deck it is taller than a 7 storey high building!!



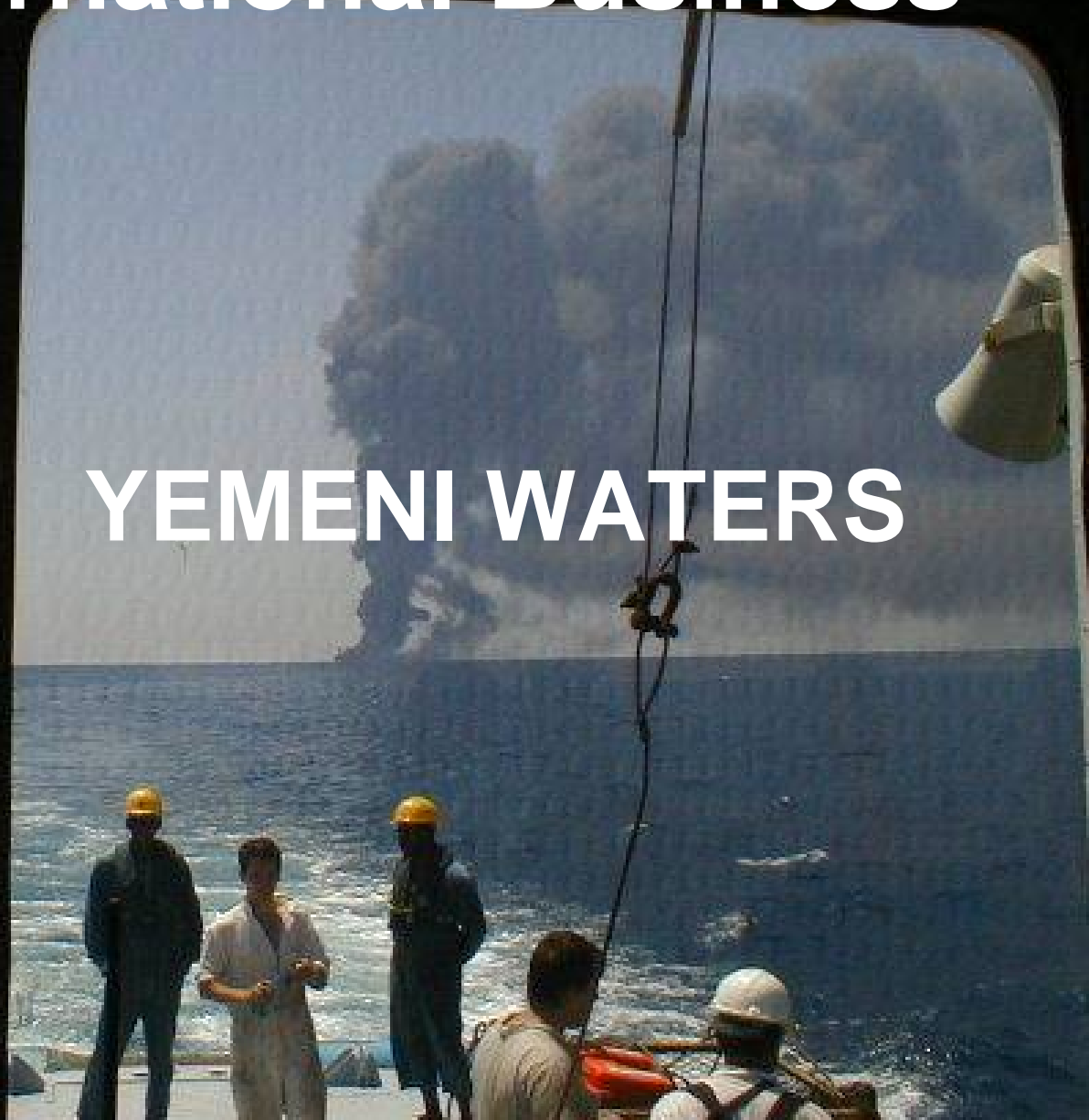
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MARKET VLCC TRADES



An International Business

YEMENI WATERS



An International Business

The background image shows a large oil tanker ship on the left side of the frame. A massive, dark, billowing plume of smoke or steam rises from the background, partially obscuring the sky and the ship's superstructure. The sea is a deep blue color.

**SAUDI CARGO
CANADIAN CARGO
MALAYSIAN RECEIVERS**

An International Business

**DUTCH SALVORS – FRENCH
FLAG SHIP – CREW FRENCH
BULGARIAN AND PHILIPPINO**



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For mast and windless,
hundred tons of ice

**NORTH ATLANTIC
NORWEGIAN CARGO
CANADIAN RECEIVER**



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BELGIAN SHIP

You can see Suez light
bow platform. The men
try to open port chain
stopper. Thick ice 1.5 m
and more



An International Business

INTERNATIONAL WEATHER

A large icebreaker ship is seen navigating through a dense field of sea ice. The ship is positioned in the middle ground, partially obscured by the ice. The sky is overcast with grey clouds. The overall scene conveys a sense of international maritime operations in a challenging environment.



MARKET EVOLUTION AND
EURONAV'S DEVELOPMENT



The tramp bulk markets

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Historically have involved:

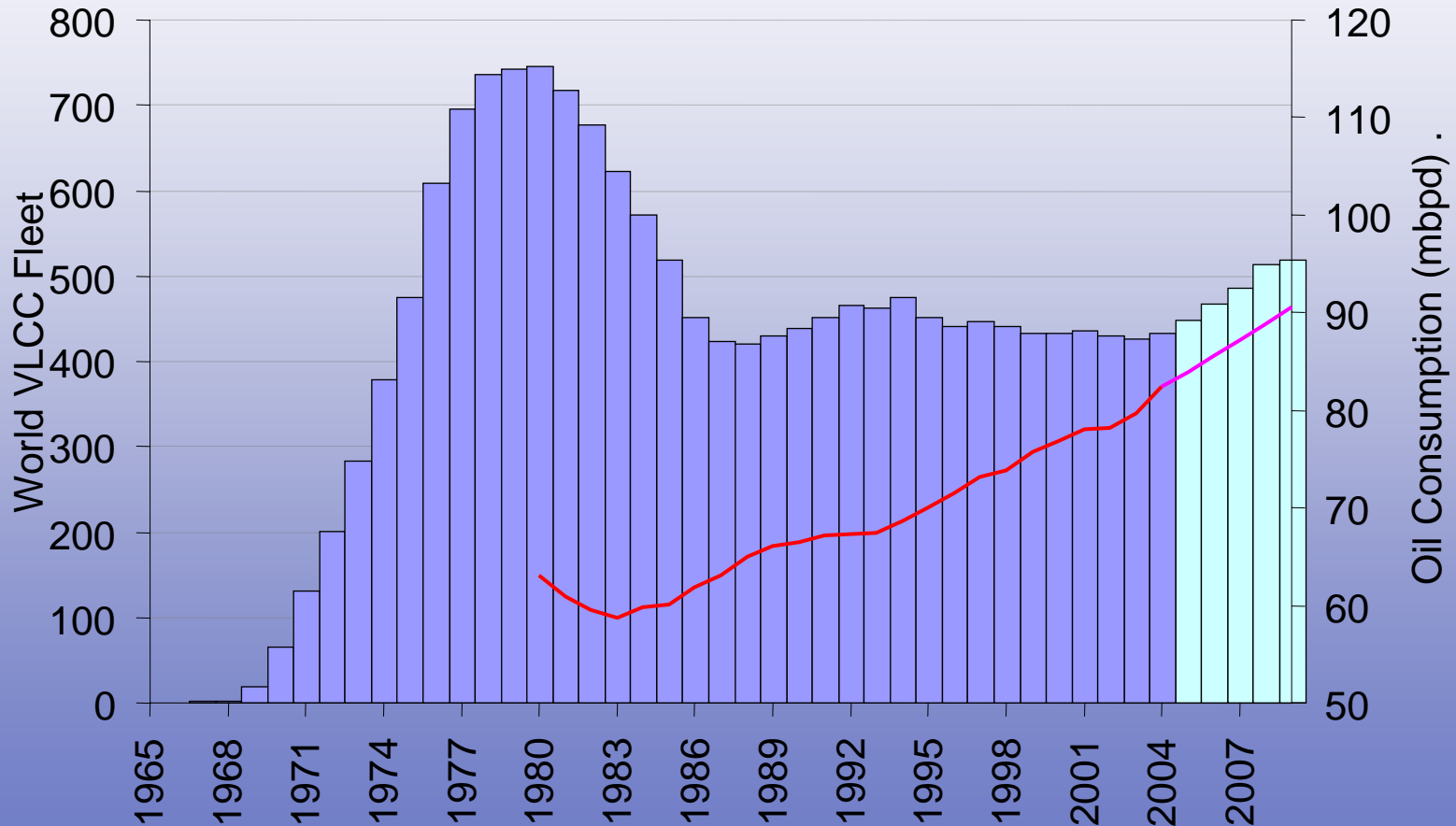
- high volatility;
- focus on low cost operations as a hedge against volatility;
- trading in ships as a major source of revenue i.e. buy cheap, sell expensive producing the value in the business
- carriage of cargo, something to do whilst waiting to play the cycle.



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One cause was an overbuilt fleet

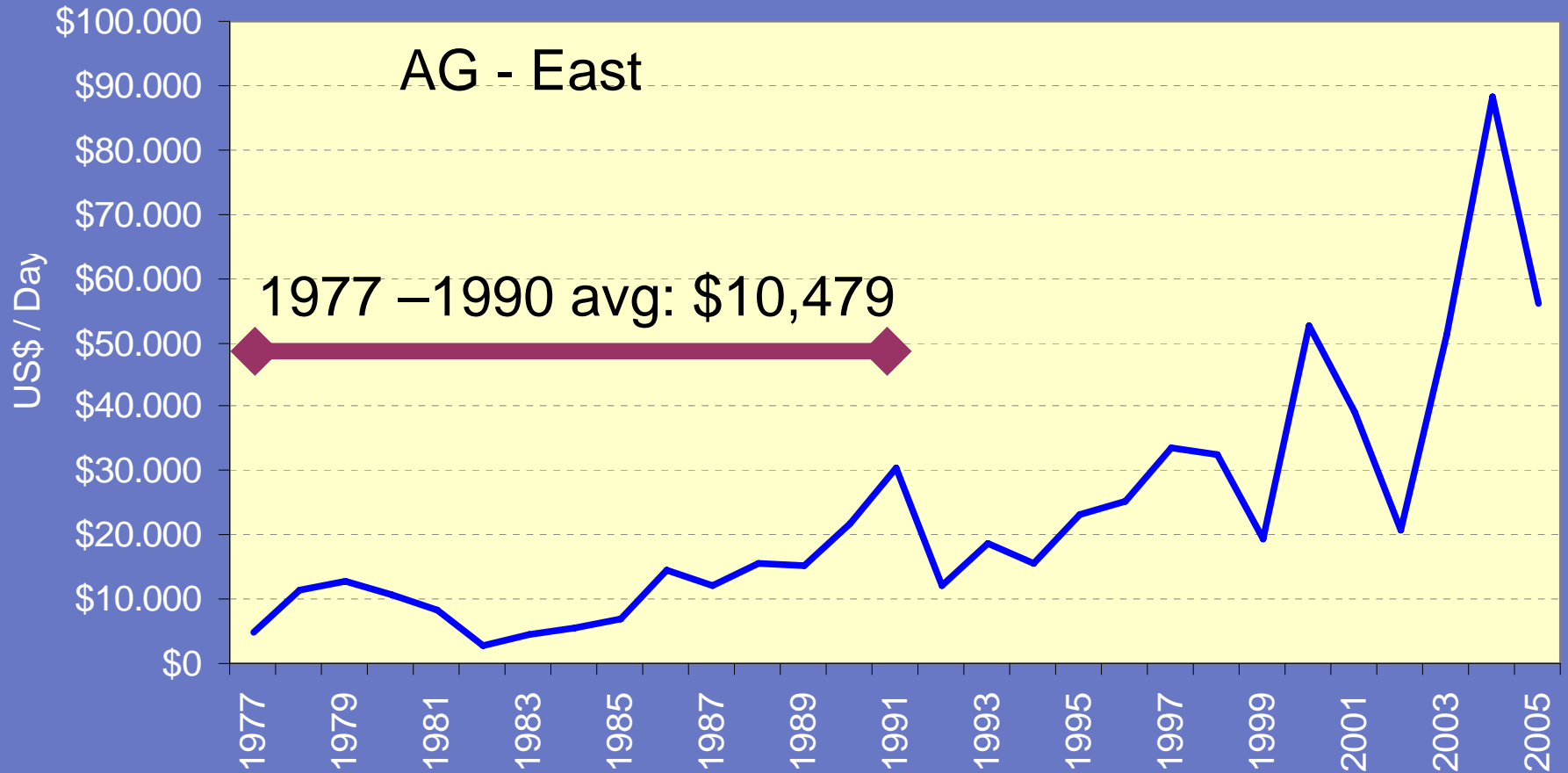
World VLCC Fleet Size





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HISTORIC RATES



Source: Poten / Clarksons



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Bulk Markets capital Vs People

- In the old environment operations did not add real value. Lost revenue could be offset by reduced costs . Best exemple is lay up
- Capital cost – timing in and out of the market was everything
- Ship management was outsourced whole sale to third party managers to achieve economy of scale.



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Post 2000

- Customer consolidation in late 90s:
 - Total Fina Elf – Total
 - Chevron Texaco – Chevtex
 - BP, Amocco, Arco – BP
 - Exxon Mobil – Exxom

The focus in these mergers was squeezing the lemon.
- Boom in profitability from production of oil and refining. More people, consuming more energy more of which is made up of oil
- What could go wrong for an oil company
 - A spill
 - Poor logistics, oil not in the right place at the right time



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IMO SINGLE HULL BAN

- In 1999 the International Maritime Organisation (IMO) decided to ban single hull tankers from 2015.
- Single hulls carrying heavy crude were banned in Europe in October 2003.
- In December 2003 the IMO brought forward the date from 2015 to 2010.



'Prestige' sinking

Photo DOUANES FRANCAISES



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Health and Safety Quality and the Environment

- From January 2003 onwards the world is clearly short of ships
- As the fleet grows, it is clear that the world is short of qualified seafarers
- Customers will now pay for ship and quality services, because they are enjoying record profitability and cannot afford business disruption
- Customer are mega public companies seeking competitive advantage through corporate social responsibility H & SQE.



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History of Euronav

- The Euronav group of companies has its origins in Compagnie Maritime Belge N.V. (CMB) founded in 1895 and the Compagnie National de Navigation (CNN) founded in 1938.
- In 1989 CNN chose to expand its tanker business and acquired ships and personnel of BP France, Total, Shell and Elf. European Navigation Company Ltd. (or Euronav) was established in the Isle of Man, primarily for a beneficial tax regime
- A sister company Euronav (UK) Agencies Ltd. was formed at the same time to commercially exploit the vessels from a London base, Moreau House on the Brompton Road.
- Ship management was provided by France Shipmanagement S.A. of Nantes, another daughter company of CNN.
- In 1995 CMB contributed 3 modern tankers to Euronav and moved the jurisdiction to Luxembourg.
- In 1998 Euronav was fully consolidated with the acquisition of Franship and the merger of several of the CNN crew-employing companies (AMHL, SFTP, and SNTP) into Euronav SAS. All of these became direct subsidiaries of Euronav Luxembourg including Euronav UK Agencies Ltd.
- In 1998 CMB acquired CNN and Euronav became a wholly owned subsidiary of the CMB group. The core business of CMB at this time was part operation and the tanker investment was a speculative investment

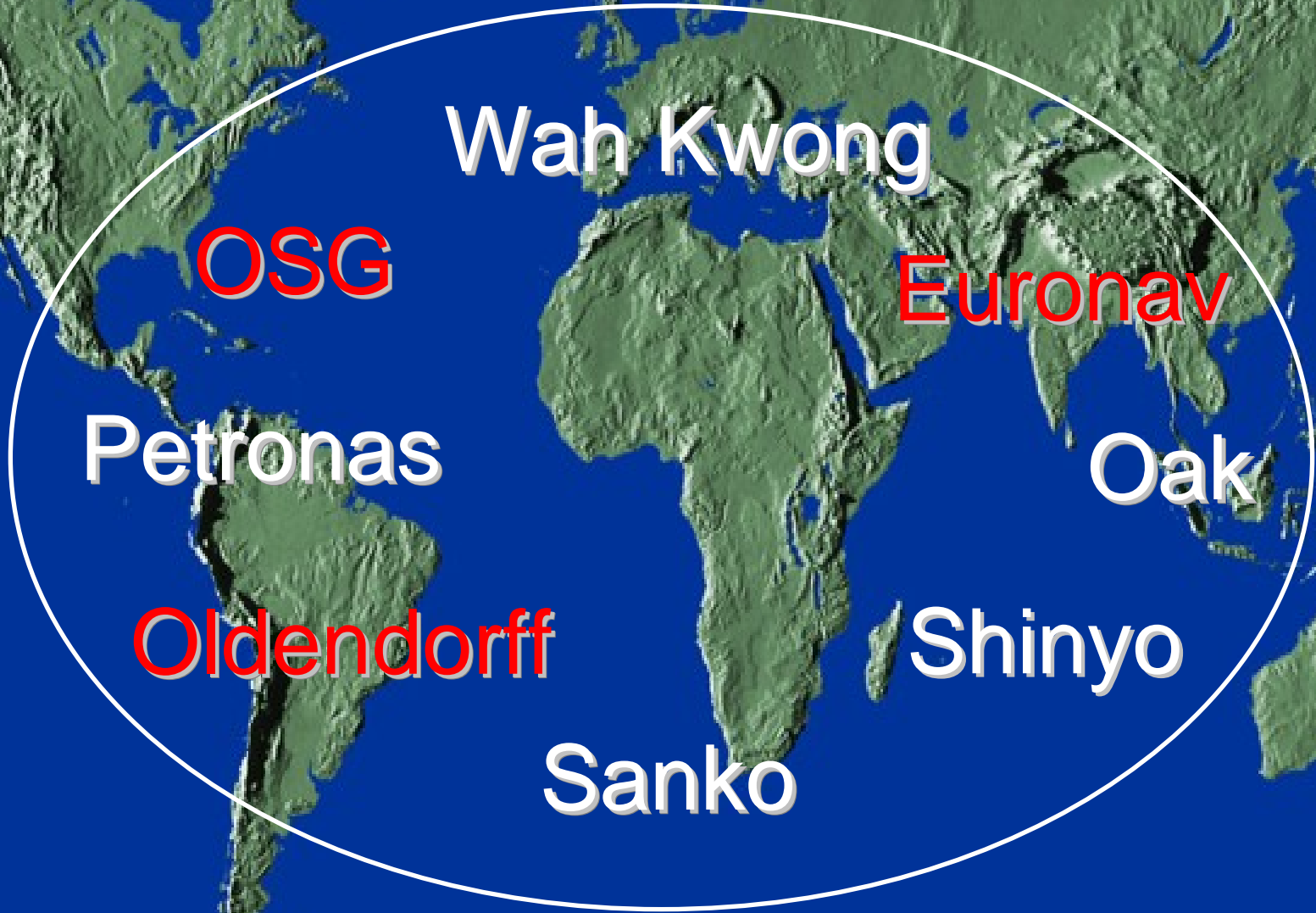


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Recent History

- In 1999 Euronav disappointed with its ability to perform in the market place due to lack of size and unable to grow through merger, formed the Tankers International VLCC Pool.
- 2003, 2004 were boom years for tankers and due to operational leverage and acquisitions Euronav grew sufficiently through asset value increase and retained earnings to be a viable independent public company. How to take it further?
- 1st December 2004: Euronav demerged from CMB.
- Shares were listed on the Euronext exchange separately.
- 3rd March 2005: Euronav acquired 4 VLCCs from Metrostar of Greece.
- 1st April 2005: Euronav acquired the 16 Vessel fleet of Tanklog managed by Ceres Hellenic, consisting out of 14 Suezmaxes whereof 5 Newbuildings and 2 Aframaxes. In addition Euronav took over the seafarers and shore based managers in Greece who ran the fleet.
- Since the merger Euronav has placed a further 6 newbuilding contracts

THE CURRENT TI POOL



Established in 2000



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THE TI FLEET

	 TANKERS INTERNATIONAL	<i>Rest of World Fleet</i>
Single hull:	0	156
Double hull:	43 (1 on TC)	288
Total fleet:	43	444
% double hulled:	100%	64.9%
Average age of fleet:	6.93 years	9.18 years



WHY POOL ?

- **Improved Performance = Improved Earnings**

- Greater flexibility which means more earning days. Ballast Vs Laden
- Improved expertise through dedicated roles improving reliability of service
- A large uniform fleet provides
- Economies of scale (agent, bunker, admin.)
- Global operation
- Vettings / Approvals programme
- Increased access to information
- Increased access to contracts



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Euronav's revenue strategy

- The current business strategy is to manage revenue volatility through time charter where earnings are fixed daily rate either with or without a profit share
- Pooling spot vessels to insure improved exploitation through optimisation
- Professionalism of people ashore and on board is key to quality service necessary for time charter strategy and for optimisation under a spot strategy



Current Business Environment

- With ship values up, finance costs are up and the proportion of daily cost related to quality services is down
- The quality premium that charterers *in sensitive geographical locations* will pay is up
- Where are the *sensitive locations*? Atlantic Basin, Med, Black Sea, North Sea and Baltic
- Euronav in its pools and time charters is focusing on these areas for trade

MANAGING AN INTERNATIONAL GROUP





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How to ensure uniform professionalism and competence

- Professionalism and competence existed due to a history of keeping faith with national flags.
- It is sub optimal to run 4 offices but it also provides access to 4 labour markets
- Uniformity is necessary, but if imposed top down the culture of the company can be oppressive and unfulfilling with the con commitment risk of loss of staff and therefore value
- Too much autonomy and Euronav will behave like a different company in each office and in each department. E.G. Franship when owned by CNN in the early 1990s



Develop a corporate culture which transcends nationality and language

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- Improve communication (English language, terminal server, newsletter, social interaction)
- Standardise working procedures;
- Rebranding the company
- Common business ethic (cooperate, be rational, benchmark);
- Cross functional, cross branch, self directed work teams;
- Clarity of roles, expectations and authorities;
- Emphasis on quality and professionalism;
- Open communication and no blame culture.



Mission

For our society,

to deliver worldwide the primary source of Energy needs in ways which are economically, socially, ethically and environmentally viable, now and in the future.

For our clients,

to run safe and effective operations that contribute to the success of their business objectives by setting higher standards of quality and reliability.

For our people,

to develop, inspire and lead talented people to achieve their career goals in a healthy, challenging and rewarding environment.

For our shareholders,

to create significant lasting value by strategically planning financial and investment decisions while operating a first class business.



Vision

To be recognized as a leader in Oil transportation, dedicated to safety, quality and environmental protection and to pursue excellence through innovation, know-how and continuous improvement.

Thank you for listening

