



Annual Report 2005

Dockwise Transport N.V.

“Selection of Dockwise to transport our ship was a great decision.”

Dockwise’s outstanding service, world class capabilities and outstanding marine crews who emphasized safety first, all contributed to the successful on-time delivery of the Sea Based X-Band Radar mobile vessel. With the SBX, Boeing confronted Dockwise with unique technical challenges that included maintaining sensitive equipment active during the entire voyage as well as providing hotel services for a riding crew. The co-operation and professionalism of the Blue Marlin and SBX’s riding crew was effective and superb. Selection of Dockwise to transport our ship was a great decision.

Robert E. Traister
Rear Admiral USN (ret.)
Ground Based Mid-Course Defense
Sea Based X-Band Project Manager
The Boeing Company



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“A reliable, competitive partner is what we expect from Dockwise.”



Samsung Heavy Industries has performed many valuable projects with Dockwise. Following the transportation of the Statoil's Kristin semi hull in 2004, the East Area platform for ExxonMobil Nigeria was successfully transported and installed offshore in 2005. During the project execution we were quite satisfied with Dockwise's engineering support and professional job execution. Although 2005 was a busy year for oil and gas industries, the forthcoming years will be even busier. We have secured some projects to work with Dockwise and expect more opportunities to come. Cost savings as well as HSE and quality are always the challenges we face when materializing these opportunities. A reliable, competitive partner is what we expect from Dockwise.

Younsang Won
VP/Offshore Sales Engineering Team
Samsung Heavy Industries Co.,Ltd.



Report of the Supervisory Board

Annual Report

We herewith submit the Annual Report 2005 of Dockwise Transport N.V. as prepared by the Board of Management and approved by the Supervisory Board.

The Annual Report includes the report of the Supervisory Board, the Board of Management, the financial statements 2005 and the Auditor's Report from KPMG Accountants N.V., who audited the Financial Statements 2005 and issued an unqualified opinion represented on page 52 of this report.

Supervision

Dockwise Transport N.V. is a company that is established under the Laws of the Netherlands Antilles and has been incorporated in the Netherlands since 2003.



"Using their international background and entrepreneurial experience, the supervisory board members enjoy their role as counsellor and advisor to the executive management, in order to ensure Dockwise's position as a leader in its field".

Erik Jan Nederkoom
Chairman Supervisory Board

The Supervisory Board of Dockwise Transport N.V. has been in function throughout the book year 2005 and supervised, advised and supported the Board of Management in all matters pertaining to the business of Dockwise Transport N.V. In 2005 Mr. J.E. Dyvi retired from the Supervisory Board and Mr. J. Nielsen was nominated by Mr. Dyvi to represent the interests of Dyvi Invest A.S. and Dyvi Capital A.S., both companies together holding 8.68% of the share capital of Dockwise Transport N.V.

In 2005 the Supervisory Board and the Board of Management had a total of four official meetings. The entire Supervisory Board and individual members of the Supervisory Board met with the management and the employees of the company on various occasions. They also visited vessels in operation and events in which Dockwise participated. Board members have been consulted regularly by management on general business issues as well as on issues of a strategic nature.

The Supervisory Board approved the strategic move to enhance the portfolio of the company's services. Apart from shipping services, Dockwise will in the future also incorporate additional logistic support for current and new clients in new industry segments. In addition, Dockwise will also offer installation services, currently focused around the Float-over method of installing platforms of large integrated production decks for the Oil & Gas industry at climatologically suitable and remote locations. These new services are aimed at sustainably increasing the company's Economic Value Added (EVA) and making it less prone to economic cycles.

The Supervisory Board closely monitored the Board of Management with respect to Corporate Governance. With regard to financial matters the Supervisory Board, other than through the structured Board meetings, has continuously been informed through monthly reports and periodic statements of the Board of Management.

Recommendation to Shareholders

The Supervisory Board recommends shareholders to adopt the Financial Statements as prepared for 2005 and audited by KPMG Accountants N.V. The recommendation is accompanied by a recommendation to discharge both the Supervisory Board and the Board of Management for the year 2005.

The Supervisory Board finally proposes to pay a total cash dividend of USD 20 million, which has already been declared in December 2005. The total dividend declared from the company's net profit translates into USD 4.07 per share.

The Supervisory Board expresses its appreciation for the manner in which the Board of Management and the company's employees have served the interests of the company and its shareholders throughout 2005.

Breda, 14 March 2006

Supervisory Board

E.J. Nederkoorn (Chairman)
P.H. Heerema
K. Damen
S. Galtung
J. Nielsen



E.J. Nederkoorn
(Chairman)



P.H. Heerema



K. Damen



S. Galtung



J. Nielsen

Message from the CEO

Vision

Entering 2006 comes with major changes for Dockwise. The company will extend its services to its clients far beyond its current scope. A simple statement, but with major impact. Through the years, we have invested in becoming the best in a highly specialized niche in the logistics environment. We call it our core business and from our clients' ISO ratings we have modestly concluded that we have achieved a high score in client satisfaction.

But we also realize that the logistic chain is much longer than just our scope. Normally our scope, be it large in dimensions, represents only a very limited part of the chain. Our clients however look at this differently. They are confronted with the complexities of managing the interfaces between all of the requirements in the total chain of events, which in the end results in the physical move of their equipment from one place in the world to another. Sending a small parcel by courier involves trucking, warehousing, licenses, endless amounts of paperwork and the same in reverse at the receiver's end. Shipping a large plant, production platform, drilling rig or container crane is not much different when it comes to the basics. What makes it complicated are the dimensions and the weight of the parcel.

Dockwise is changing its service package to the extent that its lump sum charge involves all of the pieces in the chain, irrespective of size or complexity. What seems completely inconceivable to our clients is in the right hands with the team of Dockwise professionals. We have adopted a simple but meaningful vision:

*“Creating Superior Value
by Realizing The Inconceivable”*

We take the work and the worries out of the hands of our clients and deliver, allowing them to concentrate on that which is really important to them: their core business. The Drilling Contractor wants to have his equipment in that part of the world where the rig generates the highest revenue drilling wells for his clients. A Drilling Contractor is not and probably does not want to be specialized in transportation. Taking the load from our clients, allows them to focus on what is really important.

The new philosophy will result in substantial changes in the Dockwise organization, which in time will become noticeable to all of our clients. Along with these changes, the fleet of vessels will be modernized in the coming years. New state-of-the-art vessels, the largest in their market segment will support the new service portfolio and will replace some of the older equipment. Other vessels will be extensively renovated to make them suitable for more years of reliable service at the top end of the market. Working together with other professionals in the logistics industry will ensure that the most effective hardware will be made available within each of the projects.

Inconceivable to you, a challenge to us!



André Goedée
Chief Executive Officer



“The project was an exceptional experience”

In order to secure the safe and prompt delivery of our Zeppelin NT to South Africa, Dockwise was an option that was recognised very early. Fortunately Dockwise was able to make an offer, that fulfilled all our technical and logistic requirements. The project was not only an exceptional experience for the captain to transport an airship - with a total weight of eight tons having been accustomed to cargoes weighing hundreds of tons - but also for our airship pilots, to land the Zeppelin airship in an unusual spot such as a port. Dockwise, with its very experienced maritime crew, did an outstanding job in fulfilling its task. As Dockwise had successfully shipped a Zeppelin NT to Japan in 2004 we chose Dockwise again in 2005 to ship the Zeppelin NT prototype to our mission in South Africa.

Thomas Brandt

CEO

ZLT Zeppelin Luftschifftechnik GmbH & Co KG

Mission

In addition to the Vision, Management redefined the Mission statement, which indicates the manner in which the Dockwise organization wishes to be perceived by its clients and that has become the guideline for everyone in the organization.

- Dockwise takes the load, so the clients can focus on what counts.
- Dockwise leads the industry.
- Dockwise works safely with the highest regard for the environment.
- Dockwise is always available and always finds the best solution.
- Dockwise employs and works with the best professionals.

Identity

The company performs in a very competitive world. The individuals employed by the company are decisive in the achievement of its success. Their well-being and identification with the direction of the company is essential. To this end the organization has defined the most important values by which it wishes to be seen and by which it sees itself, values that form important ingredients alongside the Vision.

Passionate
Innovative
Reliable



Board of Management, from left to right:
André Goedée (CEO) and Stefan Malfliet (CFO).

*Consider it done!
Dockwise!*

Safety Health Environment Security (SHES) and Quality

Safety

The personal safety of our employees and contractors is of great importance to Dockwise. Our goal is clear and our message is strong: a zero accident policy.

During 2005, we experienced 4 Lost Time Incidents (LTI, an incident with a lost time of more than 1 day but less than 3 days) and 1 Reportable Lost Time Incident (an incident with a lost time of more than 3 days). Represented as a function of total exposure hours we have an LTI Frequency of 1.35 and a Reportable LTI Frequency of 0.34. If the Medical Treatment Cases are included (eight cases in 2005) the corresponding Total Recordable Cases Frequency (TRCF) is 4.4.

tools include Hazid / Hazop meetings for projects, root cause analysis, BowTie analysis and Tripod Delta and Beta.

Dockwise is in full compliance with the IMO International Safety Management (ISM) Safety Code, Flag State legislation and Class requirements.

Results Tripod Delta measurement 2005

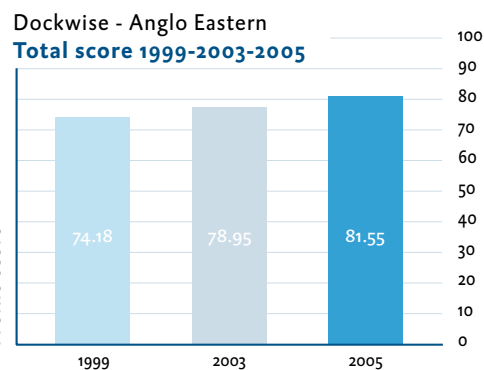
The Tripod theory classifies the working environment into eleven aspects, which are referred to as the Basic Risk Factors (BRF). The Performance Indicator (PI) is a reflection of the extent of control over these BRFs. The higher the PI the more control there is over the BRFs within the company. But to improve a good PI will take more and more effort.

The PI is the overall average survey score, based on the answers of all respondents of a survey, on all reliable questions. The combined Performance Indicator of all 465 Dockwise - Anglo Eastern respondents was: 81.55. As can be seen in the graph below, there has been an upward trend in the PI score over the years.

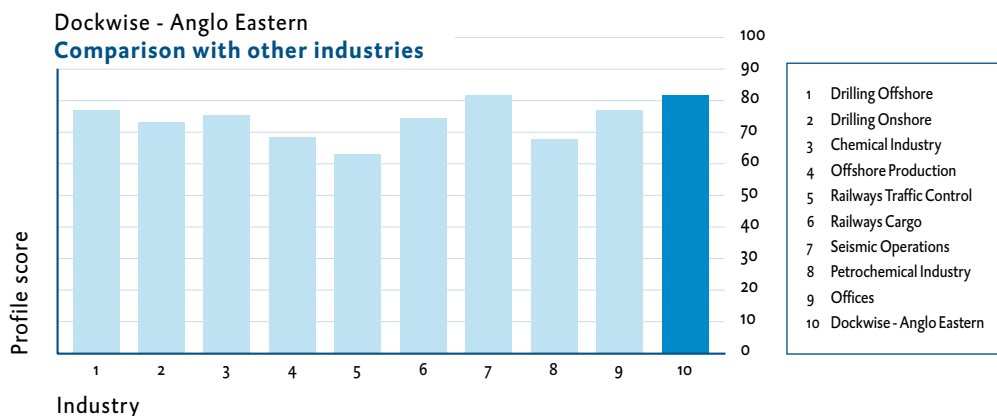


During 2005, Dockwise did not experience any fatalities. However, there is never room for complacency. Initiatives taken by Dockwise include extra safety training for Dockwise office personnel as well as crew, development of extra vessel Safety Cases, a poster campaign "Safety! We care!", extra staff for the SHES department, and Personal Protective Equipment for all office personnel when visiting Dockwise vessels. These initiatives will be continued in 2006.

To further minimize the risk of personal harm as a result of our activities, we continuously invest in the optimization of our processes. We use a number of very useful tools to identify risk early on and provide measures to avoid them. These



In 2006, management and employees will continue to invest heavily in these tools but also in the awareness of our safety guidelines and way of conducting our business. The goal is set to reach a "Generative Safety Culture" by 2010.



Health

Influencing, let alone managing the health of our employees is a daunting task. Nevertheless, Dockwise continues to provide several ways to facilitate personal health assessment and improvement. Employees are given the opportunity to have a full medical check-up every 3 years. During 2005, we set up a partnership with a local fitness studio to provide, at a reduced rate, fitness facilities to all employees.

On board of our vessels, we provide our employees through our Ship and crew manager Anglo-Eastern with compulsory medical check-ups, on-board sport and leisure facilities as well as a balanced and healthy diet.



Environment

Our main contribution to the environment comes from our strong focus on (ballast) water management. We try to ensure all our wastewater flows are treated and monitored as necessary in order to meet any relevant legislation before discharge.

Our new build yacht carrier will be equipped with advanced common rail diesel engines. These engines reduce the amount of soot in the exhaust gases to almost zero. Furthermore, new engines have been installed in the Mighty Servant 3 to comply with the latest MARPOL requirements.

Security

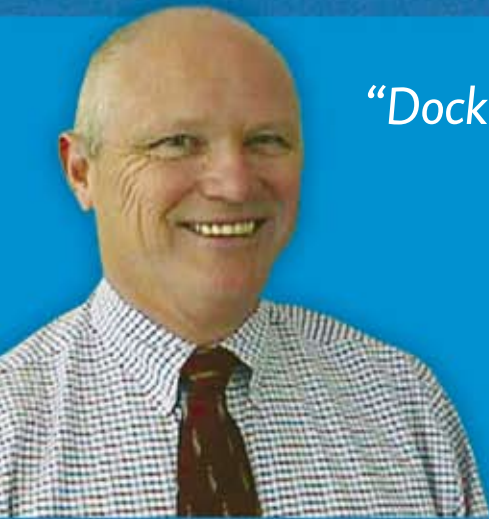
Dockwise is in full compliance with International Security Legislation for global operating ship owners. All of the vessels in the fleet are equipped accordingly and the personnel are trained in accordance with regulatory requirements. In 2005 none of the vessels in the fleet experienced problems with security issues.

Specific precautions against piracy have included vessel route planning and the adopted policies agreed in conjunction with clients' operational staff.

Quality

The Dockwise Management System is certified to ISO 9001:2000 for the entire organization.

To further enhance the quality of our products and services, our internal processes as well as our contribution to our stakeholders, Dockwise has committed itself to implement the Business Excellence model of the European Foundation for Quality Management (EFQM) starting in 2006.



“Dockwise’ new door-to-door services approach”

Diamond Offshore, between 2005 and 2006, will transport at least 5 of its drilling rigs using Dockwise vessels. We appreciate the relationship we have had with Dockwise as a strategic partner, and look forward to utilizing Dockwise’ new door-to-door services approach to meeting our transportation and logistics requirements.

Peter Bamber
Manager Marine Operations
Diamond Offshore



Report of the Board of Management

Profile

Dockwise Transport N.V. ("the Company") owns and operates a fleet of 15 semi submersible heavy transport vessels. With a versatile fleet of vessels of different concepts, designs and sizes, Dockwise offers flexible marine transportation services at the top end of the marine heavy transport market. A wide range of projects of a most extraordinary nature ensures utilization of the fleet of vessels throughout the year.

Dockwise's business is handled by two operating units. One focuses on the marine heavy transport market, while the other "Dockwise Yacht Transport" focuses on the transportation of all types of yachts.

The fleet of vessels operating in the traditional heavy transport market consists of five open flat deck vessels, four flat deck vessels with dual-purpose tanker capacity and two dock type vessels.

"Last year Dockwise USA relocated to new quarters in Houston in order to be more accessible to our clients, from the international drilling contractors to the major oil companies. We have increased our staff with a new business development manager

and a liaison engineer in order to meet the growth targets for the company and prepare ourselves for the exciting transition from a pure transportation company to a transport management and logistics company. Our goal is to maintain our position as the world leader in heavy transport shipping and to exploit our expertise to bring more value to our clients as well as to our bottom line."

Robb Erickson, President Dockwise USA Inc.



Dockwise Yacht Transport services the market with four dock type vessels. The company corporate offices are located in Breda, The Netherlands. The traditional heavy transport

activities are supported by a dedicated Dockwise sales office in Houston, Texas in the United States, as well as various dedicated sales agents in other locations around the world. In 2005, Dockwise opened its Shanghai Representation Office. The most important booking offices of Dockwise Yacht Transport are located in Fort Lauderdale, Florida in the United States, Golfe Juan (France), Vancouver (Canada) and Sydney (Australia).

Reporting and functional currency

All amounts mentioned in these financial statements are stated in thousands of United States Dollars (USD) unless stated otherwise. Dockwise Transport N.V. reports in United States Dollars in view of the concentration of operational revenues and expenditures in this currency. Exposure versus the euro has been hedged per quarter.

Company Structure

These statements represent the consolidated financial performance of Dockwise Transport N.V., a private limited liability company established in Curaçao, Netherlands Antilles. The company holds its corporate seat in the Netherlands and is registered as a Dutch Formal Foreign Company.

The affiliated Dutch entity Dockwise Transport N.V. has its registered offices at Lage Mosten 17, 4822 NJ in Breda, the Netherlands. The presentation of the consolidated facts and figures in this annual report encompasses all entities belonging to the Dockwise Group of Companies. Dockwise Transport N.V. is the single shareholder of all single ship companies and all operating companies including Dockwise B.V., Dockwise Shipping B.V., Dockwise Yacht Transport Inc. and Dockwise USA Inc.

Report of the Board of Management

Activities of the Dockwise Group of Companies in 2005.

Economic Climate 2005

A very strong positive development in economic activities in China and India combined with steady levels of consumption in the USA and Europe caused increased pressure on the price of oil. At the same time, the continuous discussion on oil and gas reserves has caused great concern in the market about availability of oil in the long term. All of these factors resulted in a sharp rise in the oil price to around USD 65 per barrel.

The discussion concerning proven reserves versus the reserves reported by some of the major oil companies has also initiated a large increase in exploration spending by most of the oil companies.

The market for shipbuilding has tightened enormously. With a record number of vessels on order, available yard capacity in the short term is reduced to almost zero.

Competition

These record highs do not go unnoticed. With increased activities in the shipping industry in general and good results being achieved in all of the shipping markets, various ship owners have been taking another look at the value potential in these different markets. Particularly in Norway the heavy transport market has seen a resurgence interest. The total fleet of larger heavy transport vessels is expected to increase in the future. In addition, competition also comes from wet transports and tug and barge combinations.

Market segment developments in 2005

Dockwise operates in 6 different market segments:

- **Offshore Structures:** all fixed structures that are used for the exploration of Oil & Gas. For example: modules, jackets, spars, etc.
- **Drilling rigs:** This segment includes 2 subsegments: jack-up drilling rigs and semi-submersible drilling rigs.
- **Military:** all military related transports, for example: submarines, damaged vessels, etc.
- **Cranes:** all container terminal related heavy equipment such as: container cranes, Rubber Tyre Gantry (RTG) Cranes, etc.
- **Port & Marine Infrastructure:** Apart from power barges, desalination plants, floating accommodation units, floating cranes and bridge structures, this segment also includes various transports on the spot market.
- **Yachts:** transportation of luxury yachts.

Offshore Structures


The main Highlights in this segment were the transport of Kizomba B for ExxonMobil, Atlantis for BP, Benguela Belize for ChevronTexaco, Constitution for Kerr McGee and most impressive of all the transport and installation of the 18,000-ton integrated production deck for the East Area Project of ExxonMobil offshore Nigeria. At the end of the year Dockwise transported the “de Ruyter” sub-sea base for Heerema Fabrication Group from Dubai to Flushing (Vlissingen) in the Netherlands.

As these projects typically have long lead time, they were booked in the last couple of years for execution in 2005. Throughout the year, these transports were performed with great success and to the satisfaction of the respective clients.

The Benguela Belize project for Chevron Texaco and Daewoo offshore Angola sustained some delay as a result of adverse swell conditions.

The delay caused a change in the fleet schedule, but fortunately a negative financial impact could be reduced to a minimum.

The Mighty Servant 3 successfully performed another transport for Kerr McGee with the Constitution production spar, a newer and even larger production buoy.



"With respect to offshore oil and gas industries, we, Hyundai Heavy Industries (HHI), are always remotely located from oil rich installation sites. This means that we must rely on dependable service from transportation companies to have our products and services which are normally heavy and complicated cargoes delivered on time. During the last 20 years, I have been pleased to have had the Dockwise name on top of our preferred partners list for transportation. Dockwise always helps us to commit ourselves to our clients. Dockwise's services help us to keep to our schedule and satisfy our customers. We want you to know that we appreciate your professional efforts and look forward to continuing our business relationship with Dockwise as more than Transportation Contractor."

Mr. J. D. Kim
Director, Offshore Marketing Dept,
Hyundai Heavy Industries Co., Ltd.

The East Area Project (EAP) was also completed very successfully. This contract for the transport and float-over installation of a large 18,000-ton integrated production deck was awarded to Dockwise by Technip in 2004.

The project was the second fully operational long term project of this nature performed by the

Dockwise organization. The Black Marlin had to be converted substantially for this job and with almost 3,000 tons of skid beams and grillage on deck proved to be the ideal platform for this installation. The hydraulic system required for this installation was arranged by Technip and installed on the vessel during preparation in Korea. The deck, manufactured by Samsung, left Korea in September and was installed after 39 days at the site offshore Nigeria. This was a major success for the Dockwise organization and a solid basis for further specialization in this direction by the company.



"Teamwork, hard work, trust and mutual respect between all those involved made the East Area Project to a success."

Alex Rodenburg
Project Manager EAP

Drilling Rigs

The development in the oil price and the shortage of reserves resulted in a shortage of drilling rigs which boosted the already large order book for new build jack-ups and semi-submersible drilling rigs. Most contracts have been placed at yards in the Singapore basin.

More than 70 rigs are currently on order to be delivered in 2007 to 2009. Traditionally 5% of the active rig fleet is moved annually. With a total of about 700 active rigs in 2005, this generated some 35 rig transports. Dockwise performed a major proportion of these transports in 2005.

Very successful were the transports of the Diamond Drilling fifth generation semi submersibles from the US Gulf to Singapore. At the Keppel yard the semi submersibles are being extensively upgraded to sixth generation semi submersibles, after which the Blue Marlin will be required to return them to their final destination, the US Gulf.

Report of the Board of Management

Military

Of particular interest are the activities in the military market segment in 2005. Primarily the US Military contracted the vessels in the Dockwise fleet on several occasions and was Dockwise's largest client in 2005.



A major highlight was the transport of the SBX (Sea-Based X-band Radar) platform. This remote sea based radar station is built on the basis of a large offshore semi-submersible and is equipped with the most powerful radar device ever built and installed on a military vehicle.

The SBX platform was shipped on board of the Blue Marlin from Ingleside, Texas to Honolulu, Hawaii.

In addition, both the Swan Class vessels and Mighty Servant were used for Navy exercises, while the Mighty Servant 1 transported a large dry dock from the US East Coast to the US West Coast.

One of the Swan Class vessels also transported a submarine for the Indian Navy from India to Sweden.

Container Cranes

The container crane segment continued to be strong throughout 2005. A larger number of transports than expected were performed.

Port & Marine Infrastructure

Given the high utilization from other market segments, the contribution from this segment was limited during 2005.

Yacht Transport

The activities of Dockwise Yacht Transport remained strong. The spring season showed a lower number of yachts than initially expected, but the fall season again proved to be very strong. Dockwise Yacht Transport's organization grew in 2005 to facilitate the continuous increase of activities in this market segment. Following the French market, the Italian market is gaining importance, which is primarily stimulated by high sales results of the two Italian manufacturers Azimut-Benetti and Ferretti.

Apart from the four vessels currently deployed in this segment, Dockwise Yacht Transport is awaiting the introduction of the new large yacht carrier at the end of 2006.

This vessel will be used to offer a dedicated liner service with fixed departure dates between the Caribbean and the Mediterranean.

The company is rapidly changing its service offerings and organizational structure to be able to absorb the additional market volume expected for the new vessel.

The yacht transport market continues to grow rapidly. With the new routes to the US West Coast and the Pacific Basin as well as the Caribbean Shuttle Service the growth potential of the Dockwise Yacht Transport services has reached serious dimensions.

Dockwise in China

On October 25, 2005 Dockwise opened a business representation office in Shanghai, China.

The office is manned by a staff of five, who have the task of developing new relationships with Chinese clients in the various markets that are of immediate interest to Dockwise. It is also with the extension of services in mind Dockwise has taken this decision.



Dockwise booth at the Marintec 2005 exhibition in Shanghai, China. Participation at one of China's most important exhibitions, shows a powerful and good step into the Chinese market.

The Board of Management of Dockwise regards the development of the position of Dockwise in China to be of vital importance for its position in the heavy transport marine environment in which China will play a much bigger role in the years to come. Chinese industrial growth will continue to expand into the fabrication of large industrial capital goods as well as Oil and Gas Production equipment for the domestic and the international market. Chinese legislation will allow Dockwise to expand its activities in China to a fully functional branch office, a development Dockwise will have completed by the end of 2006.



"Directly after the opening of the Dockwise Shanghai office a detailed study of the relevant markets in China has been made. Various business scenarios have been discussed to develop these markets. A large group of potential customers have been targeted and we already developed relationships with many of them. The reputation and the experience of Dockwise is step by step introduced to Chinese companies as well as to the media. This creates the right foundation on which we will gradually expand the market share of Dockwise in China."
Martin Ma, Dockwise China Manager

Vessel Operations

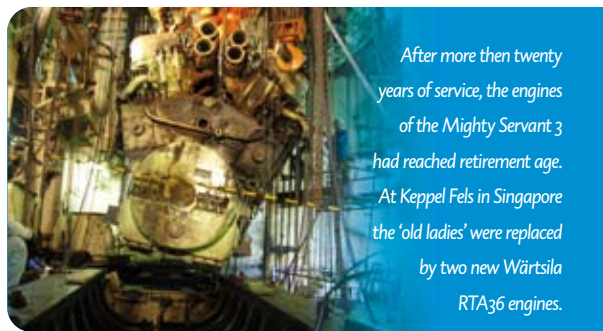
The technical as well as the crew management of the Dockwise fleet is in the hands of Anglo Eastern Ship Management. Anglo Eastern manages close to 200 vessels and employs more than 7500 professional crew members. Its policies are set and practiced in strict accordance to ISM, ISO9001: 2000, ISO14001 and Det Norske Veritas (DNV) "Rules for Management of

Safe Ship Operation and Pollution Prevention" standards. All surveys, dockings and major renewal projects are performed under supervision of Anglo-Eastern.



"In close co-operation with Anglo-Eastern, responsible for the coordination and supervision of the re-engining of the Mighty Servant 3, this project was completed successfully at the Keppel Shipyard in Singapore. Throughout the project, the ship's staff provided invaluable contributions and played a major role in this successful achievement. With new high performance and environmentally friendly engines, the reliability and efficiency of the Mighty Servant 3 can look forward to a bright and long future."
Jaap Poldervaart
Sr. Fleet Control Surveyor

In 2005 the fleet of vessels performed well. Continuous surveying and maintenance was performed within the schedule without causing serious delay to the scheduled transports. In September, the Mighty Servant 3 was outfitted with new engines. This refurbishment was performed at the Keppel Shipyard in Singapore within the scheduled 40 days and within the agreed budget.



After more than twenty years of service, the engines of the Mighty Servant 3 had reached retirement age. At Keppel Fels in Singapore the 'old ladies' were replaced by two new Wärtsilä RTA36 engines.

The conversion of the Black Marlin for the East Area Project was performed by Dong Bang Shipyard in Korea. After the operation, the vessel was returned to its original configuration in Rotterdam, prior to her mobilization to the US Gulf, where she was scheduled to load three drilling rigs for Rowan Drilling.

Report of the Board of Management

The construction of the new yacht carrier commenced in September 2005 at the Yantai Shipyard in China. Building supervision is also provided by Anglo Eastern in co-operation with a Dockwise new build team. At the turn of the year the construction of the vessel was on schedule. Delivery of the new vessel is expected for December 2006.

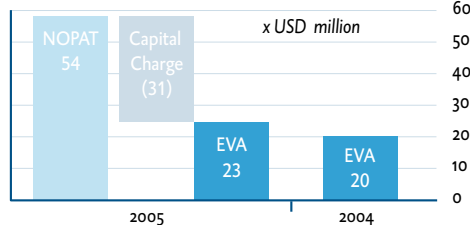
Turnover, Results and Economic Value Added

The consolidated net turnover in 2005 amounted to USD 208 million. Net Operating Profit After Taxes (NOPAT) amounted to USD 55 million, while the net profit for the year resulted in USD 46.5 million. Economic Value Added (EVA) achieved in 2005 was USD 23 million.

The 2005 results again showed an improvement when compared to previous years. Yet again the mix of high yield oil and gas projects combined with the increased activities in the drilling industry, which yielded higher day rates, caused the improvement.

From an operational perspective Dockwise has achieved this result with slightly fewer operational days than in 2004, as more days were necessary for maintenance and survey.

EVA, NOPAT and Capital Charge



Continuous flexibility in the fleet schedule and forward planning has allowed the optimal sale

of the remaining days. Again utilization of the fleet has been optimized to the greatest extent possible. The fleet had a time loss of less than 1% as a result of mechanical failures, technical discrepancies or Port State deficiencies.

Capital Expenditure

In 2005 the company invested USD 30 million in its fleet including installments under the contract for the construction of the new yacht carrier. Other than the costs involved in the regular Life Time Extension Program a large investment was made for refit of the main engines of the Mighty Servant 3.



Financing

The total fleet of 15 vessels is partly financed by a syndicated loan from credit institutions in Denmark, the Netherlands and Germany. The total loan capacity, which is provided in the form of a reducing revolving credit facility, is USD 130 million, of which USD 118 million was in use at the end of the year 2005.

Personnel and Organization

At the end of 2005 the company and its subsidiaries employed some 797 people (2004: 800). This number includes personnel employed by Anglo Eastern, directly employing foreign fleet personnel.

A total of 198 employees (2004: 200) are in service of Dockwise B.V., of whom have 179 have permanent contracts. 79 are Dutch seafarers employed on our vessels and the remaining 100 are office personnel at the Headoffice in Breda and the foreign offices in the USA, France and China.

Works Council

The Management consulted the Works Council on a number of important issues throughout the year. These included matters involving changes in the work and safety policies for the operations on board the vessels as well as matters pertaining to the employees employed in the organization of the head office and foreign offices.

In addition to work policies, a new Works Council-approved salary structure has been adopted, that deals with primary and secondary labor conditions. The decision of management to phase out Dutch officers and Dutch rankings and terminate the employment contracts by January 1, 2007 at the latest, has occupied a large amount of time, energy and discussion with the Management. The Request for Advice submitted by the Management remained pending at the turn of the year. This was because, the Works Council employed external advisors to assist them.

The Works Council followed specific training courses throughout the year that introduced them to new legislation and detailed policies and procedures.

Introduced in 2003, it is clearly noticeable that the Works Council is rapidly gaining more professional experience and has become as such a valuable counterpart to the Management of the Company.

Outlook 2006 and beyond

Every indicator shows continued economic growth in the Far East (China, India and Japan),

Europe and the United States and consumption of oil and gas is not likely to fall within the year, therefore the high oil prices are expected to be a reality for some time to come, but at least for 2006.

The leverage effect between reserves and production is another strong factor that will stimulate continued exploration efforts of the oil companies. Successes in exploration will initiate new construction contracts with yards in the Far East (Korea and China) for delivery in 2008, 2009 and beyond. Therefore Dockwise's turnover in the market segments Offshore Structures and Drilling Rigs is expected to remain at a high level.

Other markets are not expected to show large changes in volume when compared to current levels.

Our confidence in the future is founded upon the quality and the professionalism of our human capital. In 2005, we were able to achieve these results due to the unwavering commitment of our people, for which we are very grateful.

Breda, March 14, 2006

Board of Management



Chief Executive Officer

André Goedée (54)



Chief Financial Officer

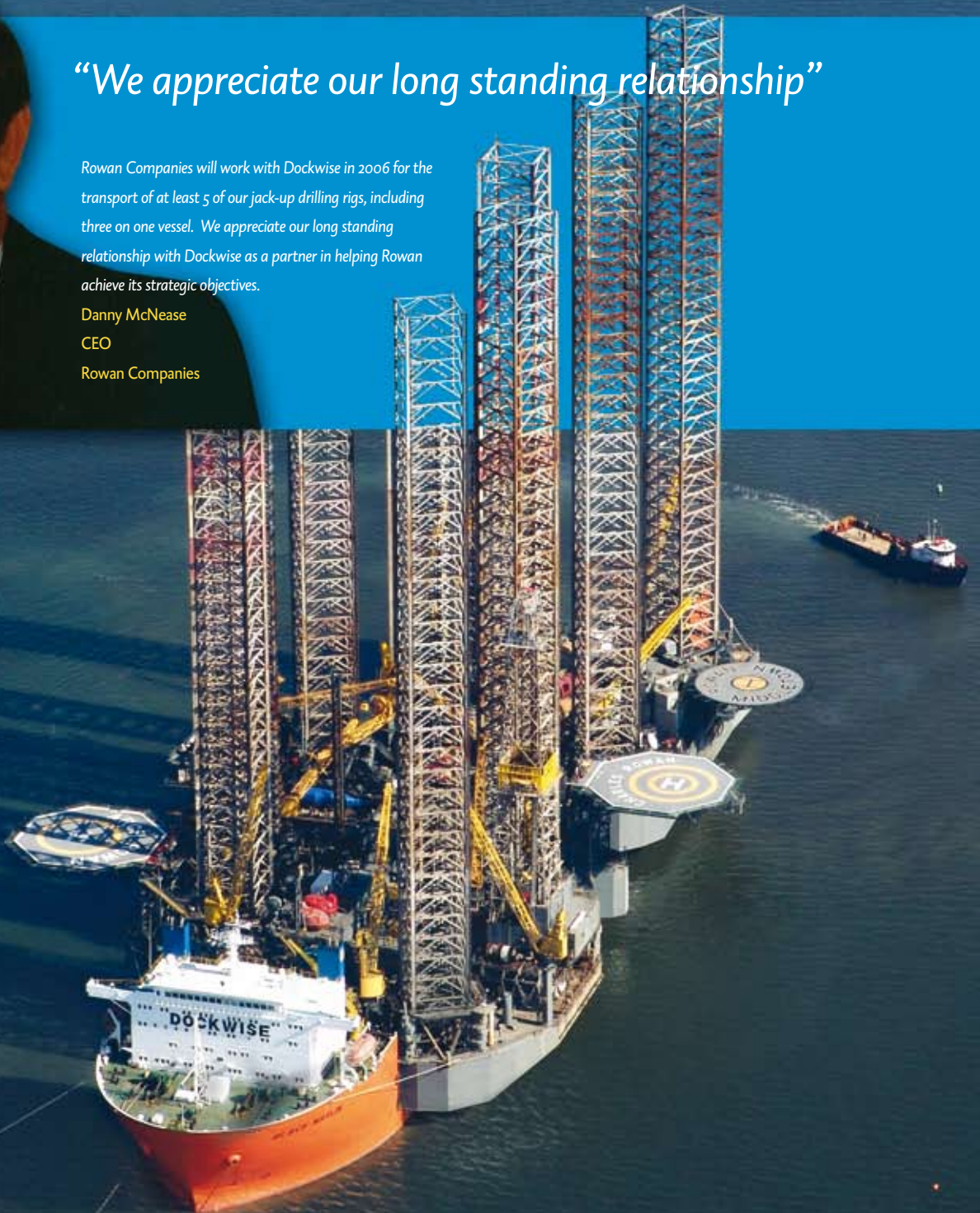
Stefan Malfliet (33)



“We appreciate our long standing relationship”

Rowan Companies will work with Dockwise in 2006 for the transport of at least 5 of our jack-up drilling rigs, including three on one vessel. We appreciate our long standing relationship with Dockwise as a partner in helping Rowan achieve its strategic objectives.

Danny McNease
CEO
Rowan Companies



Key figures 2005

(x USD 1,000)	2005	2004
Results		
EVA (Economic Value Added) ¹⁾	22,808	20,304
NOPAT ²⁾	53,625	49,613
Net turnover	208,356	194,460
Gross Profit	73,782	65,020
EBITDA	82,161	77,127
EBIT	52,983	44,502
Net result	46,481	38,115
Equity and financing		
Total assets less current liabilities	285,427	286,325
Average Capital	326,012	308,827
Shareholders' equity	187,731	174,970
Long term debt (> 1 year)	97,625	110,900
Cash flow		
Cash flow from operating activities	75,008	74,971
Investments	31,693	48,516
Long term debts drawdown	0	47,000
Long term debts repayment	-13,275	-16,000
Dividend	-33,074	-37,700
Cash and cash equivalents	36,916	27,987
Ratio's		
WACC ³⁾	9.6%	9.5%
Net debt/EBITDA	1.0	1.3
Solvency (equity/balance sheet total)	0.5	0.5
Interest cover (EBITDA/net interest)	12.7	12.1

¹⁾ EVA is calculated as NOPAT – WACC (Average Capital).

²⁾ NOPAT = Net Operating Profit After Taxes

³⁾ WACC = Weighted Average Cost of Capital

Consolidated balance sheet

as at 31 December (before appropriation of net profit for the year)

(x USD 1,000)	<u>2005</u>	<u>2004</u>
Fixed assets		
Tangible fixed assets	282,592	280,077
Current assets		
Inventories	7,615	6,382
Trade and other receivables	41,753	39,583
Cash and cash equivalents	36,916	27,987
	<u>86,284</u>	<u>73,952</u>
Current liabilities	<u>83,449</u>	<u>67,704</u>
Current assets less current liabilities	<u>2,835</u>	<u>6,248</u>
Total assets less current liabilities	<u>285,427</u>	<u>286,325</u>
Financed as follows:		
Long-term debt, less current maturity	97,625	110,900
Provisions	71	455
Group equity		
Shareholders' equity	187,731	174,970
	<u>187,731</u>	<u>174,970</u>
Total	<u>285,427</u>	<u>286,325</u>

Consolidated income statement

(x USD 1,000)	<u>2005</u>	<u>2004</u>
Net turnover	208,356	194,460
Direct costs	<u>134,574</u>	<u>129,440</u>
Gross profit	73,782	65,020
General & administrative expenses	<u>20,799</u>	<u>20,518</u>
Profit from operations	52,983	44,502
Interest and similar income	691	37
Interest and similar expense	<u>7,138</u>	<u>6,413</u>
	<u>6,447</u>	<u>6,376</u>
Profit before tax	46,536	38,126
Income tax expense	<u>55</u>	<u>11</u>
Net profit for the year	<u>46,481</u>	<u>38,115</u>

Consolidated statement of recognised income and expense

(x USD 1,000)	<u>2005</u>	<u>2004</u>
Effect of changes in the accounting principles (employee benefits)	-646	
Net income / (expense) recognised directly in equity	-646	-
Profit for the period	<u>46,481</u>	<u>38,115</u>
Total recognised income and expense for the period	<u>45,835</u>	<u>38,115</u>
Attributable to:		
Equity holders of the parent	<u>45,835</u>	<u>38,115</u>
Total recognised income and expense for the period	<u>45,835</u>	<u>38,115</u>

Consolidated statement of cash flows

(x USD 1,000)	2005	2004
Operating activities		
Profit from operations	52,983	44,502
Depreciation	29,178	32,625
Increase / (decrease) in provisions	-1,030	-145
Operating cash flows before movements in working capital	81,131	76,982
Decrease / (increase) inventories	-1,233	-1,711
Decrease / (increase) work in progress	3,996	2,354
Decrease / (increase) trade and other receivables	-2,170	-8,452
Increase / (decrease) trade and other payables	-1,855	12,222
Movements in working capital	-1,262	4,413
Income taxes paid	-55	-11
Interest paid	-7,138	-6,413
Interest received	691	37
	-6,502	-6,387
Net cash from (used in) operating activities	73,367	75,008
Investing activities		
Proceeds from sale of tangible fixed assets	-	1,766
Acquisition of tangible fixed assets	-31,693	-48,516
Net cash used in investing activities	-31,693	-46,750
Financing activities		
Proceeds from non-current borrowings	-	47,000
Repayments of borrowings	-13,275	-16,000
Dividends paid	-19,470	-37,700
Net cash (used in) from financing activities	-32,745	-6,700
Net increase/(decrease) in cash and cash equivalents	8,929	21,558
Cash and cash equivalents at beginning of the year	27,987	6,429
Cash and cash equivalents at end of the year	36,916	27,987

Notes to the consolidated financial statements

General

Dockwise Transport N.V. (the Company) is a private limited liability company established in Curaçao, Netherlands Antilles on October 14, 2003. As from November 18, 2003, the Company holds its actual corporate seat in the Netherlands and is registered as a Dutch Formal Foreign Company.

Dockwise Transport N.V. is a specialised transport management and installation contractor engaged in overseas heavy transport activities and serves its clients with a fleet of 15 semi-submersible vessels. With this versatile fleet of vessels of different concepts and designs, Dockwise offers clients unequalled flexibility and transport capacity.

The Company's head office is located at Breda, the Netherlands and its worldwide presence is maintained through sales and marketing offices in Houston and Fort Lauderdale (United States of America), Golfe Juan (France) and in Shanghai (China) as well as commercial agents in other parts of the world.

Principles of consolidation

The consolidated financial statements include the accounts of Dockwise Transport N.V. and its group companies. For a specification of the complete list of group companies, reference is made to the "Notes to the company financial statements".

In the context of the consolidated financial statements, "the Company" refers to Dockwise Transport N.V. and its subsidiaries.

Intercompany transactions, profit, receivables and payables are eliminated.

Reporting and functional currency

All amounts mentioned in these financial statements are stated in thousands of United States Dollars (USD) unless stated otherwise. Dockwise Transport N.V. reports in United States Dollars in view of the concentration of operational revenues and expenditures in this currency.

Risk management and financial instruments

It is the Company's policy to limit exposures related to foreign currency fluctuations and interest rate fluctuations on the financial markets. This policy contains procedures to identify, assess, evaluate and manage the risks on a regular basis. In order to manage these risks the Company enters into transactions of a derivative nature with professional financial institutions and counter parties. Derivative instruments are not used for speculative purposes.

Risk management with respect to foreign currency positions is primarily based on the future total identifiable net cash outflow in EUR (with respect to mainly local operational income and expenses). The risk is hedged a year ahead by using a combination of currency call & put options mainly.

Risk management related to interest rate developments is used to control the Company's preferred duration, liquidity planning and refinancing timeline. Interest rate risk is hedged by using long term floating to fixed interest rate swaps.

The Company has procedures and policies in place to limit the amount of exposure to any counter party or market. These procedures limit the Company's exposure to concentrations of credit, liquidity or market risk.

Accounting principles

General

The financial statements are prepared in accordance with generally accepted accounting principles in the Netherlands and comply with the financial reporting requirements included in Part 9, Book 2 of the Dutch Civil Code.

All amounts mentioned in these financial statements are stated in thousands of United States Dollars (USD) unless otherwise indicated.

The principles applied in respect of the valuation of assets and liabilities and determination of the results are based on historical cost. Unless stated otherwise, assets and liabilities are included at nominal value.

Comparison with prior year

The accounting principles remain unchanged compared to the prior year, except for the accounting for employee benefits.

For accounting periods starting on or after 1 January 2005, the Council for Annual Reporting in the Netherlands has issued new guidelines with respect to pensions and other post employment benefits. As a result, a change in accounting principles has been made at 1 January 2005. The effect of this change is USD 646,000 at that date, this amount has been deducted from equity. The comparative figures have not been restated for this change in accounting principles.

Determination of results

Costs and revenues are accounted for in the period to which they relate.

For work in progress, the Company applies the percentage-of-completion method. Under this method, revenues are recognized in proportion to the work performed.

Foreign currencies

Trade and other receivables and liabilities arising from transactions in foreign currencies are translated at the exchange rate applicable on balance sheet date.

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at balance sheet date or forward rates if applicable. Transactions in foreign currencies during the year are translated at the average exchange rate of the year. Gains and losses on foreign currency transactions are reflected in the income statement.

Tangible fixed assets

Heavy transport vessels and other fixed assets are valued at historical cost, less straight-line depreciation based on their estimated economic life (taken into account the residual value). Assets in progress are valued at cost. In case the book value of an asset is higher than its net realizable value, the book value is adjusted to its net realizable value.

Inventories

Fuel has been valued using the FIFO-method. Other Inventories are valued at cost.

Work in progress

Work in progress includes the cost of uncompleted voyages, net of invoiced instalments. Work in progress is valued at cost incurred, increased with a profit mark-up, depending on the percentage of completion, less a provision for foreseeable losses and less progress billings.

The percentage of completion is derived from the voyage planning and based on the total expected cost until completion.

Trade and other receivables

Trade accounts are stated net of a provision for doubtful debts. Other receivables are stated at nominal value.

Cash and cash equivalents

Cash and cash equivalents are at the disposal of the Company and are interest bearing at prevailing market rates.

Current liabilities

Current liabilities are stated at nominal value.

Provisions

Provisions are set up for legally enforceable and actual obligations existing at the balance sheet date, if it is probable that an outflow of resources is necessary and the amount of the obligation can be reliably estimated.

Financial instruments

Derivatives

The accounting method used for derivative financial instruments is determined by whether or not the instrument is designated as a hedge of an existing exposure or a firm commitment and, if so, by the accounting method used of the item being hedged.

Hedging of existing exposures are accounted for in the same way as the item being hedged. Gains or losses on hedges of firm commitments are deferred and recognized when any gains or losses on the hedged transactions are recognized.

Derivative financial instruments that are not designated as hedges are valued at market rate and gains and losses are taken to the income statement.

Other financial instruments in the balance sheet include trade and other receivables, cash and cash equivalents, current liabilities and loans. The estimated fair value of these instruments approximates book value.

Net turnover

The net turnover comprises heavy transport shipping and vessel management services charged to third parties and affiliated companies, adjusted for accrued income based on the percentage-of-completion method.

Employee benefits

Defined contribution plans

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

Defined benefit plans

Office personnel

The Company's net obligation in respect of the defined benefit pension plan is calculated 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 its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on AAA credit rated or government bonds that have maturity dates approximating to the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

Accounting principles

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 as at 1 January 2005, the date of transition to the new accounting standard regarding employee benefits, were recognised. In respect of actuarial gains and losses that arise subsequent to 1 January 2005 in calculating the Company's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10 per cent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Dutch crew on board of vessels

The company participates in the 'Koopvaardij' industry wide pension scheme, which provides for defined benefit pension benefits. Since not sufficient information can be made available to the company to identify its share of the underlying assets and liabilities of this scheme, it has been accounted for as a defined contribution plan.

Taxation

Dockwise Transport N.V. and its 100%-owned Dutch subsidiaries form a fiscal unity for corporation tax and VAT purposes.

Tax on result on ordinary activities comprises both taxes payable and deferred tax liabilities. Taxes are calculated over the results, taking applicable fiscal rules and regulations into account.

Consolidated cash flow statement

The consolidated cash flow statement has been prepared using the indirect method. Cash flows in foreign currencies have been translated at average exchange rates. Cash flows from operating activities, cash flow from investment activities and cash flow from financing activities have been separately presented.

The use of estimates

During the preparation of the financial statements, the management must, in accordance with the general prevailing principles, make certain estimates and assumptions that co-determine the stated amounts. The actual results may deviate from these estimates.

Notes to the consolidated balance sheet

1. Tangible fixed assets

(x USD 1,000)	Assets in progress	Heavy Transport vessels	Other fixed assets	Total
Balance as at 1 January 2005				
Cost	–	368,444	5,174	373,618
Accumulated depreciation	–	-90,503	-3,038	-93,541
	–	277,941	2,136	280,077
Additions	19,825	10,570	1,298	31,693
Disposals	–	–	–	–
Depreciation	–	-28,465	-713	-29,178
Total movements in 2005	19,825	-17,895	585	2,515
Balance as at 31 December 2005				
Cost	19,825	379,014	5,823	404,662
Accumulated depreciation	–	-118,968	-3,102	-122,070
Net book value	19,825	260,046	2,721	282,592

The remaining life expectancy for heavy transport vessels is 2-25 years, other fixed assets have a remaining life expectancy of 1-10 years. Fixed assets are depreciated on the basis of the straight line method, taking into account residual values. Depreciation percentages vary from 3 1/3 % to approximately 14 % per annum for vessels, and 10 % to 33 % for other fixed assets.

Heavy Transport Vessels / Assets in progress

Assets in progress reflect the investment in a new Yacht Carrier, which is currently being built. The company invested USD 10.5 million in the fleet of heavy transport vessels of which expenses in upgrading took a large share.

Notes to the consolidated balance sheet

2. Inventories

This item refers mainly to fuel on board of heavy transport vessels.

3. Trade and other receivables

(x USD 1,000)	2005	2004
Trade accounts	25,042	19,372
Affiliated companies	4,038	4,490
Other receivables and prepayments	12,673	15,721
	41,753	39,583

Trade and other receivables are non-interest bearing and due for payment.

4. Cash and cash equivalents

Cash and cash equivalents are at the free disposal of the Company and are interest bearing (average rate 2 % per annum).

5. Current liabilities

(x USD 1,000)	2005	2004
Accounts payable	2,355	4,301
Affiliated companies	13,612	62
Taxation and social security contributions	106	4,949
Billings in excess of contract cost and recognized income on work in progress	15,161	12,356
Advance payments on contracts	12,215	11,026
Current maturity long term debt to credit institutions	21,100	21,100
Other accrued liabilities	18,900	13,910
	83,449	67,704

Other accrued liabilities relate to accruals regarding voyages, as well as operational and general expenses.

6. Long-term debt

(x USD 1,000)	2005	2004
Debt to credit institutions	118,725	132,000
Current maturity included in current liabilities	21,100	21,100
	97,625	110,900

The long term debt relates to a reducing revolving credit facility with a current maximum commitment of USD 130,000 with Danish Ship Finance and Fortis Bank as arrangers and HSH Nordbank AG and Bayerische Hypo- und Vereinsbank as co-lending banks.

- The final maturity date is 31 December 2009 and repayment will take place in 16 consecutive quarterly instalments of USD 5,275 each and a final payment of USD 34,325. The applicable interest rate is 3-months LIBOR plus an applicable margin of 0.7% (up till 1 September 2005: 1.25 % to 1.35 %). depending on various ratios as stipulated in above mentioned loan agreement.
- In order to limit the interest exposure on this loan, the Company concluded interest rate swaps, fixing the interest rate at approximately 5 % on average until March 2008. The interest rate swaps cover approximately 58 % of the outstanding facility per 31 December 2005.
- The facility is subject to mandatory prepayment in the event of insurance and /or sales proceeds in cases of total loss or sale of any of the vessels.

Notes to the consolidated balance sheet

Securities

The facility is secured by:

- First priority rights of mortgage on all vessels
- First priority right of pledge on the rights of bare boat charter parties and time charter parties between group companies
- First priority right of pledge/assignment of rights on insurance proceeds
- First priority right of pledge under or pursuant to contracts with a net income of more than USD 5,000
- First priority right of pledge on the bank accounts
- First priority right of pledge/assignment of the rights under or pursuant to contracts with respect to conversion of vessels or construction of new heavy transport vessels
- A joint and several liability of Dockwise Transport B.V. and its Dutch subsidiaries to the bankers' consortium

Amounts due: (x USD 1,000)	0-1 Year	1-5 Years	>5 Years
Debt to credit institutions	21,100	84,400	13,225
	21,100	84,400	13,225

7. Provisions

(x USD 1,000)		2005	2004
Employee benefits	(7.1)	-229	0
Reorganisation	(7.2)	0	205
Other	(7.2)	300	250
		71	455

7.1 Employee benefits

(x USD 1,000)		2005
Present value of funded obligations		-12,171
Fair value of plan assets		10,559
Present value of net obligations		-1,612
Unrecognized actuarial gains and losses		1,841
Total employee benefits		229

The company makes contributions to a defined benefit plan in the Netherlands to provide for pension benefits for office personnel upon retirement.

Movements in the net liability for defined benefit obligations recognised in the balance sheet

(x USD 1,000)	2005
Net liability for defined benefit obligations at 1 January (*)	-646
Contributions paid	1,240
Expense recognised in income statement	-438
Currency gain / (loss)	73
	229

(*) The 1/1/2005 amount reflects the amount of the effect of the change in accounting principles that has been processed through the opening equity as at 1 January 2005.

Expense recognised in the income statement

(x USD 1,000)	2005
Current service cost	496
Interest on obligation	471
Expected return on plan assets	-529
	438

Liability for defined benefit obligations

Principal actuarial assumptions at the balance sheet date:

	31/12/2005	1/1/2005
Discount rate at 31 December	4.0%	4.5%
Expected return on plan assets at 31 December	4.6%	5.0%
Salary increase rate	3.0%	1.0%
Social security increases	2.0%	2.0%
Pension increases (if applicable)	2.0%	2.0%

Notes to the consolidated balance sheet

7.2 Movement other provisions

(x USD 1,000)	Reorganisation	Other	Total
Balance as at 1 January 2005	205	250	455
Addition	–	50	50
Used	-205	–	-205
Balance as at 31 December 2005	–	300	300

Other provision relates to the performance bonus of the shipmanager, which becomes payable at year end 2006.

8. Shareholders' equity

For a breakdown of the movements in shareholders' equity during 2005, reference is made to the "Notes to the company financial statements".

9. Financial instruments

Off-balance sheet financial instruments

Foreign exchange risk

The Company has entered into a series of foreign currency call options to hedge future EUR cash outflows. A put option is sold to realise an initial zero cost hedging structure. The notional amounts and fair values of the contracts outstanding as per balance sheet date are as follows:

(x USD 1,000)	2005 Contract Notional amount	2005 Estimated fair value: profit (loss)
Purchased call option EUR against USD	13,500	41
Sold put option EUR against USD	6,750	-747

The remaining time to maturity does not exceed one year. The maturity dates of the individual call option contracts match the estimated underlying cash flow pattern. The maturity dates are equally divided over the year.

Interest rate risk

The Company has entered into floating to fixed interest rate swaps (IRS) to hedge partly the interest exposure on the 3-months US Libor interest rate applicable on the reducing revolving credit facility. The notional amounts and fair values of the IRS-contracts outstanding as per balance sheet date, can be depicted as follows:

(x USD 1,000)	2005 Contract Notional amount	2005 Estimated fair value: profit (loss)
Floating to fixed swaps:		
Maturing 28/03/08 fixed at 5.31 %	32,500	- 208
Maturing 31/12/09 fixed at 3.87 %	15,000	472

10. Commitments and contingencies

The Company has the usual liability of a shipping company for completion of voyages.

Dockwise Transport N.V. became an additional borrower in January 2005 by means of an amendment agreement to the existing facility agreement.

Investments

The company has remaining investment commitments for a total value of USD 36 million.

Bank guarantees

At year-end there are no outstanding bank guarantees.

Financial commitments

The nominal value of operational lease agreements (head office, warehouse and cars), amounts to USD 3,663 (2004: USD 5,300).

Of this amount, USD 811 (2004: USD 900) expires within one year and USD 2,852 (2004: USD 3,600) will expire between 1 - 5 years.

Notes to the consolidated income statement

1. Geographical segmentation of net turnover

(x USD 1,000)	2005	2004
Europe	40,789	34,107
North America	60,526	39,491
South America	5,114	4,378
Asia	83,564	92,620
Africa	4,068	14,570
Other	14,295	9,294
	208,356	194,460

2. Direct costs

Direct costs consist of voyage related cost and vessel operating cost which include fuel, seafastening materials, harbour dues, canal passages, subcontractors, crew, vessel maintenance and insurances.

(x USD 1,000)	2005	2004
Contract related expenses	67,721	57,701
Vessel operating expenses	37,675	39,114
Depreciation *	29,178	32,625
	134,574	129,440

* Included in the depreciation figures of 2004 is a net bookloss on the disposal of a vessel amounting to USD 3,978.

3. General & administrative expenses

The following amounts for general & administrative expenses are included in the profit and loss account:

(x USD 1,000)	2005	2004
Personnel expenses office	10,057	9,862
Other general & administrative expenses	10,742	9,738
Reorganization cost	–	918
	20,799	20,518

General & administrative expenses include USD 388 (2004: 954) charged from related parties.

General & administrative expenses include USD 186 (2004: 291) charged to related parties.

4. Interest and similar income/expenses

Interest and similar income and expenses are fully relating to third parties.

5. Taxation

The Company's income tax is based on the tonnage tax regime for maritime transport activities in the Netherlands. In this regime shipping profit is determined on the basis of the net tonnage of the sea going vessels employed; the normal tax rates are applied to this shipping profit.

6. Wages, salaries and social security contributions

The average number of staff on the Company's payroll in 2005 was 189 (2004: 207).

Staff can be divided into the following activities:

	2005	2004
Office employees	88	76
Crew on board of vessels	101	131
Total average personnel	189	207

The following amounts for wages, salaries and social security contributions are included in the income statement.

(x USD 1,000)	2005	2004
Wages and salaries	12,017	11,179
Social security contributions	952	1,036
Pension cost	1,207	1,943
	14,176	14,158
Of which relates to:		
Office employees	10,057	9,862
Crew on board of vessels	4,119	4,296
	14,176	14,158

7. Remuneration of the Board of Management

The total remuneration of the Board of Management from Dockwise group companies for the year 2005 amounted to USD 1,132 (2004: USD 847).

8. Remuneration of Supervisory Board

The total remuneration of the Supervisory Board members from Dockwise group companies for the year 2005 amounted to USD 94 (2004: USD 105).

“A premium transport experience between Mediterranean and Caribbean”



The number of yachts in the world is still increasing with more than 550 yachts over 30 metres being delivered to their owners in the next two years. With our new yacht carrier entering service in the Spring of 2007, we will be able to offer these owners a premium transport experience between the main cruising grounds in the Mediterranean and the Caribbean.

Clemens van der Werf

President

Dockwise Yacht Transport



Company balance sheet

as at 31 December (before appropriation of net profit for the year)

(x USD 1,000)	<u>2005</u>	<u>2004</u>
Fixed assets		
Financial fixed assets	247,462	208,121
Current assets		
Trade and other receivables	104	44
Cash and cash equivalents	<u>325</u>	<u>193</u>
	429	237
Current liabilities	<u>60,160</u>	<u>33,388</u>
Current assets less current liabilities	<u>-59,731</u>	<u>-33,151</u>
Total assets less current liabilities	<u>187,731</u>	<u>174,970</u>
Financed as follows:		
Shareholders' equity		
Issued and fully paid share capital	59	59
Share premium	161,097	161,097
Retained earnings	125	701
Unappropriated profit for the year	<u>26,450</u>	<u>13,113</u>
	<u>187,731</u>	<u>174,970</u>
	187,731	174,970



“Important and delicate transports.”

The important and delicate transports for the Snøhvit project situated far north in Norway were executed to our full satisfaction. The various shipments included a cold box of 65 metres height and a barge with a process plant of 35,000 tons. We were very pleased with respect to the co-operation between Dockwise and Statoil in the planning and engineering phase as well as during the final execution of the transports.

Jan Vesterkjær

Manager Marine Operations

Statoil



Company income statement

(x USD 1,000)	<u>2005</u>	<u>2004</u>
Net income from subsidiaries after taxation	39,987	33,628
Other income (expenses) after taxation	6,494	4,487
Net profit	<u>46,481</u>	<u>38,115</u>

“Co-operation with Dockwise was seamless”



On the Constitution project co-operation with Dockwise was seamless. Mighty Servant 3 was at our yard exactly when agreed and we were able to start load out operations as planned. Transportation from Finland to the Gulf of Mexico was the fastest one so far, enabling us to deliver the hull one month early to our Customer. Technip Offshore Finland is a schedule driven company and we choose our partners accordingly. During the past years Dockwise has been a reliable partner and we know that working together we can overcome the challenges we are facing with future projects.

Tommi Matomiäki

Managing Director

Technip Offshore Finland Oy



Notes to the company financial statements

General

Group companies of Dockwise Transport N.V. are:

Name and location group companies	Share in Equity
• Dockwise Transport B.V., Breda, The Netherlands	100 %
• Dockwise Shipping B.V., Breda, The Netherlands	100 %
• Dockwise Yacht Transport Inc., Ft Lauderdale, United States of America	100 %
• Dockwise U.S.A. Inc., Houston, United States of America	100 %
• Dockwise B.V., Breda, The Netherlands	100 %
• Super Servant 3 B.V., Breda, The Netherlands	100 %
• Super Servant 4 B.V., Breda, The Netherlands	100 %
• Transshelf B.V., Breda, The Netherlands	100 %
• Mighty Servant 1 B.V., Breda, The Netherlands	100 %
• Mighty Servant 3 B.V., Breda, The Netherlands	100 %
• Dock Express 10 B.V., Breda, The Netherlands	100 %
• Dock Express 12 B.V., Breda, The Netherlands	100 %
• Swan B.V., Breda, The Netherlands	100 %
• Swift B.V., Breda, The Netherlands	100 %
• Teal B.V., Breda, The Netherlands	100 %
• Tern B.V., Breda, The Netherlands	100 %
• Black Marlin B.V., Breda, The Netherlands	100 %
• Blue Marlin B.V., Breda, The Netherlands	100 %
• Dockwise Enterprise B.V., Breda, The Netherlands	100 %
• Dockwise Explorer B.V., Breda, The Netherlands	100 %



“A highly professional company”

We have worked with Dockwise for over 23 years, from our first transportation order for LLDPE Plant project for Al-Jubail Petrochemical Co. in 1983, to our most recent project, Benguela-Belize in 2005. We have found them to be a highly professional company, providing invaluable services in heavy transportation. We are delighted to share a WIN-WIN partnership with Dockwise, and wish to continue this solid relationship for many years to come.

Wan-Soo Ryu

DSME Executive Director

CEO Offshore Business

Accounting principles

General

In the context of the company financial statements, “the Company” refers to Dockwise Transport N.V.

Since its financial data are incorporated in the consolidated financial statements, the Company compiles an abridged profit and loss account in pursuance of Art. 402, Part 9, Book 2 of the Dutch Civil Code.

Financial fixed assets

The financial fixed assets comprise the participating interests.

Investments in group companies of Dockwise Transport N.V. are valued at net equity value. Loans to the group companies are included at nominal value less provisions, if considered necessary.

Other

For the accounting policies with regard to the valuation of other assets and liabilities as well as calculation of income, reference is made to the notes to the consolidated financial statements.

Notes to the company balance sheet

1. Financial fixed assets

(x USD 1,000)	Investments in subsidiaries	Loans to subsidiaries	Total
Balance as at 31 December 2004	38,121	170,000	208,121
Change in accounting principles employee benefits	-646	-	-646
Balance as at 1 January 2005	37,475	170,000	207,475
Net income from subsidiaries	39,987	-	39,987
Balance as at 31 December 2005	77,462	170,000	247,462

In a shareholder's resolution dated 30 December 2003 Dockwise Transport N.V. decided to declare a repayment of share premium and dividend in total amounting to USD 170,000 from Dockwise Transport B.V. The corresponding receivable has been converted into a loan as per 5 February 2004.

- The final maturity date of this loan is 28 November 2013 and repayment will take place in full on expiry date, together with accrued interest, if any, and all other outstanding amounts in connection with the intercompany loan agreement.
- The applicable interest rate is 12-months LIBOR plus a margin of 2%.
- The rights of the Lender (Dockwise Transport N.V.) are subordinated to the rights of Danish Ship Finance and Fortis Bank (Nederland) N.V. concerning the reducing revolving credit facility agreement dated 20 January 2003.

2. Shareholders' equity

Movements in Shareholders' equity during 2005, before appropriation of net profit for the year:

(x USD 1,000)	Share capital issued and fully paid	Share premium	Retained earnings	Unappropriated profit	Total
Balance as at 31 December 2004	59	161,097	701	13,113	174,970
Change in accounting principles employee benefits	-	-	-646	-	-646
Balance as at 1 January 2005	59	161,097	55	13,113	174,324
Appropriation of net result	-	-	70	-70	-
Dividend	-	-	-	-33,074	-33,074
Net profit for the year	-	-	-	46,481	46,481
Balance as at 31 December 2005	59	161,097	125	26,450	187,731

Per 31 December 2005 the authorised share capital comprises 9,000,000 ordinary shares of EUR 0.01 each, amounting to a total nominal value of EUR 90,000. In total 4,921,698 shares are issued and fully paid up.

3. Current liabilities

Current liabilities relate largely to a short term payable to affiliated companies (USD 13,604) and a short term payable to group companies (USD 45,473).

4. Personnel

Throughout 2005 the Company employed one managing director.

5. Guarantees, commitments and contingencies

The Company is the consolidating entity in a Dutch fiscal unity, which includes all other Dockwise Group companies. The company is liable for the payment of the corporate income taxes and VAT of the companies included in the fiscal unity, in addition to its own corporate income taxes and VAT.

Breda, March 14, 2006

Board of Management

A. Goedée
S.A. Malfliet

Supervisory Board

E.J. Nederkoorn (chairman)
P.H. Heerema
K. Damen
S. Galtung
J. Nielsen



“Every passing year we have more challenging cargoes”

“Since I started working on heavy transport vessels in December 1992, every passing year we have had more challenging cargoes. Last year we transported and installed the EAP deck and this project demanded a lot of effort from the ship’s crew, during the voyage as well as the float-over operation. Combined efforts of all involved and a very good co-ordination were essential for a successful completion of this project. “Consider it done!” is correct, but for a successful completion of these more complex projects, a lot of efforts, good co-ordination and co-operation between all parties involved is a key element!”

Captain A. Przendzinskis

Master Black Marlin



Other information

Articles of association governing profit appropriation

Article 24 of the statutory provisions concerning the appropriation of profit state the following:

1. The amount of distributable profits shall be at the unrestricted disposal of the general meeting of shareholders, to be used for distribution of dividends, to be carried to reserves or to be used for such other ends fitting the Company's objects as that meeting may resolve. In calculating the amount of profits to be distributed on each share, only the amount of compulsory payments on the nominal price of the shares shall be regarded.
2. The Company shall only be capable of making distributions to shareholders and other persons who are entitled to profits that qualify for distribution if the Company's equity is in excess of the paid and called-up portion of the share capital increased by the reserves that must be set aside under the provisions of the law. In the calculation of the distribution of profits the shares which the Company holds in its own share capital shall be disregarded.
3. Distribution of profits shall take place after confirmation and adoption of the Financial Statements showing this is allowed.
4. The general meeting of shareholders shall have power, with due observance of what has been provided in the second paragraph hereof, to make one or more interim dividends payable.
5. Unless the general meeting of shareholders decides on a different date, dividends shall be made payable immediately after they have been declared.
6. The claim for payment of dividends shall lapse on the expiry date of a period of five years.

Appropriation of net result

The Board of Management proposes to pay a total cash dividend of USD 20,031 (USD 4.07 per share). This amount has already been declared in December 2005. This results in an addition to the retained earnings of the remaining net profit of USD 26,450.

Together with the interim dividend already declared in 2005 and the final dividend of 2004, the total declared dividend in 2005 amounts to USD 33,074 (2004:USD 38,044).

Auditor's report



Auditor's report

Introduction

We have audited the financial statements of Dockwise Transport N.V., Curaçao, for the year 2005 as set out on pages 22 to 49. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2005 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Furthermore we have established to the extent of our competence that the annual report is consistent with the financial statements.

Rotterdam, 14 March 2006

KPMG ACCOUNTANTS N.V.

H. Heijnraets RA



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