Consolidated financial statements for the period ended 31 December 2005

Income statement
in thousands of USD

	note	2005	2004
Revenue from shipping activities	-	572,349	430,615
Capital gains on disposal of vessels	-	3,885	9,006
Other operating revenue	3	11,277	5,209
Expenses for shipping activities	4	-190,309	-115,661
Capital losses on disposal of vessels	-	-	-
Depreciation and amortisation expenses	-	-116,868	-45,737
Impairment losses (-) / reversals (+)	-	-	-
Staff costs	4	-6,300	-3,720
Other operating expenses	4	-21,562	-15,844
Restructuring costs	-	-	-
Net result on freight and other similar derivatives	22	3,043	-6,443
Result from operations		**255,515**	**257,425**
Net finance costs	5	-48,245	-12,184
Results of investments in associates	-	-	-
Results from other financial investments	6	382	-
Net foreign exchange gains (+) / losses (-)	-	2,688	660
Result before tax		**210,340**	**245,901**
Current tax	7	-1,881	-330
Deferred tax	7	961	-9,069
Result after tax		**209,420**	**236,502**
Minority interest	-	-	-
Net result		**209,420**	**236,502**
Weighted number of shares	17	52,518,862	42,016,807
Basic earnings per share (in USD)	17	3,99	5.63
Diluted earnings per share (in USD)	17	3,99	5.63

Balance sheet
in thousands of USD

	note	2005	2004
ASSETS			
NON-CURRENT ASSETS		**2,003,205**	**778,732**
Tangible assets	-	**1,981,276**	**776,862**
Vessels	9	1,850,428	773,220
Offshore equipment	-	-	-
Investment property	-	-	-
Land and buildings	-	-	-
Assets under construction	9	130,125	3,525
Other tangible assets	9	723	117
Intangible assets	**10**	**16,866**	**67**
Financial assets	-	**4,304**	**611**
Investments in associates	-	-	-
Investments in securities	11	4,293	600
Non-current receivables	13	11	11
Deferred tax assets	**12**	**759**	**1,192**
CURRENT ASSETS		**214,900**	**208,408**
Inventories	-	-	-
Trade and other receivables	14	163,434	145,526
Income tax receivable	8	78	1,121
Short-term investments	-	-	-
Cash and cash equivalents	15	51,388	61,761
TOTAL ASSETS		**2,218,105**	**987,140**

	note	2005	2004
LIABILITIES			
EQUITY		**906,319**	**428,987**
Capital and reserves	**-**	**906,319**	**428,987**
Share capital	16	56,248	45,000
Share premium account	16	353,063	6,611
Translation reserves	16	568	1,198
Fair value reserve	16	1,214	-
Treasury shares	16	-	-
Retained earnings	-	495,226	376,178
Minority interests	**-**	-	-
NON-CURRENT LIABILITIES		**1,133,029**	**454,002**
Long-term borrowings	**-**	**1,129,988**	**449,899**
Finance leases	18	-	31,132
Bank loans	18	1,129,988	382,837
Other long-term loans	18	-	35,930
Deferred tax liabilities	**12**	**739**	**1,679**
Employee benefit obligations	**19**	**454**	**336**
Deferred government grants	**-**	**-**	**-**
Provisions	**20**	**1,848**	**2,088**
CURRENT LIABILITIES		**178,757**	**104,151**
Trade and other payables	21	68,783	59,243
Income tax payable	8	849	20
Short-term loans	18	109,017	44,677
Provisions	20	108	211
TOTAL LIABILITIES		**2,218,105**	**987,140**

Cash flow statement
in thousands of USD

		note	2005	2004
Net cash and cash equivalents at the beginning of the period			**61,761**	**55,479**
Cash receipts from shipping activities		-	588,384	349,020
Cash receipts from other activities		-	6,151	5,574
Cash paid to suppliers for shipping activities		-	-211,782	-134,587
Cash paid to other suppliers and employees		-	-27,896	-11,389
FFA and other similar derivatives	(net)	-	-800	-3,966
VAT	(net)	-	1,549	-36
Income taxes	(net)	-	-610	-164
Cash payments and receipts on behalf of third parties	(net)	-	880	5,500
Interest paid		-	-41,950	-14,720
Interest received		-	2,482	2,142
Dividends received		-	242	-
Cash flows from operating activities			**316,650**	**197,374**
Purchase of vessels		-	-1,357,388	-363,782
Proceeds from the sale of vessels		-	10,692	29,545
Purchase of other (in)tangible assets		-	-25,730	-
Proceeds from the sale of other (in)tangible assets		-	2,088	-
Investment in securities		-	-2,036	-127
Proceeds from the sale of securities		-	-	-
Loans to related parties		-	-	-
Repayment of loans to related parties		-	-	28,723
Net cash on disposal of subsidiaries, joint ventures & associates		-	5,013	-
Net cash on acquisition of subsidiaries, joint ventures & associates		-	-	-
Futures, forwards, options and swap contracts (net)		-	-	-
Cash flows from investing activities			**-1,367,361**	**-305,641**
Issue of share capital		-	357,700	-
Purchase / sale of treasury shares		-	-	-
New long-term borrowings		-	1,302,639	305,061
Repayment of long-term borrowings		-	-483,162	-51,854
Loans from related parties		-	-	124
Repayment of loans from related parties		-	-38,850	-63,044
Dividends paid		-	-92,823	-81,685
Cash flows from financing activities			**1,045,504**	**108,602**
Effect of changes in exchange rates			**-5,166**	**5,947**
Net cash and cash equivalents at the end of the period		**15**	**51,388**	**61,761**

Statement of changes in equity *in thousands of USD*	Capital	Share premium account	Translation reserve	Fair value reserve	Treasury shares	Retained earnings	**Capital and reserves**	Minority interests	**Total equity**
Balance at 1 January 2004	**44,974**	**6,637**	**602**	**-**	**-**	**226,697**	**278,910**	**-**	**278,910**
Available-for-sale financial assets									
Fair value revaluation	-	-	-	-	-	-	**-**	-	**-**
Transferred to profit or loss on sale	-	-	-	-	-	-	**-**	-	**-**
Currency translation differences	-	-	596	-	-	-	**596**	-	**596**
Net income recognised directly in equity	-	-	596	-	-	-	**596**	-	**596**
Result for the period	-	-	-	-	-	236,502	**236,502**	-	**236,502**
Total recognised income and expense	-	-	596	-	-	236,502	**237,098**	-	**237,098**
Dividends	-	-	-	-	-	-87,021	**-87,021**	-	**-87,021**
Issue of share capital	-	-	-	-	-	-	**-**	-	**-**
Repayment of share capital	-	-	-	-	-	-	**-**	-	**-**
Treasury shares	-	-	-	-	-	-	**-**	-	**-**
Other changes	26	-26	-	-	-	-	**-**	-	**-**
Balance at 31 December 2004	**45,000**	**6,611**	**1,198**	**-**	**-**	**376,178**	**428,987**	**-**	**428,987**
Balance at 1 January 2005	**45,000**	**6,611**	**1,198**	**-**	**-**	**376,178**	**428,987**	**-**	**428,987**
Available-for-sale financial assets									
Fair value revaluation	-	-	-	1,214	-	-	**1,214**	-	**1,214**
Transferred to profit or loss on sale	-	-	-	-	-	-	**-**	-	**-**
Currency translation differences	-	-	-630	-	-	-	**-630**	-	**-630**
Net income recognised directly in equity	-	-	-630	1,214	-	-	**584**	-	**584**
Result for the period	-	-	-	-	-	209,420	**209,420**	-	**209,420**
Total recognised income and expense	-	-	-630	1,214	-	209,420	**210,004**	-	**210,004**
				-					
Dividends	-	-	-	-	-	-88,700	**-88,700**	-	**-88,700**
Issue of share capital	11,248	346,452	-	-	-	-1,672	**356,028**	-	**356,028**
Repayment of share capital	-	-	-	-	-	-	**-**	-	**-**
Treasury shares	-	-	-	-	-	-	**-**	-	**-**
Other changes	-	-	-		-	-	**-**	-	**-**
				-					
Balance at 31 December 2005	**56,248**	**353,063**	**568**	**1,214**	**-**	**495,226**	**906,319**	**-**	**903,319**

Significant accounting policies

EURONAV (the "Company") is a company domiciled in Belgium. The consolidated financial statements of the Company for the year ended 31 December 2005 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 16 March 2006.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union on 31 December 2005.

(b) Basis of preparation

The financial statements are presented in USD, rounded to the nearest thousand. They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial assets at fair value through profit or loss and available-for-sale financial assets.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less cost to sell.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The IFRS accounts for Euronav for the accounting years 2003 and following have been prepared under the assumption that the Company was already demerged from CMB in 2003 and has always existed as a separate company. IFRS offers no specific guidance on how to treat a demerger. Additionally, the demerger of Euronav is to be considered as an operation under common control.
The company is of the opinion that in doing as described the financial statements present fairly the financial position and financial performance of the company and its subsidiaries. Furthermore, it ensures the comparability and readability of the financial statements.

The accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

(iii) Jointly controlled entities

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of the entities' assets, liabilities, revenue and expenses with items of a similar nature on a line-by-line basis, from the date that joint control commences until the date that joint control ceases.

(iv) Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised gains arising from transactions with associates are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to USD at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to USD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) ***Financial statements of foreign operations***

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to USD at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to USD at rates approximating the foreign exchange rates ruling at the dates of the transactions.

(e) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to market fluctuations, foreign exchange and interest rate risks arising from operational, financing and investment activities.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, all derivatives are remeasured to fair value with any adjustment recognised in net profit or loss for the period.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

(f) Intangible assets

(i) Goodwill and negative goodwill

Goodwill (positive and negative) represents amounts arising on an acquisition of subsidiaries, associates and joint ventures.
Goodwill (positive or negative) represents the difference between the cost of the acquisition and the net fair value of identifiable assets, liabilities and contingent liabilities acquired.

Positive goodwill is recognised as an asset and initially at its cost. After initial recognition goodwill shall be remeasured at cost less any accumulated impairment losses (refer accounting policy (k)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

If the net fair value of the acquired net assets exceeds the cost of the acquisition, the excess shall be recognised immediately in profit or loss after a reassessment of the identifiable assets, liabilities and contingent liabilities.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses (see accounting policy (k)).

(iii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iv) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset as from the date they are available for use.
The estimated maximum useful lives are as follows:

- software 3 – 5 years

(g) Vessels, property, plant and equipment

(i) Owned assets

Vessels and items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (refer accounting policy (l)). The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 January 2003, the date of transition to IFRS, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified as investment property.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (refer accounting policy (k)). Lease payments are accounted for as described in accounting policy (r).

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as an expense as incurred.

(iv) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset are expensed.

(v) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of vessels and items of property, plant and equipment. Land is not depreciated. The estimated maximum useful lives are as follows:

- tankers 20 years
- buildings 33 years
- plant and equipment 5 - 20 years
- fixtures and fittings 5 - 10 years
- other tangible assets 3 - 20 years

The useful lives and residual values are reassessed annually.

Furthermore, the Board of Directors can decide to record an additional and irreversible depreciation on 'surplus prices' paid for assets as a consequence of extreme circumstances. In which case, the decision of the Board of Directors shall be disclosed in a separate disclosure note to the consolidated accounts.

(h) Investments

(i) Investments in debt and equity securities

The Group classifies its investments in debt and equity securities in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

The Company determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the Company. Assets in this category are classified as current assets if they are held for trading or are expected to be realised within 12 months of the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the Company intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in equity except for impairment losses. When securities classified as available-for-sale are sold, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(ii) Investment property

Investment property is stated at cost or deemed cost less accumulated depreciation and impairment losses. As such, the rules as described in accounting policy note (g) Vessels, property, plant and equipment apply.
Rental income from investment property is accounted for as described in accounting policy (q).

(i) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (refer accounting policy (k)).

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(k) Impairment

The carrying amounts of the Group's assets, other than deferred tax assets (refer accounting policy (t)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(i) Calculation of recoverable amount

The recoverable amount of the Group's investments in held-to-maturity securities and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss recognised for goodwill shall not be reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Share capital

(i) Ordinary and Preference share capital

Ordinary share capital is classified as equity.

Preference share capital is classified as equity if it is non-redeemable.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders and dividends thereon are recognised in the income statement as interest expense.

(ii) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

(iii) Dividends

Dividends on redeemable preference shares are recognised as a liability on an accrual basis. Other dividends are recognised as a liability in the period in which they are declared.

(m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at cost, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at balance sheet date on AAA credit rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

All actuarial gains and losses are recognised in the income statement.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

(iii) Long term service benefits

The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at balance sheet date on AAA credit rated bonds that have maturity dates approximating the terms of the Group's obligations.

(o) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(p) Trade and other payables

Trade and other payables are stated at their cost.

(q) Revenue

(i) Goods sold and services rendered

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

(r) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

(ii) Financial results

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividends on redeemable preference shares, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement (refer accounting policy (e)).

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset. Dividend income is recognised in the income statement on the date that the dividend is declared.

The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

(s) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Currently the Euronav group only has one business segment: the ownership and operation of large tanker vessels.

(u) Discontinuing operations

A discontinuing operation is a clearly distinguishable component of the Group's business that is abandoned or terminated pursuant to a single plan, and which represents a separate major line of business or geographical area of operations.

Notes to the consolidated financial statements
for the period ended 31 December 2005

Note 1 - Segment reporting

At present, the company distinguishes only one business segment as it has only one activity, i.e. the operation of crude oil tankers on the international markets. The company's internal organisational and management structure does not distinguish any business or geographical segments. Hence no segment information is presented.

Note 2 - Discontinued operations

As per 31 December 2005 the Group has no operations that meet the qualifications of a discontinued operation.

Note 3 - Other operating revenue

in thousands of USD	**2005**	**2004**
Revenue from aircraft operations	159	-
Capital gains on disposal of other (in)tangible assets	8	-
Capital gains on disposal of subsidiaries & associates	-	-
Reversal of unused provisions	-	-
Recharge of expenses and compensations received	11,110	5,209
Total	**11,277**	**5,209**

Note 4 - Operating expenses

Expenses for shipping activities

in thousands of USD	**2005**	**2004**
Operating expenses	-83,067	-44,363
Charter hire	-94,633	-64,113
Bare boat hire	-10,936	-6,310
Commercial expenses	-1,673	-875
Total	**-190,309**	**-115,661**

Staff costs

in thousands of USD	**2005**	**2004**
Wages and salaries	-4,791	-2,795
Social security costs	-1,027	-659
Provision for employee benefits	-174	-103
Other staff costs	-308	-163
Total	**-6,300**	**-3,720**

Other operating expenses

in thousands of USD	**2005**	**2004**
Administrative expenses	-21,620	-14,899
Claims	-	-
Provisions	63	-945
Capital losses on disposal of other (in)tangible assets	-	-
Capital losses on disposal of subsidiaries & associates	- 5	-
Total	**-21,562**	**-15,844**

Note 5 - Net finance cost

in thousands of USD	2005	2004
Interest expense	-51,566	-16,394
Interest income	3,147	2,797
Fair value adjustment on financial instruments	174	1,413
Total	**-48,245**	**-12,184**

The fair value adjustment on financial instruments can be detailed as follows (see also note 22):

in thousands of EUR	2005	2004
Interest rate swaps	2,534	1,789
Forward exchange contracts	-2,360	-376
Total	**174**	**1,413**

Note 6 - Results from other financial investments

in thousands of USD	2005	2004
Dividend income	382	-
Gain on disposal of available-for-sale investments	-	-
Loss on disposal of available-for-sale investments	-	-
Impairment losses(-), reversals(+) on financial assets	-	-
Total	**382**	**-**

Note 7 - Income tax

in thousands of USD	2005	2004
Current tax		
Current period	-1,881	-351
Adjustments for prior years	-	21
Total	**-1,881**	**-330**
Deferred tax		
Origination and reversal of temporary differences	-607	-9,284
Benefit of tax losses recognised	1,568	215
Total	**961**	**-9,069**
Total income tax	**-920**	**-9,399**

Reconciliation of effective tax	**2005**		**2004**	
Result before tax		210,340		245,901
Tax at domestic rate	33.99%	71,474	33.99%	83,582
Effects (at domestic rate) on tax of:				
Tonnage tax	-14.03%	-29,519	-5.07%	-12,467
Losses not subject to tax	0.00%	-	0.10%	253
Tax exempt profit / loss	8.98%	18,890	-0.03%	-65
Non-deductible expenses	0.43%	916	0.05%	112
Benefit of tax losses recognised	-1.11%	-2,330	-0.09%	-229
Use of unrecognised tax losses and tax credits	-29.61%	-62,270	-23.22%	-57,108
Adjustment for tax of previous years	0.00%	-	-0.01%	-24
Effects of tax rates in foreign jurisdictions	1.79%	3,759	-1.90%	-4,655
Total taxes	**0.44%**	**920**	**3.82%**	**9,399**

Note 8 - Current tax assets and tax liabilities

The current tax asset of USD 78,000 (2004: USD 1,121,000) represents an amount of recoverable income taxes in respect of current and prior periods.
The current tax liability of USD 849,000 (2004: USD 20.000) represents income taxes payable in respect of current period.

Note 9 - Tangible assets
in thousands of USD

	Tankers	Investment property	Land and buildings	Vessels under construction	Other assets under construction	Aircraft	Other equipment & vehicles	**Total**
At 1 January 2004								
Cost	563,452	-	-	23,278	-	-	432	**587,162**
Depreciation & impairment losses	-106,479	-	-	-	-	-	-294	**-106,773**
Net carrying amount	456,973	-	-	23,278	-	-	138	**480,389**
Acquisitions	272,826	-	-	89,886	-	-	51	**362,763**
Disposals and cancellations	-20,539	-	-	-	-	-	-	**-20,539**
Depreciation charge	-45,679	-	-	-	-	-	-39	**-45,718**
Impairment losses	-	-	-	-	-	-	-	**-**
Reversal of impairment losses	-	-	-	-	-	-	-	**-**
Acquisitions through business combinations	-	-	-	-	-	-	-	**-**
Disposals of subsidiaries	-	-	-	-	-	-	-	**-**
Transfers	109,639	-	-	-109,639	-	-	-29	**-29**
Translation differences	-	-	-	-	-	-	-4	**-4**
Other changes	-	-	-	-	-	-	-	**-**
Balance at 31 December 2004	**773,220**	**-**	**-**	**3,525**	**-**	**-**	**117**	**776,862**
At 1 January 2005								
Cost	913,762	-	-	3,525	-	-	364	**917,651**
Depreciation & impairment losses	-140,542	-	-	-	-	-	-247	**-140,789**
Net carrying amount	773,220	-	-	3,525	-	-	117	**776,862**
Acquisitions	1,161,528	-	-	160,198	-	2,088	741	**1,324,555**
Disposals and cancellations	-6,807	-	-	-	-	-2,088	-22	**-8,917**
Depreciation charge	-110,687	-	-	-	-	-	-85	**-110,772**
Impairment losses	-	-	-	-	-	-	-	**-**
Reversal of impairment losses	-	-	-	-	-	-	-	**-**
Acquisitions through business combinations	-	-	-	-	-	-	-	**-**
Disposals of subsidiaries	-424	-	-	-	-	-	-	**-424**
Transfers	33,598	-	-	-33,598	-	-	-	**-**
Translation differences	-	-	-	-	-	-	-28	**-28**
Other changes	-	-	-	-	-	-	-	**-**
Balance at 31 December 2005	**1,850,428**	**-**	**-**	**130,125**	**-**	**-**	**723**	**1,981,276**
At 31 December 2005								
Cost	2,064,207	-	-	130,125	-	-	997	**2,195,329**
Depreciation & impairment losses	-213,779	-	-	-	-	-	-274	**-214,053**
Net carrying amount	1,850,428	-	-	130,125	-	-	723	**1,981,276**

Leased vessel

In 1998 the Group entered into a sale and lease-back transaction on the *Bourgogne*. This transaction has been classified as a finance lease. The Group has an option to acquire the vessel at any time from 31 December 2004 until the end of the charter period at declining rates. The excess of the sales proceeds over the carrying value at the moment of sale, is amortised over the period of the lease term.

In March 2005 the Group acquired the vessel. Subsequently the lease was cancelled.

Security

All tankers are subject to a mortgage to secure bank loans (see note 18).

Vessels under construction

in thousands of USD

		2005	2004
Suezmax tankers	- under construction	130,125	3,525
	- on order	-	-
VLCC tankers	- under construction	-	-
	- on order	-	-
Total		**130,125**	**3,525**

The amount of USD 130,125,000 of vessels under construction represents the down payments on the joint venture entered into with the Wah Kwong Group to acquire the resale of a double-hull 159,000 dwt Suezmax under construction at Hyundai Heavy Industries, Samho, South Korea and downpayments made on the newbuilding Suezmax vessels acquired within the framework of the Tanklog acquisition.

Note 10 - Intangible assets

in thousands of USD

	Goodwill	Software	Development costs	Other	**Total**
At 1 January 2004					
Cost	-	-	-	-	**-**
Amortisation & impairment losses	-	-	-	-	**-**
Net carrying amount	-	-	-	-	**-**
Acquisitions	-	55	-	-	**55**
Disposals and cancellations	-	-	-	-	**-**
Amortisation charge	-	-19	-	-	**-19**
Impairment losses	-	-	-	-	**-**
Reversal of impairment losses	-	-	-	-	**-**
Acquisitions through business combinations	-	-	-	-	**-**
Disposals of subsidiaries	-	-	-	-	**-**
Transfers	-	29	-	-	**29**
Translation differences	-	2	-	-	**2**
Other changes	-	-	-	-	**-**
Balance at 31 December 2004	**-**	**67**	**-**	**-**	**67**
At 1 January 2005					
Cost	-	157	-	-	**157**
Amortisation & impairment losses	-	-90	-	-	**- 90**
Net carrying amount	-	67	-	-	**67**
Acquisitions	-	351	-	22,550	**22,901**
Disposals and cancellations	-	-	-	-	**-**
Amortisation charge	-	-45	-	-6,051	**-6,096**
Impairment losses	-	-	-	-	**-**
Reversal of impairment losses	-	-	-	-	**-**
Acquisitions through business combinations	-	-	-	-	**-**
Disposals of subsidiaries	-	-	-	-	**-**
Transfers	-	-	-	-	**-**
Translation differences	-	-6	-	-	**-6**
Other changes	-	-	-	-	**-**
Balance at 31 December 2005	**-**	**367**	**-**	**16,499**	**16,866**
At 31 December 2005					
Cost	-	461	-	22,550	**23,011**
Amortisation & impairment losses	-	-94	-	-6,051	**-6,145**
Net carrying amount	-	367	-	16,499	**16,866**

The amount of USD 22,550,000 represents the amounts paid for the acquisition of two bare boat charters.The amounts are amortised over a period of 33 and 34 months.

Note 11 - Investments in securities

in thousands of USD

	Available-for-sale	Held-to-maturity	Total
At 1 January 2004			
Cost	473	-	**473**
Revaluation	-	-	**-**
Impairment losses	-	-	**-**
Net carrying amount	473	-	**473**
Acquisitions & additional investments	127	-	**127**
Disposals and repayments	-	-	**-**
Revaluation transferred to profit/loss	-	-	**-**
Revaluation	-	-	**-**
Impairment losses	-	-	**-**
Reversal of impairment losses	-	-	**-**
Acquisitions through business combinations	-	-	**-**
Disposals of subsidiaries	-	-	**-**
Transfers	-	-	**-**
Translation differences	-	-	**-**
Other changes	-	-	**-**
Balance at 31 December 2004	**600**	**-**	**600**
At 1 January 2005			
Cost	600	-	**600**
Revaluation	-	-	**-**
Impairment losses	-	-	**-**
Net carrying amount	600	-	**600**
Acquisitions & additional investments	2,021	-	**2,021**
Disposals and repayments	-14	-	**-14**
Revaluation transferred to profit/loss	-	-	**-**
Revaluation	1,686	-	**1,686**
Impairment losses	-	-	**-**
Reversal of impairment losses	-	-	**-**
Acquisitions through business combinations	-	-	**-**
Disposals of subsidiaries	-	-	**-**
Transfers	-	-	**-**
Translation differences	-	-	**-**
Other changes	-	-	**-**
Balance at 31 December 2005	**4,293**	**-**	**4,293**
At 31 December 2005			
Cost	2,607	-	**2,607**
Revaluation	1,686	-	**1,686**
Impairment losses	-	-	**-**
Net carrying amount	4,293	-	**4,293**

Investments in securities (non-current)

in thousands of USD

	2005	2004
Available-for-sale		
- quoted	4,292	-
- unquoted	1	600
Held-to-maturity		
- quoted	-	-
- unquoted	-	-
Total	**4,293**	**600**

Note 12 - Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

in thousands of USD	31 December 2005			31 December 2004		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Tangible assets	-	-1,464	-1,464	1,466	-1,816	-350
Financial instruments	-	-781	-781	-	-1,237	-1,237
Provisions	193	-104	89	281	-115	166
Employee benefits	145	-	145	110	-	110
Exchange differences	-	-	-	-	-	-
Investments in subsidiaries, joint ventures & associates	-	-	-	-	-35	-35
Unused tax losses & tax credits	2,271	-240	2,031	859	-	859
	2,609	-2,589	20	2,716	-3,203	-487
Offset	-1,850	1,850		-1,524	1,524	
Total	**759**	**-739**		**1,192**	**-1,679**	

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:

in thousands of USD	31 December 2005		31 December 2004	
	Assets	Liabilities	Assets	Liabilities
Deductible temporary differences	-	-	-	-
Taxable temporary differences	-	-	-	-
Unused tax losses & tax credits	23,399	-	86,817	-
	23,399	-	86,817	-
Offset	-	-	-	-
Total	**23,399**	**-**	**86,817**	**-**

The unrecognised tax asset in respect of unused tax losses & tax credits is entirely related to tax losses carried forward and investment deduction allowances. These expire as follows:

in thousands of USD	31 December	
	2011	3,377
	2014	1,391
		4,768
	no expiration date	18,631
		23,399

Deferred tax assets have not been recognised because future taxable profits cannot be measured on a reliable basis.

In Belgium, local tax law at a certain moment provided that gains on disposal of certain assets were tax exempt, provided that the gains were not distributed. At the balance sheet date, the Company has a total amount of untaxed reserves of USD 48,646,000 (2004: USD 48,646,000) which would result in a tax liability of USD 16,535,000 (2004: USD 16,535,000) should these reserves be distributed.

Movements in temporary differences during the year
in thousands of USD

	Balance at 1 Jan 2004	Recognised in income	Recognised in equity	Other movements	Translation differences	**Balance at 31 Dec 2004**
Tangible assets	-246	-86	-	-	-18	**-350**
Financial instruments	-235	-915	-	-	-87	**-1,237**
Provisions	-1,117	1,267	-	-	16	**166**
Employee benefits	71	31	-	-	8	**110**
Exchange differences	-	-	-	-	-	**-**
Investments in subsidiaries, joint ventures & associates	-1,093	1,058	-	-	-	**-35**
Unused tax losses & tax credits	11,432	-10,424	-	-	-149	**859**
Total	**8,812**	**-9,069**	**-**	**-**	**-230**	**-487**

	Balance at 1 Jan 2005	Recognised in income	Recognised in equity	Other movements	Translation differences	**Balance at 31 Dec 2005**
Tangible assets	-350	-1,154	-	-	40	**-1,464**
Financial instruments	-1,237	810	-472	-	118	**-781**
Provisions	166	-49	-	-	-28	**89**
Employee benefits	110	53	-	-	-18	**145**
Exchange differences	-	-	-	-	-	**-**
Investments in subsidiaries, joint ventures & associates	-35	35	-	-	-	**-**
Unused tax losses & tax credits	859	1,266	-	-	-94	**2,031**
Total	**-487**	**961**	**-472**	**-**	**18**	**20**

Note 13 - Non-current receivables
in thousands of USD

	2005	**2004**
Loans to related parties	-	-
Loans to associates	-	-
Finance lease receivable	-	-
Other non-current receivables	11	11
Total	**11**	**11**

Note 14 - Trade and other receivables
in thousands of USD

	2005	**2004**
Trade receivables	29,013	14,456
Loans to related parties	-	-
Derivatives	956	5,953
Accrued income	16,698	29,248
Deferred charges	14,321	9,809
Other receivables	102,446	86,045
Total	**163,434**	**145,511**

The amounts mentioned under Derivatives can be detailed as follows (see also note 22):
in thousands of USD

	2005	**2004**
Forward exchange contracts	900	3,605
Forward Freight Agreements	56	2,348
Total	**956**	**5,953**

The other receivables relate to non-distributed income received by Tankers International for account of the Group.

Note 15 - Cash and cash equivalent
in thousands of USD

	2005	**2004**
Bank deposits	19,811	40,549
Cash at bank and in hand	31,577	21,212
Total	**51,388**	**61,761**
Less:		
Bank overdrafts and credit lines	-	-
Net cash and cash equivalent in the cash flow statement	**51,388**	**61,761**

Note 16 - Capital and reserves

Share capital and share premium

in shares	2005	2004
On issue at 1 January	42,016,807	10,000
Share split	-	7,006,807
Demerger	-	35,000,000
Capital increase	10,502,055	-
On issue at 31 December - fully paid	**52,518,862**	**42,016,807**

At 31 December 2005 the share capital is represented by 52,518,862 shares. The shares have no par value.

There are no preference shares and no share options.

At 31 December 2005, the authorised share capital amounts to USD 10,000,000 (2004: USD 10,000,000) or the equivalent of 8,568,350 shares (2004: USD 10,071,000 shares).

The holders of ordinary shares are entitled to receive dividends when declared and are entitled to one vote per share at the meetings of the Company.

Translation reserve
The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Company.

Fair value reserve
The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

Treasury shares
At 31 December 2005 the Group holds no treasury shares.

Dividends
In the course of the year the Board of Directors approved the payment of the following interim dividends. Interim dividends are shown as paid and are deducted from equity.

in thousands of EUR	2005	2004
EUR 0,00 per ordinary share (2004: EUR 1,60)	-	67,227
in thousands of USD	-	87,021

After the balance sheet date the following dividends were proposed by the directors. The dividends have not been provided for and there are no income and tax consequences.

	2005	2004
in thousands of EUR		
EUR 0,00 per ordinary share (2004: EUR 1,60)	84,030	67,227
in thousands of USD	101,032	88,700

Note 17 - Earnings per share

Basic earnings per share
The calculation of basic earnings per share at 31 December 2005 was based on the profit attributable to ordinary shares of USD 209,420,000 (2004: USD 236,502,000) and a weighted average number of shares outstanding during the period ended 31 December 2005 of 52,518,862 (2004: 42,016,807), calculated as follows:

Profit attributable to ordinary shares

in thousands of USD	2005	2004
Profit for the period	209,420	236,502

Weighted average number of shares
in shares

	shares issued	treasury shares	shares outstanding	weighted number of shares
On issue at 31 December 2003	42,016,807	-	42,016,807	42,016,807
purchases of treasury shares	-	-	42,016,807	
sales of treasury shares	-	-	42,016,807	
On issue at 31 December 2004	42,016,807	-	42,016,807	42,016,807
purchases of treasury shares	-	-	42,016,807	
capital increase 29 June 2005	1,534,310	-	43,551,117	
capital increase 18 July 2005	2,216,136	-	45,767,253	
capital increase 19 July 2005	2,931,150	-	48,698,403	
capital increase 3 August 2005	902,100	-	49,600,503	
capital increase 18 August 2005	1,701,871	-	51,302,374	
capital increase 19 August 2005	1,216,488	-	52,518,862	
sales of treasury shares	-	-	52,518,862	
On issue at 31 December 2005	52,518,862	-	52,518,862	52,518,862

Note 18 - Interest-bearing loans and borrowings
in thousands of USD

Long-term loans

	Finance lease	Bank loans	Convertible loans	Loans from related parties	Other loans	**Total**
More than 5 years	4,566	202,377	-	24,550	-	**231,193**
Between 1 and 5 years	26,566	180,460	-	11,680	-	**218,706**
More than 1 year	31,132	382,837	-	35,930	-	**449,899**
Less than 1 year	5,872	35,885	-	2,920	-	**44,677**
At 1 January 2005	**37,004**	**418,722**	**-**	**38,850**	**-**	**494,576**
New loans	-	601,811	-	-	-	**601,811**
Scheduled repayments	-1,044	-66,487	-	-730	-	**-68,261**
Early repayments	- 35,960	-19,138	-	-	-	**-55,098**
Refinancing	-	304,335	-	- 38,120	-	**266,215**
Business combinations	-	-	-	-	-	**-**
Disposals of subsidiaries	-	- 238	-	-	-	**-238**
Transfers	-	-	-	-	-	**-**
Translation differences	-	-	-	-	-	**-**
Other changes	-	-	-	-	-	**-**
Balance at 31 December 2005	**-**	**1,239,005**	**-**	**-**	**-**	**1,239,005**
More than 5 years	-	693,322	-	-	-	**693,332**
Between 1 and 5 years	-	436,666	-	-	-	**436,666**
More than 1 year	-	1,129,988	-	-	-	**1,129,988**
Less than 1 year	-	109,017	-	-	-	**109,017**
Balance at 31 December 2005	**-**	**1,239,005**	**-**	**-**	**-**	**1,239,005**

The bank loans are secured by a first preferred mortgage on the vessels concerned. The amount of the original mortgage registered amounts to USD 1,652,000,000 (2004: USD 536,970,000).
In April 2005, Euronav concluded a USD 1,6 billion senior secured credit facility. The facility consists of a term loan of USD 865 million, a non-amortising revolving loan facility of USD 500 million and an additional term loan of USD 235 million for the purpose of financing newbuilding vessels scheduled to be delivered within the next two years. The facilities have a maturity of 8 years at a rate equal to Libor increased with a margin of 0.80%. On the undrawn portion of the facilities, Euronav pays a commitment fee of 0.25%. As per 31 December 2005, USD 1,190,638,000 was drawn under the facilities.

Short-term loans

in thousands of USD	**2005**	**2004**
Current portion of long-term loans	109,017	44,677
Bank overdrafts and credit lines	-	-
Short-term loans from related parties	-	-
Total	**109,017**	**44,677**

Finance lease liabilities

Finance lease liabilities are payable as follows:

in thousands of USD	2005			2004		
	Minimum lease	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	-	-	-	8,504	2,632	5,872
Between one and five years	-	-	-	32,071	5,505	26,566
More than five years	-	-	-	4,745	179	4,566
Total	**-**	**-**	**-**	**45,320**	**8,316**	**37,004**

The finance lease liability relates to the vessel *Bourgogne* (see also note 9).

Undrawn borrowing facilities

At 31 December 2005, the Group has undrawn borrowing facilities amounting to EUR 13,500,000 and USD 10,000,000.

Note 19 - Employee benefits

The amounts recognized in the balance sheet are as follows:

in thousands of USD	2005	2004
Present value of funded obligations	-703	-437
Fair value of plan assets	391	257
	-312	-180
Present value of unfunded obligations	-142	-156
Unrecognised actuarial gains/(losses)	-	-
Unrecognised past service cost	-	-
Net liability	-454	-336
Amounts in the balance sheet:		
Liabilities	-454	-336
Assets	-	-
Net liability	**-454**	**-336**

The plan assets do not include ordinary shares issued by the Company. Plan assets do not include property occupied by the Group.

Liability for defined benefit obligations

The group makes contributions to one defined benefit plan that provides pension benefits for employees upon retirement. The group also has defined benefit plans that grants end of career allowances for employees.

Movements in the net liability recognised in the balance sheet

in thousands of USD	2005	2004
Net liability at 1 January	-336	-206
Contributions received	31	24
Expense recognised in the income statement	-106	-114
Transfer	-99	-14
Currency translation difference	56	-26
Net liability at 31 December	**-454**	**-336**

Expense recognised in the income statement

in thousands of USD	2005	2004
Current service costs	-33	-18
Interest on obligation	-23	-19
Expected return on plan assets	10	8
Net actuarial gains/(losses) recognised in year	-60	-85
Past service cost	-	-
Gains/losses on settlement or curtailment	-	-
Total included in 'Employee benefits expense'	**-106**	**-114**
Actual return on plan assets	**20**	**1**

Changes in the present value of the defined benefit obligation are as follows:

in thousands of USD	2005	2004
Opening defined benefit obligation	-593	-383
Service cost	-39	-22
Interest cost	-23	-19
Actuarial (losses)/gains	-70	-78
Losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a transfer	-221	-44
Liabilities assumed in a bussiness combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Currency translation difference	101	-47
Closing defined benefit obligation	**-845**	**-593**

Changes in the fair value of plan assets are as follows:

in thousands of USD	2005	2004
Opening fair value of plan assets	257	177
Expected return	10	9
Actuarial (losses)/gains	10	-7
Assets distributed on settlements	-	-
Contributions by employer	31	24
Contributions by employee	5	4
Assets acquired in a transfer	122	-
Assets acquired in a bussiness combination	-	31
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Currency translation difference	-44	19
Closing fair value of plan assets	**391**	**257**

The group expects to contribute the folowing amount to its defined benefit pension plan in 2006:.....................123

Principal actuarial assumptions at the balance sheet date

expressed as weighted averages	2005	2004
Discount rate	4.25%	5.00%
Expected return on plan assets	4.25%	5.00%
Future salary increases (including inflation)	2%-3% +salary scale	
Medical cost trend rate	not applicable	
Future pension increases	not applicable	
Inflation	2.00%	2.00%

Amounts for the current and previous periods are as follows:

in thousands of USD	2006	2005	2004	2003
Defined benefit obligation	-845	-593	-383	-420
Plan assets	391	257	177	174
Surplus / (deficit)	-454	-336	-206	-246
Experience adjustments on plan liabilities	not yet known	-68	not calculated	not calculated
Experience adjustments on plan assets	-	-	-	-

Note 20 - Provisions
in thousands of USD

	Claims	Restruc-turing	Onerous contracts	Other	**Total**
Non-current provisions	-	-	724	1,364	**2,088**
Current provisions	-	-	211	-	**211**
At 1 January 2005	**-**	**-**	**935**	**1,364**	**2,299**
Provisions made during the period	-	-	-	137	**137**
Provisions used during the period	-	-	-200	-	**- 200**
Reversal of unused provisions	-	-	-	-	**-**
Unwind of discount	-	-	-	-	**-**
Business combinations	-	-	-	-	**-**
Disposals of subsidiaries	-	-	-	-	**-**
Transfers	-	-	-	-	**-**
Translation differences	-	-	-89	-191	**-280**
Other changes	-	-	-	-	**-**
Balance at 31 December 2005	**-**	**-**	**646**	**1,310**	**1,956**
Non-current provisions	-	-	538	1,310	**1,848**
Current provisions	-	-	108	-	**108**
Balance at 31 December 2005	**-**	**-**	**646**	**1,310**	**1,956**

Onerous contract
In 1998 the Group entered into a non-cancellable lease for office facilities which, due to changes in its operational organisation, are no longer fully occupied. In December 2004 the Group reached an agreement to sublet the unused office space, but changes in the market conditions have resulted in a rental income lower than the rental expense. The net obligation under the lease has been provided for.

Note 21 - Trade and other payables
in thousands of USD

	2005	**2004**
Trade payables	12,311	12,524
Staff costs	1,324	804
Dividends payable	59	7,882
Derivatives	863	7,860
Accrued expenses	37,146	22,354
Deferred income	16,359	5,295
Other payables	721	2,524
Total	**68,783**	**59,243**

The amounts mentioned under Derivatives can be detailed as follows (see also note 22):
in thousands of USD

	2005	**2004**
Forward exchange contracts	-	-
Interest rate swaps	240	2,774
Forward Freight Agreements	623	5,086
Total	**863**	**7,860**

Note 22 - Financial instruments

In the course of its normal business, the Group is exposed to market, credit, interest rate and currency risks. The Group uses various derivative financial instruments to hedge its exposure to fluctuations in market rates, exchange rates and interest rates.

Although the Group has entered into a number of derivative financial instruments with the objective of hedging an exposure, the Group considers all derivatives as freestanding instruments. At each balance sheet date, the Group remeasures the fair value of all its derivatives and recognises any resulting adjustment in profit or loss for the period.

Market risk

The Group classifies FFAs as freestanding financial instruments and remeasures them to fair value at each balance sheet date. Any adjustment to the fair value is recognised in profit or loss for the period.

The net fair value of all FFAs at 31 December 2005 amounts to USD -567.000 (2004: USD -2.738.000) comprising assets of USD 56.000 (2004: USD 2.348.000) and liabilities of USD 623.000 (2004: USD 5.086.000).

The impact of the FFAs on the income statement can be summarised as follows:

in thousands of USD	**2005**	**2004**
income	17,416	10,073
expenses	-16,543	-13,778
fair value adjustment	2,170	-2,738
Total	**3,043**	**-6,443**

Credit risk

The Group has no formal credit policy. Credit evaluations - when necessary - are performed on an ongoing basis. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

Interest rate risk

The Group hedges part of its exposure to changes in interest rates on borrowings. All borrowings contracted for the financing of vessels are on the basis of a floating interest rate, increased by a margin. The Group uses various interest rate related derivatives (IRS, swaptions) to achieve an appropriate mix of fixed and floating rate exposure as defined by the Group.

The interest related derivatives have maturity dates up to 2009.

At 31 December 2005, the Group had interest related derivatives for a notional contract amount of USD 125,000,000 (2004: USD 125,000,000).

The Group classifies interest related derivatives as freestanding financial instruments. At each balance sheet date, all interest related derivatives are remeasured to fair value with any adjustment recognised in net profit or loss for the period.

The net fair value of all interest related derivatives at 31 December 2005 amounts to USD -240,000 (2004: USD -2,774,000) comprising assets of USD 0 (2004: USD 0) and liabilities of USD 240,000 (2004: USD 2,774,000).

Currency risk

The Group has partially hedged its exposure to currency fluctuations.

The Group has an outstanding program of forward contracts whereby USD are sold to cover the bare boat charter hire of the *Provence* payable in EUR. The program matures in November 2006 and has a notional value of USD 4,643,000 (or EUR 4,671,000).

The Group classifies this program as a freestanding financial instrument and remeasures it to fair value - with any adjustment recognised in net profit or loss for the period - at each balance sheet date.

At 31 December 2005, the net fair value of the forward exchange contract amounts to USD 900,000 (2004: USD 3,605,000) comprising an asset of USD 900,000 (2004: USD 3,605,000) and a liability of USD 0 (2004: USD 0).

Note 23 - Operating leases

Leases as lessee

The Group leases in some of its vessels under time charter and bare boat agreements (operating leases). The future minimum lease payments under non-cancellable leases are as follows:

in thousands of USD	**2005**	**2004**
Less than 1 year	99,651	63,051
Between 1 and 5 years	586,228	107,274
More than 5 years	74,823	62,147
Total	**760,702**	**232,472**

Non-cancellable operating lease rentals for office space are payable as follows:

in thousands of USD	**2005**	**2004**
Less than 1 year	1,018	695
Between 1 and 5 years	3,048	2,779
More than 5 years	524	1,398
Total	**4,590**	**4,872**

Leases as lessor

The Group leases out some of its vessels under time charter agreements (operating leases). The future minimum lease receivables under non-cancellable leases are as follows:

in thousands of USD	**2005**	**2004**
Less than 1 year	148,645	41,154
Between 1 and 5 years	296,318	81,022
More than 5 years	9,891	-
Total	**454,854**	**122,176**

Non-cancellable operating lease rentals for office space are receivable as follows:

in thousands of USD	**2005**	**2004**
Less than 1 year	323	255
Between 1 and 5 years	1,291	1,359
More than 5 years	323	680
Total	**1,937**	**2,294**

Note 24 - Capital commitments

As at 31 December 2005 the Group's total capital commitment amounts to USD 296,475,000. This amount relates to the construction of 6 newbuilding suezmax tankers for of wich delivery is scheduled for 2006 and 2007.
On the other hand, the Group is already committed to selling one of these vessels upon delivery in 2007 for an amount of USD 40,250,000. It concerns the suezmax that was ordered in joint venture with Wah Kwong.

Note 25 - Contingencies

The Group is involved in a number of disputes in connection with its day-to-day activities, both as claimant and defendant. Such disputes and the associated expenses of legal representation are covered by insurance. Moreover, they are not of a magnitude that lies outside the ordinary, and their scope is not of such a nature that they could jeopardise the Group's financial position.

Note 26 - Related parties

Identity of related parties

The Group has a related party relationship with its subsidiaries (see note 27) and joint ventures (see note 28) and with its directors and executive officers.

Transactions with key management personnel

The total amount of the remuneration paid in 2005 to all non-executive directors for their services as members of the board and committees (if applicable) amounts to EUR 330,000 (2004: EUR 20,000). It should be noted that the remuneration for 2004 was paid on a pro rata basis, i.e. 1/12.

The nominating and remuneration committee decides annually on the remuneration of the members of the executive committee. The remuneration (excluding the CEO) for 2005 only consists of a fixed component with a total cost for the company (including pension plans, health insurance, advance business tax, etc.) of EUR 584,000 (2004: EUR 177,000) and a variable component of EUR 827,000 (2004: EUR 0). All amounts mentioned refer to the executive committee in its current composition.

The basic remuneration of the CEO for 2005 amounted to GBP 187,000 (2004: GBP 174,000). The variable remuneration for 2005 amounted to GBP 345,000 (2004: GBP 259,000). The other components of the remuneration, comprising cost of pension and private health insurance coverage, amount to GBP 45,000 for 2005 (2004: GBP 42,000) .

In the course of 2005 no stock options, loans or advances were granted to any of the directors.

Relationship with CMB

Although there are no direct links between the Group and CMB the latter renders some administrative services on an arm's length basis.

Note 27 - Group entities

	Country of incorporation	Consolidation method	Ownership interest	
			2005	2004
Euronav (UK) Agencies Limited	UK	full	100.00%	100.00%
Euronav Luxembourg SA	Luxembourg	full	100.00%	100.00%
Euronav nv	Belgium	full	100.00%	100.00%
Euronav sas	France	full	100.00%	100.00%
Euronav Services Maritimes sas	France	full	100.00%	100.00%
Euronav Ship Management sas	France	full	100.00%	100.00%
Euronav Ship Management (Hellas) Ltd	Liberia	full	100.00%	-
Front Tobago Inc.	Liberia	proportional	30.00%	30.00%
Great Hope Enterprises Ltd	Hong Kong	proportional	50.00%	50.00%
m/t Tanker sas	France	full	100.00%	100.00%
Seven Seas Shipping Ltd.	Marshall Islands	proportional	50.00%	-
Kingswood Co. Ltd	Marshall Islands	proportional	50.00%	-
Ranch Investments Ltd	Liberia	proportional	50.00%	50.00%
The following companies were sold in the course of the year 2005:				
V-Plus nv	Belgium	proportional	50.10%	50.10%
The following companies were liquidated in the course of the year 2005:				
Devons Investment Ltd	Liberia	full	100.00%	100.00%

Note 28 - Interest in joint ventures

The Group has several interests in joint ventures. Included in the consolidated financial statements are the following items that represents the Group's interest in assets and liabilities, revenues and expenses of the joint ventures:

Income statement

in thousands of USD	2005				2004			
	Subsidiaries & associates	Joint ventures	Eliminations	Total	Subsidiaries & associates	Joint ventures	Eliminations	Total
Revenue from shipping activities	540,871	44,291	-12,813	572,349	372,707	61,154	-3,246	430,615
Capital gains on disposal of vessels	-	3,885	-	3,885	-	9,006	,	9,006
Other operating revenue	11,297	-	-20	11,277	4,958	272	-21	5,209
Expenses for shipping activities	-197,497	-5,625	12,813	-190,309	-113,486	-5,421	3,246	-115,661
Capital losses on disposal of vessels	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	-108,160	-8,708	-	-116,868	-36,966	-8,771	-	-45,737
Impairment losses (reversals)	-	-	-	-	-	-	-	-
Staff costs	-6,300	-	-	-6,300	-3,720	-	-	-3,720
Other operating expenses	-21,130	-452	20	-21,562	-14,249	-1,616	21	-15,844
Restructuring costs	-	-	-	-	-	-	-	-
Net result on freight and other similar derivatives	3,043	-	-	3,043	-6,443	-	-	-6,443
Result from operations	**222,124**	**33,391**	**-**	**255,515**	**202,801**	**54,624**	**-**	**257,425**
Net finance cost	-43,293	-4,952	-	-48,245	-6,850	-5,334	-	-12,184
Result of investments in associates	-	-	-	-	-	-	-	-
Results from other financial investments	382	-	-	382	-	-	-	-
Net foreign exchange gain (loss)	2,687	1	-	2,688	553	107	-	660
Result before tax	**181,900**	**28,440**	**-**	**210,340**	**196,504**	**49,397**	**-**	**245,901**
Current tax	-1,855	-26	-	-1,881	-330	-	-	-330
Deferred tax	961	-	-	961	-9,069	-	-	-9,069
Result after tax	**181,006**	**28,414**	**-**	**209,420**	**187,105**	**49,397**	**-**	**236,502**
Minority interest	-	-	-	-	-	-	-	-
Net result for the year	**181,006**	**28,414**	**-**	**209,420**	**187,105**	**49,397**	**-**	**236,502**

Note 28 - Interest in joint ventures (continued)

Balance sheet

in thousands of USD

	2005				2004			
	Subsidiaries & associates	Joint ventures	Eliminations	Total	Subsidiaries & associates	Joint ventures	Eliminations	Total
ASSETS								
NON-CURRENT ASSETS	**1,954,899**	**66,853**	**-18,547**	**2,003,205**	**612,724**	**261,596**	**-95,588**	**778,732**
Tangible assets	1,914,423	66,853	-	1,981,276	515,266	261,596	-	776,862
Intangible assets	16,866	-	-	16,866	67	-	-	67
Financial assets	22,851	-	-18,547	4,304	96,199	-	-95,588	611
Deferred tax assets	759	-	-	759	1,192	-	-	1,192
CURRENT ASSETS	**211,977**	**10,118**	**-7,195**	**214,900**	**164,480**	**46,066**	**-2,138**	**208,408**
TOTAL ASSETS	**2,166,876**	**76,971**	**-25,742**	**2,218,105**	**777,204**	**307,662**	**-97,726**	**987,140**
LIABILITIES								
EQUITY	**897,092**	**9,227**	**-**	**906,319**	**387,754**	**41,233**	**-**	**428,987**
Capital and reserves	897,092	9,227	-	906,319	387,754	41,233	-	428,987
Minority interests	-	-	-	-	-	-	-	-
NON-CURRENT LIABILITIES	**1,088,679**	**62,897**	**-18,547**	**1,133,029**	**295,619**	**253,971**	**-95,588**	**454,002**
Long-term borrowings	1,086,638	62,897	-18,547	1,129,988	291,516	253,971	-95,588	449,899
Deferred tax liabilities	739	-	-	739	1,679	-	-	1,679
Employee benefit obligations	454	-	-	454	336	-	-	336
Deferred government grants	-	-	-	-	-	-	-	-
Provisions	1,848	-	-	1,848	2,088	-	-	2,088
CURRENT LIABILITIES	**181,105**	**4,847**	**-7,195**	**178,757**	**93,831**	**12,458**	**-2,138**	**104,151**
TOTAL LIABILITIES	**2,166,876**	**76,971**	**-25,742**	**2,218,105**	**777,204**	**307,662**	**-97,726**	**987,140**

Note 29 - Sale of subsidiaries

In the course of 2005 the Group sold its share in the subsidiary V-Plus.

The effect of these sales on individual assets and liabilities is as follows:

in thousands of EUR	2005	2004
Vessels	-425	-
Trade and other receivables	-60,884	-
Income tax receivable	-6	-
Cash and cash equivalents	-47,669	-
Trade and other payables	56,059	-
Long-term loans	224	-
Short-term loans	14	-
Net identifiable assets and liabilities	**-52,687**	-

Consideration received in cash	52,682	-
Cash and cash equivalents disposed of	-47,669	-
Net cash inflow	**5,013**	**-**

Note 30 - Major exchange rates

The following major exchange rates have been used in preparing the consolidated financial statements:

	closing rates		average rates	
1 XXX = x,xxxx USD	**2005**	**2004**	**2005**	**2004**
EUR	1,1797	1,3621	1,2532	1,2383
GBP	1,7214	1,9319	1,8303	1,8224

Note 31 - Subsequent events

There are no major subsequent events that need to be mentioned.

Independent Joint Auditors' Report to the General Meeting of the Shareholders of Euronav N.V. on the consolidated financial statements for the year ended 31 december 2005

In accordance with the legal and statutory requirements, we report to you on the performance of the audit mandate which has been entrusted to us.

We have audited the consolidated financial statements of Euronav N.V. and its subsidiaries (the 'Group') for the year 2005 ended 31 December 2005, the statement of changes in equity and the cash flow statement for the year then ended. We have also carried out the specific additional audit procedures required by law.

The preparation of the consolidated financial statements and the assessment of the information to be included in the consolidated directors' report, are the responsibility of the board of directors.

Our responsibility as Independent Joint Auditors is to express an opinion on these consolidated financial statements based on our audit.

Unqualified audit opinion on the consolidated financial statements

Our audit was carried out in accordance with International Standards on Auditing as issued by the International Federation of Accountants. These auditing standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

In accordance with those standards, we considered the Group's administrative and accounting organisation, as well as its internal control procedures. The Group's management has provided us with all explanations and information which we required for our audit. We have examined, on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the accounting policies, the consolidation principles, the significant accounting estimates made by the Group and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit the consolidated financial statements for the year ended 31 December 2005 give a true and fair view of the financial position, the results of operations and the cash flow of the Group in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board.

Additional certifications and information

We supplement our report with the following certifications and information which do not modify our audit opinion on the consolidated financial statements:

- The consolidated directors' report includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the companies included in the Group are facing, of their state of affairs, their foreseeable evolution or the significant influence of certain facts on their future development. We can nevertheless confirm that the matters disclosed do not present any obvious contradictions with the information of which we became aware during our audit;

- As indicated in the statement of compliance, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Union up to 31 December 2005.

Antwerpen, 29 March 2006

Helga Platteau
Réviseurs d'Entreprises
Statutory auditor
represented by

Helga Platteau

Klynveld Peat Marwick Goerdeler
Réviseur d'Entreprises
Statutory auditor
represented by

Serge Cosijns

Statutory financial statements for the period ended 31 December 2005

The annual accounts of Euronav nv are given hereafter in summarised form. In accordance with the Company Law, the annual accounts of Euronav nv, together with the annual report and the joint statutory auditors' report have been deposited with the National Bank of Belgium. These documents can be obtained upon demand at the registered offices of the company. The joint statutory auditors did not express any reservations in respect of the annual accounts of Euronav nv.

BALANCE SHEET OF EURONAV nv
for the period ended 31 December 2005

ASSETS *in USD*		**2005**	**2004**
FIXED ASSETS		**1,966,688,750**	**424,951,838**
II.	Intangible assets	16,799,999	50,994
III.	Tangible assets	1,632,210,172	166,010,080
IV.	Financial assets	317,678,579	258,890,764
CURRENT ASSETS		**129,206,645**	**35,962,936**
V.	Amounts receivable after one year	-	-
VII.	Amounts receivable within one year	90,840,745	23,168,739
VIII.	Investments	21,186,597	3,500,000
IX.	Cash at bank and in hand	7,556,740	7,960,022
X.	Deferred charges and accrued income	9,622,563	1,334,175
TOTAL ASSETS		**2,095,895,395**	**460,914,774**

LIABILITIES *in USD*		**2005**	**2004**
CAPITAL AND RESERVES		**716,813,225**	**147,654,648**
I.	Capital	56,247,701	45,000,000
II.	Share premium account	353,062,999	6,610,707
IV.	Reserves	54,564,444	53,439,674
V.	Accumulated profits	252,938,081	42,604,267
PROVISIONS FOR LIABILITIES AND CHARGES		**411,816**	**-**
VII.	Provisions and deferred taxes	411,816	-
CREDITORS		**1,378,670,354**	**313,260,126**
VIII.	Amounts payable after one year	1,130,932,560	152,885,922
IX.	Amounts payable within one year	222,525,488	159,760,202
X.	Accrued charges and deferred income	25,212,306	614,002
TOTAL LIABILITIES		**2,095,895,395**	**460,914,774**

INCOME STATEMENT OF EURONAV nv
for the period ended 31 December 2005

in USD		**2005**	**2004**
I.	Operating income	343,001,858	70,538,121
II.	Operating charges	187,584,322	25,244,099
III.	**Operating result**	**155,417,536**	**45,294,022**
IV.	Financial income	211,830,230	104,738,034
V.	Financial charges	54,161,007	7,507,992
VI.	**Result on ordinary activities before taxes**	**313,086,759**	**142,524,064**
VII.	Extraordinary income	8,506	-
IX.	Extraordinary charges	-	-
IX.	**Result for the year before taxes**	**313,095,265**	**142,524,064**
X.	Income taxes	604,733	66,331
XI.	**Result for the year**	**312,490,532**	**142,457,733**
XIII.	**Result for the year available for appropriation**	**312,490,532**	**142,457,733**

APPROPRIATION ACCOUNT

in USD

		2005	**2004**
A.	**Result to be appropriated**	**355,094,799**	**219,327,233**
C.	**Transfer to capital and reserves**	**1,124,770**	**1,002,611**
D.	**Result to be carried forward**	**252,938,081**	**42,604,267**
F.	**Distribution of result**	**101,031,948**	**175,720,354**