EXMAR 2011

EXMAR

Contents

Key figures per division

LPG

According to IFRS (in million USD)	Total per 31-12-11	Total per 31-12-10
Income statement		
Turnover	200.6	186.2
EBITDA	52.9	53.7
Depreciations and impairment losses	-72.6	-48.2
Operating result (EBIT)	-19.7	5.5
Net financial result	-23.8	-17.5
Share in the result of equity accounted investees	0.0	0.0
Result before tax	-43.5	-12.0
Tax	-0.1	-0.9
Consolidated result after tax	-43.6	-12.9
of which group share	-43.6	-12.9
Cashflow	37.8	38.3
Balance sheet		
Property plant and equipment	509.9	608.4
Financial debts	344.8	422.6
Personnel	658	614
of which seegoing	625	579

LNG

According to IFRS (in million USD)	Total per 31-12-11	Total per 31-12-10
Income statement		
Turnover	92.3	111.6
EBITDA	52.5	120.1
Depreciations and impairment losses	-21.8	-27.1
Operating result (EBIT)	30.7	93.0
Net financial result	-46.2	-38.0
Share in the result of equity accounted investees	0.0	0.0
Result before tax	-15.5	55.0
Tax	0.0	0.0
Consolidated result after tax	-15.5	55.0
of which group share	-15.5	55.0
Cashflow	30.0	92.4
Balance sheet		
Property plant and equipment	505.0	526.2
Financial debts	515.4	539.0
Personnel	310	310
of which seegoing	297	297

OFFSHORE

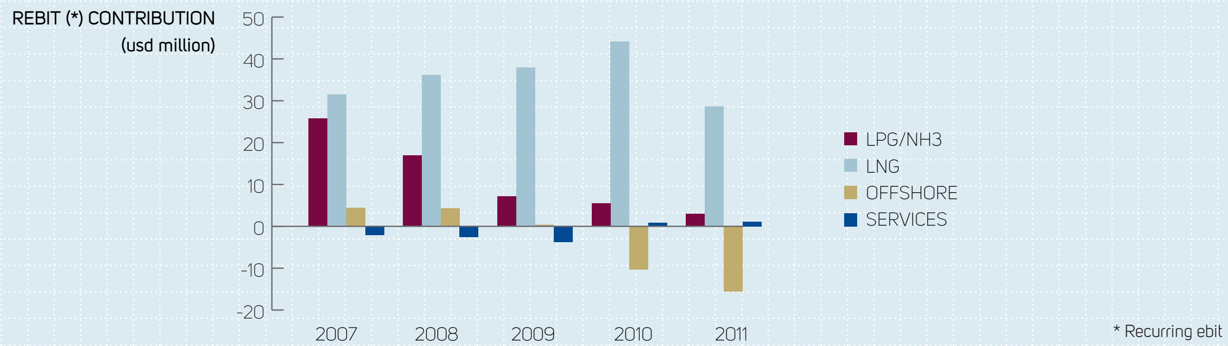
According to IFRS (in million USD)	Total per 31-12-11	Total per 31-12-10
Income statement		
Turnover	89.7	61.8
EBITDA	31.6	1.8
Depreciations and impairment losses	-6.1	-12.1
Operating result (EBIT)	25.5	-10.3
Net financial result	-1.4	-10.6
Share in the result of equity accounted investees	-1.6	-1.1
Result before tax	22.5	-22.0
Tax	-0.6	-0.3
Consolidated result after tax	21.9	-22.3
of which group share	21.9	-22.3
Cashflow	30.3	-7.6
Balance sheet		
Property plant and equipment	33.0	38.8
Financial debts	128.4	177.0
Personnel	120	151
of which seegoing	44	75

SERVICES

According to IFRS (in million USD)	Total per 31-12-11	Total per 31-12-10
Income statement		
Turnover	84.0	68.8
EBITDA	3.3	1.3
Depreciations and impairment losses	-2.2	-2.1
Operating result (EBIT)	1.1	-0.8
Net financial result	3.0	-4.0
Share in the result of equity accounted investees	-0.1	0.0
Result before tax	4.0	-4.8
Tax	-0.8	-0.6
Consolidated result after tax	3.2	-5.4
of which group share	3.2	-5.4
Cashflow	5.3	3.9
Balance sheet		
Property plant and equipment	5.7	7.1
Financial debts	29.7	20.3
Personnel	483	499
of which seegoing	327	358

Consolidated key figures

	Total per 31-12-11	Total per 31-12-10
Consolidated income statement		
according to IFRS (in million USD)		
Turnover	450.2	413.9
EBITDA	140.3	176.9
Depreciations and impairment losses	-102.7	-89.5
Operating result (EBIT)	37.6	87.4
Net financial result	-68.4	-70.1
Share in the result of equity accounted investees	-1.7	-1.1
Result before tax	-32.5	16.2
Tax	-1.5	-1.8
Consolidated result after tax	-34.0	14.4
of which group share	**-34.0**	**14.4**
Informations per share		
in USD per share		
Weighted average number of shares of the period	56,167,358	56,669,432
EBITDA	2.50	3.12
EBIT (operating result)	0.67	1.54
Consolidated result after tax	-0.61	0.25
Informations per share		
in EUR per share		
Exchange rate	1.4035	1.3362
EBITDA	1.78	2.34
EBIT (operating result)	0.48	1.15
Consolidated result after tax	-0.43	0.19
Contribution of the divisions in the consolidated operating result (EBIT) (in million USD)		
LPG	-19.7	5.5
LNG	30.7	93.0
Offshore	25.5	-10.3
Services	1.1	-0.8
Consolidated operating result	**37.6**	**87.4**



Word from the chairman

A competent player in a competitive market

EXMAR is a dynamic group and a reliable global transport and service partner for the oil and gas industry, which we have proven various times in recent years. By proactively investing in renewable technologies, a modern fleet, sustainable applications and competent employees, we have expanded our business both efficiently and profitably. We hope to maintain this course in the future with an organisation that is optimally streamlined. It is only this way that we can continue making a difference upstream and downstream in the competitive transport economy, venture into new markets and create value for our shareholders.

The first steps have already been taken, during 2011 we successfully sold the semi-submersible *OPTI-EX®* platform, resulting in a gain of USD 41,2 million. After year-end EXMAR reached an agreement regarding the prepayment of the outstanding balance for the sale of the *OPTI-EX®* platform, resulting in an additional gain of USD 24 million and a total reduction of the net debt by approximately USD 250 million, that will be recorded in the first quarter 2012. We want to exploit our expertise in this sector by developing innovative concepts and commercially viable floating solutions for the **Offshore Market**.

Within the **LPG market** focus lies more than ever on the midsize fleet, and last year we concluded an agreement with BW Gas within this area. The transaction entailed exchanging two of our VLGC ships for four of BW Gas's midsize ships, which has provided EXMAR a favourable position in both the midsize LPG segment and in North Sea transport – a significant advantage in the competitive time charter market. The order for four to eight newly built Midsize-type gas carriers is recently announced . These ships of course comply with all technical and environmental requirements.

In the **LNG market** we will this year concentrate even more intensely on upstream and downstream projects with high added value. This means we are also underscoring our ambitions to differentiate the group within the sector.

Finally, we are continuing to pay on-going and worldwide attention to enhancing our fleet and human capital, since it is only with modern ships – adapted to all contemporary (environmental) standards, and with competent employees – that we are able to consolidate our position and face new challenges. After all, our slogan is 'Leadership through Innovation'.

Baron Philippe Bodson,
Chairman of the Board of Directors

A company profile

EXMAR, headquartered in Antwerp is a diversified and independent, industrial shipping group that serves the international oil and gas industry. This is achieved by providing both ships for the overseas transport of its products, and by performing studies or undertaking the management of commercial, technical or administrative activities.

EXMAR strives to create shareholder value over the long term by balancing long and short-term agreements to counteract volatility in the freight market, combined with providing services that are tailored to the needs of the customer.

EXMAR endeavours to support sustainable growth by attaching the greatest importance to the quality of its fleet, the safety of its personnel and equipment and the protection of the environment.

The operational activities are divided among four sectors:

All our divisions share the same vision of a dynamic company looking forward and taking every opportunity – and responsibility – to strengthen our performances as a global player. We believe that by consolidating our current position and investing in innovation and eco efficient technologies we can supply growth on every level of our organisation and add value to our stakeholders. Our long-term strategy is totally based on this vision.

LPG/NH_3/PETCHEM

Transport of liquid petroleum gas, butane, propane, anhydrous ammonia and chemical gases, primarily with ships of the Midsize type (24,000 - 40,000 m³) but also with VLGCs (>80,000 m³) and pressurised vessels (3,500 – 5,000 m³).

EXMAR is a leading participant in the transportation of liquefied gas products. The fleet covers a wide scope of vessel sizes and containment systems (pressurised, semi-refrigerated and fully-refrigerated). It is trading worldwide for first-class customers active in the fertiliser, clean energy fuel and petrochemical industries.

A high degree of flexibility and tailor-made support to long-term industrial partners has firmly established EXMAR's position in the transportation of LPG (propane, butane), Ammonia and Petrochemical Gases. Whether on owned or operated vessels, the highest standards of quality, reliability and safety are being maintained. Cargo commitments are secured through a balanced mix of spot requirements, Contracts of Affreightment and time charters.

At present EXMAR operates 29 vessels: 1 Semi-Refrigerated vessels (12,000 – 30,000 m³), 16 Fully-Refrigerated Midsize vessels (24,000 – 40,000 m³), 2 Very Large Gas Carriers (85,000 m³) and 10 Pressurised vessels (3,500 – 5,000 m³).

LNG

Transport of liquid natural gas, with delivery in either liquid or gas form enabled by an on-board regasification installation **(LNGRV).** Development of Upstream/Downstream **LNG**-projects.

EXMAR is one of the world's leading independent owners and operators of LNG regasification vessels. Over the last 35 years EXMAR has been active and improving the LNG industry and has made substantial technological advances in shortening the traditional LNG value chain to bring Natural Gas in a flexible way to rapidly developing parts of the world. EXMAR has played an integral part in the design and development of the highly sophisticated LNG carriers, which have LNG regasification capacity on-board and, subsequently, can discharge high pressure natural gas directly into a shoreside pipeline system. EXMAR was the first company to order and build a LNG Regasification Vessel (LNGRV).

EXMAR subsequently developed Ship-to-Ship transfer technology via flexible hoses in order to transfer LNG from one vessel to another.

EXMAR has been focusing upstream, on the development of floating liquefaction units called EXPORT™. This concept allows developers to monetise more difficult, smaller and remote gas resources. The EXPORT™ offers the potential to unlock gas reserves without the need to invest in capital-intensive pipeline infrastructure, infield platforms and onshore infrastructure.

EXMAR operates 11 LNG carriers out of which 8 are currently fitted with EXMAR's regasification installation.

OFFSHORE

Services provided to the offshore oil and gas industry, encompassing offshore processing, storage and transhipment of oil and gases, as well as development, consulting and new designs for floating installations services.

EXMAR Offshore Company (EOC – Houston) provides engineering, design, construction supervision, project management and consultancy for operators, contractors and shipyards.

DVO (Paris – France) consultancy work focuses mainly on naval architecture and marine engineering on the one hand and construction management for oil tanker terminals on the other. In addition, DVO is involved in studies for FSOs and accommodation barge projects for the EXMAR group.

Franship Offshore (FSO) and EXMAR Offshore Services (EOS) are the entities within the EXMAR Group which offer operations and maintenance services for offshore installations, both within the EXMAR Group and to third parties.

SERVICES

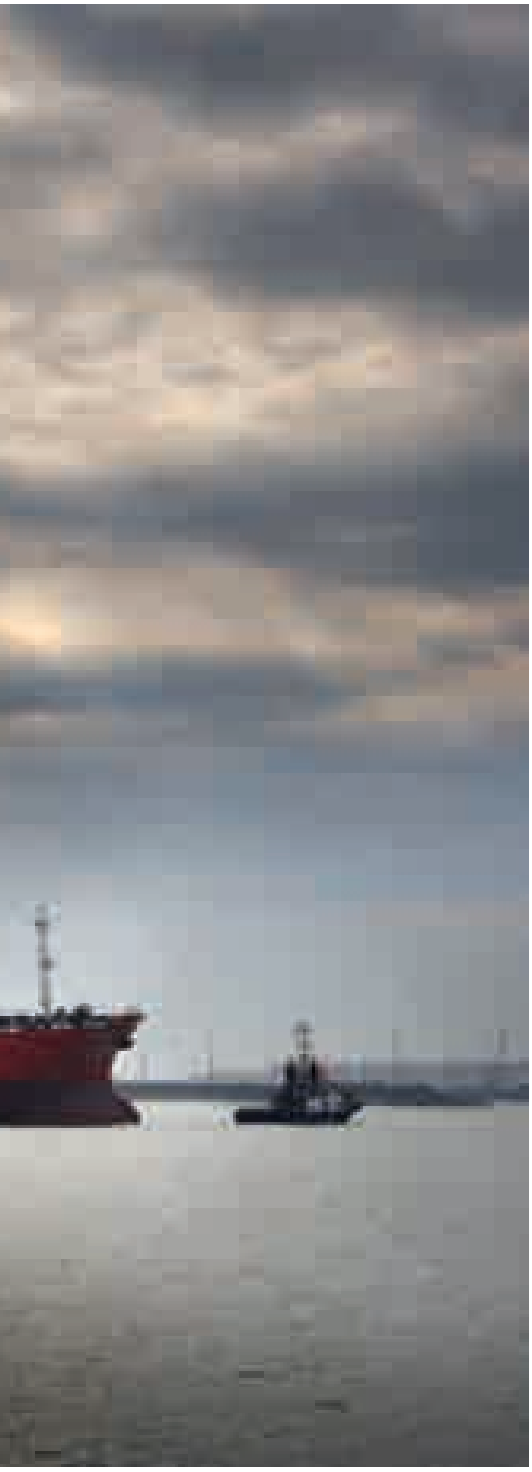
HOLDING ACTIVITIES
EXMAR Shipmanagement: shipmanagement services
Belgibo: insurance brokerage
Travel plus: travel agency

Apart from shipping and offshore activities, EXMAR provides specialised services.

EXMAR Shipmanagement provides high quality ship management and related services to owners of high tech carriers and floating units (storage & accommodation). EXMAR Shipmanagement manages a diversified fleet including VLGCs, Midsize and pressurized LPG carriers, LNG Regasification vessels and LNG carriers, chemical tankers, FPSOs, accommodation barges and a Floating Storage and Regasification Unit (FSRU). EXMAR Shipmanagement provides these services for over 30 high tech vessels and the company continues to develop its business.

Other services offered by EXMAR include insurance brokerage (managed by its subsidiary Belgibo) and a travel agency (Travel Plus).

LPG, NH_3 & Petchem



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FLEETLIST 2011 (28TH MARCH 2012)

Vessel	Type	Capacity/m³	Built	Class	Flag	Status
Midsize Gas Carriers						
TOURAINE	fr	39,270	1996	BV	Hong Kong	Joint venture
EUPEN	fr	38,961	1999	LR	Belgium	Owned
LIBRAMONT	fr	38,455	2006	DNV	Belgium	Owned
SOMBEKE	fr	38,447	2006	DNV	Bahamas	Owned
ELVERSELE	fr	37,511	1996	DNV	Belgium	Owned
EEKLO	fr	37,450	1995	DNV	Belgium	Owned
BRUSSELS	fr	35,454	1997	LR	Belgium	Owned
BERLIAN EKUATOR	fr	35,437	2004	NKK	Panama	Time Chartered
BRUGGE VENTURE	fr	35,418	1997	LR	Hong Kong	Joint venture
BASTOGNE	fr	35,229	2002	DNV	Belgium	Owned
ANTWERPEN	fr	35,223	2005	LR	Hong Kong	Time Chartered
TIELRODE	fr	35,058	1993	DNV	Belgium	Owned
TEMSE	fr	35,058	1994	DNV	Belgium	Owned
DONAU	sr	30,207	1985	BV	Belgium	Owned
CHACONIA	fr	28,070	1990	LR	Belgium	Owned
COURCHEVILLE	fr	28,006	1989	LR	Belgium	Owned
Pressurised						
SABRINA	pr	5,019	2009	NK	Hong Kong	Joint venture
HELANE	pr	5,018	2009	NK	Hong Kong	Joint venture
FATIME	pr	5,018	2010	NK	Hong Kong	Joint venture
ELISABETH	pr	3,542	2009	NK	Hong Kong	Joint venture
MAGDALENA	pr	3,541	2008	BV	Hong Kong	Joint venture
ANNE	pr	3,541	2010	NK	Hong Kong	Joint venture
ANGELA	pr	3,540	2010	NK	Hong Kong	Joint venture
JOAN	pr	3,540	2009	NK	Hong Kong	Joint venture
MARIANNE	pr	3,539	2009	NK	Hong Kong	Joint venture
DEBBIE	pr	3,518	2009	NK	Hong Kong	Joint venture
Semi-Refrigerated						
KEMIRA GAS	sr	12,030	1995	DNV	Belgium	Owned
Very Large Gas Carriers						
FLANDERS HARMONY	fr	85,826	1993	LR	Belgium	Owned
FLANDERS TENACITY	fr	84,270	1996	DNV	Hong Kong	Owned

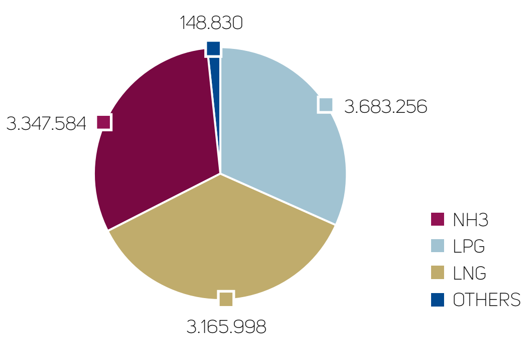
MIDSIZE

The volume of LPG shipped on board of Midsize LPG carriers reached similar levels compared to cargoes shipped on 2010, with a geographical distribution of about 67% in the west of Suez and the remaining 37% in the East. The Midsize segment witnessed continued freight rate improvements during the course of 2011, benefitting partly from a significant recovery of ammonia shipments out of Black Sea and the start-up of new ammonia plants in the Middle East.

Based on market estimations more than half of the worldwide Midsize fleet was dedicated to ammonia trading during 2011. Ammonia trade for 2011 benefited from strong demand not only from agricultural but also industrial sectors. Looking at the situation in the West, natural gas prices plummeted in US throughout the year resulting in higher margins for the US industrial production. However, when looking at the global picture prospects did not remain so bright with the industrial demand for ammonia weakening late in the year due to the slowing growth figures of the world economy.

Prospects for the Midsize segment remained positive throughout the year, benefiting from a stable LGC fleet and improved VLGC market, which resulted in reduced competition from this larger segment when it comes to LPG trading. Furthermore, 2011 proved to be a rewarding market for petrochemical gases as well, a fact that limited competition from the Handy Size segment. Midsize fleet growth remained stable with delivery of only two newbuildings in 2011 achieving a total number of 67 MGCs at year end. Finally, during the fourth quarter of the year both KSS and Geogas placed an order for a 35,000 m³ vessel each with delivery 2013.

The highlight sale and purchase transaction in the Midsize segment for 2011 was the vessel swap between BW Gas and EXMAR. BW Gas swapped with EXMAR the ***BW HUGIN*** (renamed '***BASTOGNE***' - 35,000 m³ built 2002), ***BW HELGA*** (renamed '***TEMSE***' - 35,000 m³ built 1994), ***BW HEDDA*** (renamed '***TIELRODE***' - 35,000 m³ built 1993) and ***BW SOMBEKE*** (38,000 m³ built 2006), against the two 84,000 m³ VLGCs ***FLANDERS LIBERTY*** (built 2007) and ***FLANDERS LOYALTY*** (built 2008) plus a USD 35 million cash settlement to EXMAR. In another sale and purchase transaction involving the EXMAR Group, the LPG/C ***GENT*** (25.000 m³ built 1985) was sold to a Turkish counterpart.



On 29th March 2012, EXMAR announced the order at Hyundai Mipo of up to 8 LPG-vessels of 38,000 m³ capacity. The vessels will be delivered from the First Quarter of 2014 onwards.

These vessels will be dedicated to strengthen EXMAR's already substantial commercial portfolio in the Midsize segment and designed to stay ahead of the upcoming amendments in environmental legislation.

- Hull lines optimization to reduce resistance in water with corresponding savings in CO_2 emissions and consumption.
- Ballast water treatment system to minimize transfer of harmful aquatic organisms.
- Funnel design facilitating the installation of a scrubber that reduces sulphur air emissions.
- Engine room and deck design ready for LNG or LPG as fuel with inherent reductions in CO_2, SOx and NOx air emissions.

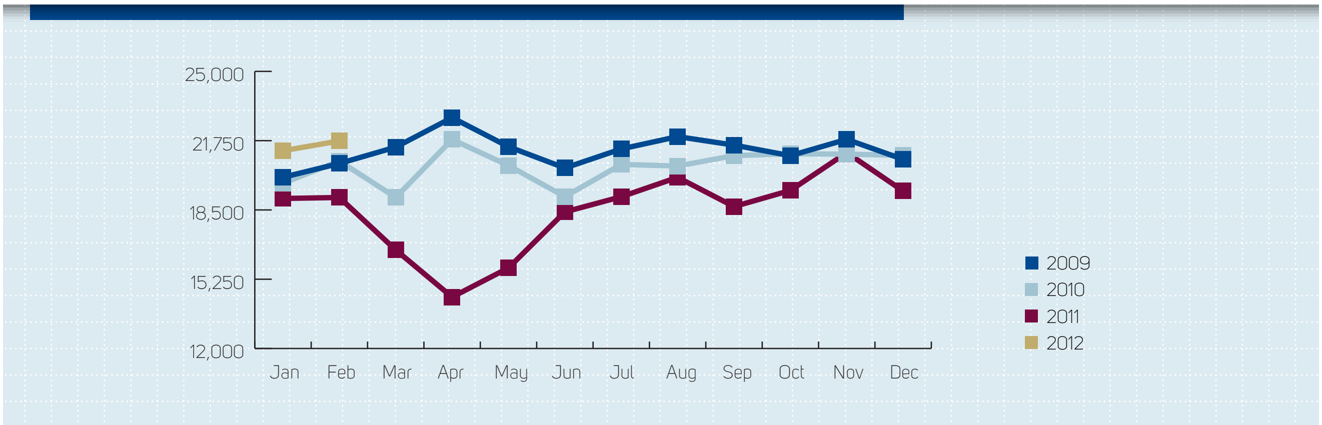
By so doing EXMAR wishes to adhere to its tradition of providing operational and technical excellence at the service of its customers with a competitive quality fleet based on innovative designs.

Outlook for 2012 – EXMAR's fleet continues to be supported by its long-term TC coverage portfolio. The coverage for 2012 already amounts 39% at positive levels with first class counterparties. Spot market conditions have been firm over the last months mainly due to a substantial recovery in Black Sea shipments and a ramp up from new ammonia plants in the Middle East Gulf. It is expected that the Midsize market continues on this positive trend.
The performance of the North Sea Contracts of Affreightment taken over from BW Gas in September 2011 was operationally and financially positive.

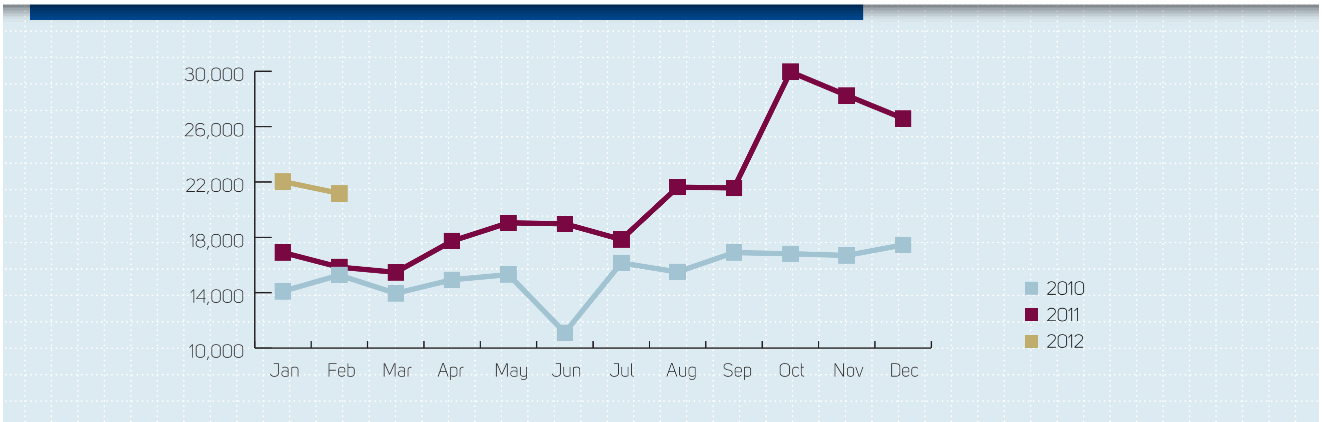
VLGC

During the course of 2011 freight rates and time charter equivalent earnings have substantially recovered compared to 2010 figures. This recovery was mainly driven by an increase in exported LPG volumes, especially out of Middle East, where Qatar and Abu Dhabi together overtook Saudi Arabia.

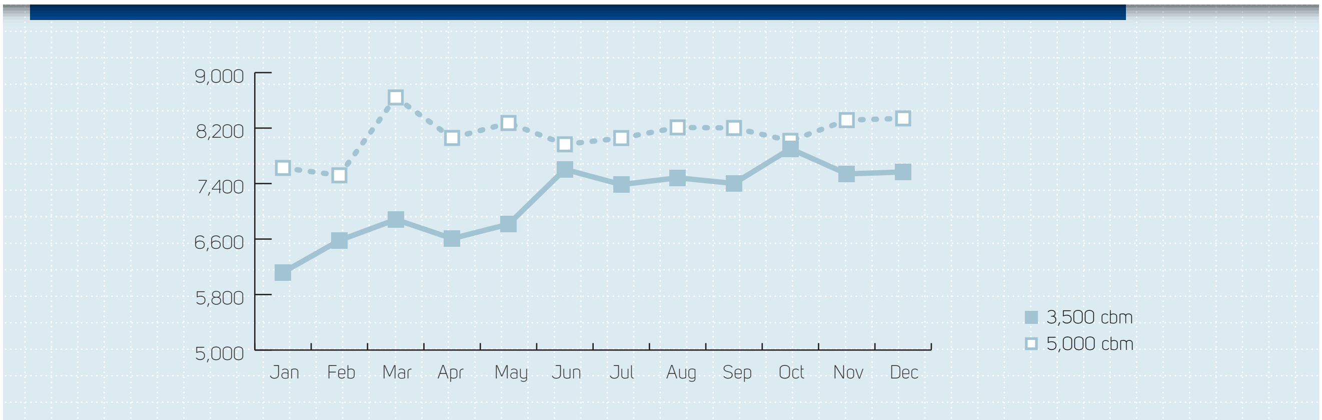
TIME CHARTER EQUIVALENT ON 35,000 M³ (IN USD/DAY) - MIDSIZE



TIME CHARTER EQUIVALENT ON 85,000 M³ (IN USD/DAY) - VLGC



TIME CHARTER EQUIVALENT ON 3,000 - 5,000 M³ (IN USD/DAY) - PRESSURISED TCE



Reason behind this increase, illustrating the supply driven nature of LPG as a commodity, was new LNG production accompanied by increasing OPEC crude oil production throughout 2011. Consequently, the main freight rate benchmark of for VLGC shipments, the Baltic AG - Japan Index reached healthy levels during 2011, averaging USD 55.2 pmt (per metric ton). This accounts for a 57% increase year-on-year, as compared to the 2010 figures when the Baltic averaged at USD 35.1 pmt. As a result, time charter equivalent earnings (excluding waiting time) increased from USD 414,000/month in 2010 to USD 820,000/month in 2011.

Based on trade data from 'Waterborne LPG', seaborne LPG trade worldwide reached the level of 59 million tons, a growth in excess of 3 million tons as compared to 2010 figures. Nevertheless, trading of LPG throughout 2011 was negatively influenced by unstable LPG pricing driven by severe volatility in crude oil and naphtha prices. This nervousness had unquestionably an impact on the LPG shipping market as well, by creating frequent 'stop & go' effects, reflected by high unpredictability in shipped volumes and volatility in freight rates.

With the exception of the third quarter, Middle East Gulf LPG exports were able to find sufficient outlets in Asia and VLGC segment witnessed only sporadic shipments towards the west of Suez. While markets in the West were adequately supplied by Atlantic production for the biggest part of the year, during the third quarter of 2011 saturated Asian Markets led to weakening of LPG prices and producers decided to ship substantial volumes from the Middle East Gulf towards the West where prices remained at stronger levels.

These long-haul shipments allowed the VLGC market to reach very rewarding levels during the third quarter and part of the fourth quarter although since then an important downward correction has taken place again due to a continued vessel overcapacity.

The VLGC's fleet at the end of 2011 consisted of 144 vessels equalling to a total capacity of 11.5 million m³. During the course of the year, 3 new VLGCs were delivered to their owners.

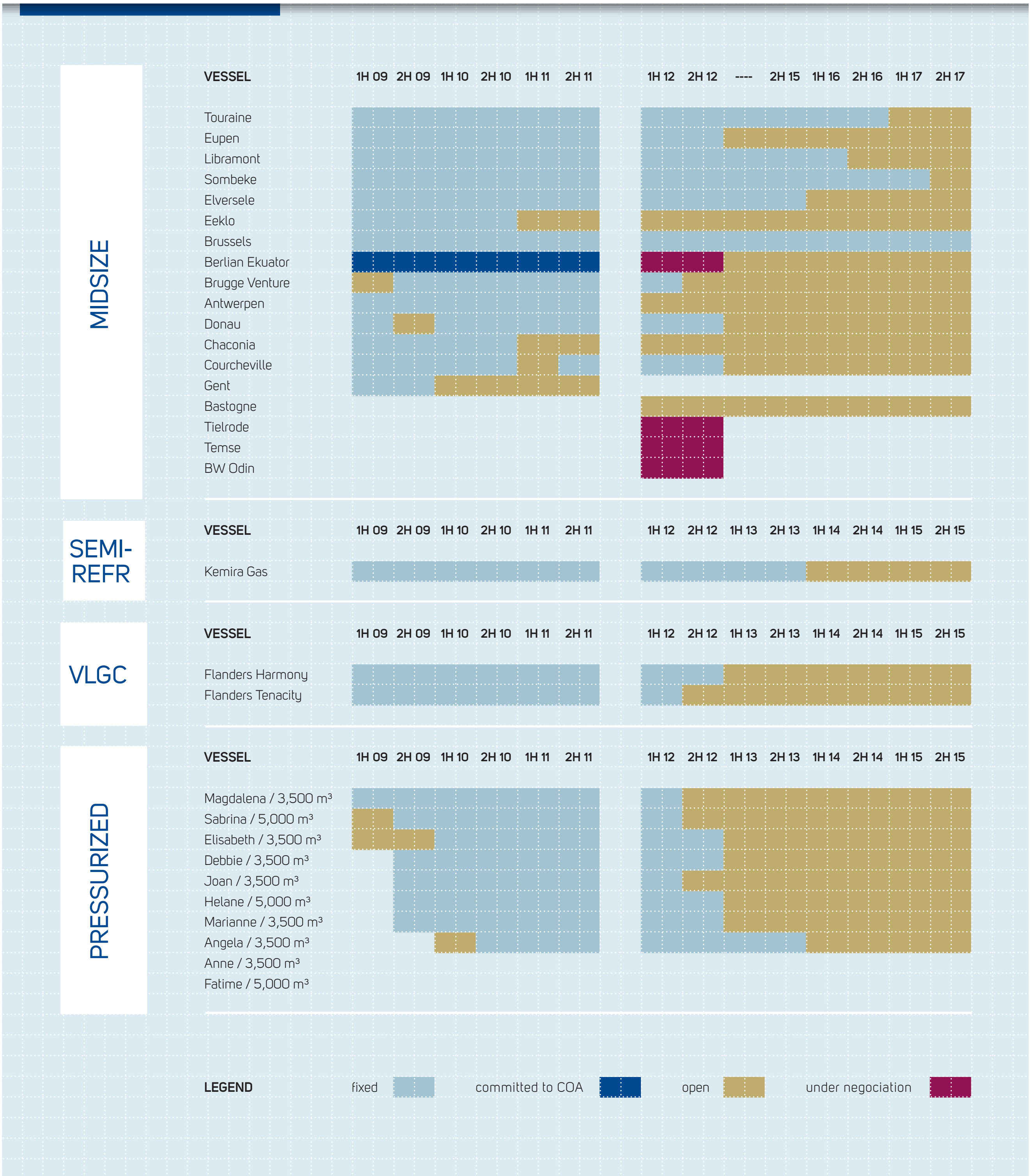
Outlook for 2012 – The fourth quarter 2011 saw a substantial recovery in freight rates and time charter equivalent earnings, driven by a strong expansion in Middle East Gulf LPG exports. The outlook at the end of the year has been gloomier due to a smaller demand resulting in several idle vessels. Despite the actual depressed market, it is expected that freight rates will rebound on the basis of strong fundamentals, limited new buildings and increased product availability.
The VLGC cover for EXMAR in 2012 is 45%.

PRESSURISED

Smaller LPG shipping segments enjoyed rather healthy employment levels on contracts and time charters during 2011. Indicatively, time charter rates have stabilised at about USD 265,000 for a 3,500 m³ pressurised for 12 months and USD 275,000 for a 5,000 m³ pressurised for 12 months. The pressurized cover for EXMAR in 2012 is 82% for the 3,500 m³ and 50% for the 5000 m³.

Outlook for 2012 – The market is expected to remain stable.

COMMITMENT OVERVIEW



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LNG TRANSPORT - LNGRV

The LNG market was clearly the best performing of all shipping markets in 2011. Spot rates for modern LNG carriers (140,000 m³) doubled from about USD 70,000/day early in the year to USD 140,000/day at the end of 2011. The main factors that contributed to send the LNG spot market to record levels were the strong growth in LNG production, mainly in the Middle East Gulf, and the increase of demand in the Asian countries.

Only 11 large LNG carriers were delivered in 2011. At year end the total LNG fleet numbered 370 ships (including FSRUS). The ordering activity has been extremely high with 51 LNG carriers having been ordered in 2011.

- In January, LNGC ***EXCALIBUR*** carried out a planned Technical Stop in Spain.
- An unscheduled off-hire was incurred on LNGRV ***EXCELERATE*** in March following a leak during cargo discharge.
- LNGRV ***EXQUISITE*** commenced the third season at Mina Al Ahmadi Gasport™ in Kuwait.
- After 12 months continuous service LNGRV ***EXCELSIOR*** released from Bahia Blanca GasportTM.
- In May, LNGRV ***EXEMPLAR*** was positioned for the next 44 months at the terminal at GNL Escobar located on the Paraná River, upstream from Buenos Aires in Argentine.
- LNG/C ***EXCEL*** delivered the first cargo to ***EXEMPLAR*** following the first STS operation at sea off Buenos Aires to a third party vessel.
- In October LNGRV ***EXQUISITE*** completes her third season at Mina Al Ahmadi GasportTM in Kuwait
- LNGRV ***EXPRESS*** was positioned in December for the next 4 years at Bahia Blanca GasportTM
- Although ***EXCEL*** was employed continuously throughout the year that reflected the market in 2010 when the business was concluded.
- Results in 2012 will be affected by a scheduled dry-dock of ***EXCALIBUR*** in October. ***EXCEL***'s present employment is due to expire in July and discussions on future employment are on-going.

LNG UPSTREAM/ DOWNSTREAM

With over 30 years' experience in LNG shipping, a unique knowhow of floating LNG regasification, storage, shipping and offloading activities EXMAR is well-placed to deliver customised solutions along the entire LNG chain. EXMAR is committed to deliver prime operational services to the LNG industry and enter into medium- or long-term contracts for a broad range of integrated LNG upstream, midstream and downstream solutions. This approach allows customers access to premium markets utilising EXMAR's unique technical and operational knowhow. EXMAR has the ambition to become a one-stop tailor-made shop for floating liquefaction, LNG transport and floating regasification.

Upstream

Worldwide gas demand is increasing and so will be the need to develop and monetize natural gas reserves. In some places the existing infrastructure to be put in place for the monetization of some smaller, more difficult and remote gas reserves is more challenging. In order to extract these 'stranded' gas reserves, EXMAR is developing the ***EXPORT™***. The ***EXPORT™*** is a floating unit with technology on-board for the pre-treatment and liquefaction of natural gas and the capability of subsequently storing and offloading it as LNG. The ***EXPORT™*** has a shorter construction period compared with conventional onshore LNG projects which means that small stranded gas fields can capitalize on the advantages of a fast track development. In addition the ***EXPORT™*** is easily mobilised and thus re-deployable. Furthermore does the construction of the ***EXPORT™*** in a well-controlled shipyard environment create additional advantages compared to land based liquefaction plants.

In May 2011, EXMAR teamed up with Pacific Rubiales Energy (PRE) to build a 0.5 million ton per annum LNG export project in northern Colombia. The Colombian-Canadian exploration and production player and EXMAR completed front-end engineering and design for the scheme by the end of 2011.

On 28th March 2012, Pacific Rubiales Energy Corp. acting through its wholly owned subsidiary Pacific Stratus Energy Colombia Corp., and EXMAR have signed a 15 year Agreement for the Liquefaction, Regasification, Storage and Offloading of Gas/LNG. The Agreement calls for EXMAR to build, operate and maintain a Floating Liquefaction, Regasification & Storage Unit ("FLRSU") to be located in the Caribbean coast of Colombia. The Agreement grants PRE exclusive guaranteed rights to liquefy up to 69.5 mmscf/d (million standard cubic feet per day) under a tolling scheme.
The FLRSU will have a storage capacity of 14,000 m³ of LNG

and will be able to also accommodate a 140,000 m³ Floating Storage Unit ("FSU").
Commercial operations of the FLRSU are estimated to start in the fourth quarter of 2014.

As part of the project, PRE will build a 18" pipeline with a length of 88 km from the La Creciente gas field to the unit at the Caribbean coast.
The pipeline will have an initial design transportation capacity of 100 mmscf/d.

With this project PRE targets markets in Central America and the Caribbean, aiming mainly to replace heavy fuel oil and diesel oil used for power generation. The project will create opportunities for industries and households in these countries, while putting in place new incentives to develop the large gas resources in Colombia.

The combination of a partnership on liquefaction technology together with EXMAR's technical and operational experience in LNG shipping, offloading and regasification, puts EXMAR in a unique position to further develop this turnkey solution. Negotiations with candidate shipyards are going on and are progressing well. PRE is in intensive discussions with several potential offtakers in the region and is making good progress on the permitting file.

Downstream

As an alternative to the expansion of onshore LNG import terminals, EXMAR developed in 2005 an innovative design allowing an LNG vessel to regasify the LNG on board and discharge the high pressure gas directly to the consumer grid system, through a dedicated mooring arrangement and subsea high pressure pipeline or via the on-board high pressure gas manifold that connects to a dockside off-loading arm, thereby bypassing the need for an onshore LNG import terminal.

The floating regasification technology provides a flexible and convenient entry to otherwise non-accessible gas markets. Compared to onshore facilities however, offshore regasification installations can deliver gas to market at lower cost with significantly shorter project lead time. The LNGRVs offer the flexibility to its charterers to be used as:

- An LNG shuttle tanker with regasification of LNG and delivery of natural gas to a dedicated market or
- An LNG floating storage and regasification unit for delivery of natural gas to one market or
- An LNG regasification vessel that can deliver LNG or regasified natural gas to a location, nominated by the charterer, depending on the current market conditions.

EXMAR is currently conducting several feasibility studies to analyse the implementation of floating LNG regasification units. During these studies the regasification units are engineered according the needs of the client and the site specific conditions. Besides these studies, which are an essential step in the future implementation of these regasification assets, EXMAR is also participating in specific FSRU tenders on a case by case basis in different parts of the world.

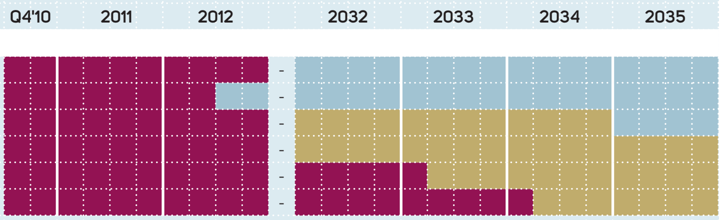
In addition to regasification projects, EXMAR also assists companies in the different stages of the development or operation of the LNG value chain: EXMAR's technical team performs feasibility and FEED studies for all kinds of shipping, storage and/or regasification, Ship-to-Ship and LNG bunkering solutions. The Jamaican Government made a decision to retender the FSRU project in 2011 and has since postponed the new date of that tender several times. Currently the new tender date is April 29, 2012 with an in-service date of end 2014. Exmar is monitoring that development.

FLEETLIST 2011 (28TH MARCH 2012)

Vessel	Type	Capacity/m³	Built	Klasse	Vlag	Status
LNG RV						
EXEMPLAR	lngrv	151,072	2010	BV	Belgium	Managed
EXPEDIENT	lngrv	151,015	2009	BV	Belgium	Managed
EXQUISITE	lngrv	151,017	2009	BV	Belgium	Managed
EXPRESS	lngrv	151,116	2009	BV	Belgium	Joint venture
EXPLORER	lngrv	150,981	2008	BV	Belgium	Joint venture
EXCELERATE	lngrv	138,074	2006	BV	Belgium	Joint venture
EXCELLENCE	lngrv	138,120	2005	BV	Belgium	Managed
EXCELSIOR	lngrv	138,060	2005	BV	Belgium	Joint venture
LNG Carriers						
EXCEL	lng	138,107	2003	BV	Belgium	Joint venture
EXCALIBUR	lng	138,034	2002	BV	Belgium	Joint venture
METHANIA	lng	131,235	1978	LR	Belgium	Managed

LNG-VESSELS: OVERVIEW OF THE CONTRACTUAL COMMITMENTS

Vessel	Type	Capacity (m³)	Ownership	Charter expiry (+ options)
Excalibur	lng/c	138,000	50%	mar-22
Excel	lng/c	138,000	50%	mar-12 (+3m)
Excelsior	lngrv	138,000	50%	jan-25 (+5j, +5j)
Excelerate	lngrv	138,000	50%	oct-26 (+5j, +5j)
Explorer	lngrv	150,900	50%	apr-33 (+5j)
Express	lngrv	150,900	50%	may-34 (+5j)



LEGEND Chartered — Minimum revenue undertaking from third party — Extension (optional)

Offshore

According to IFRS (in million USD)	31-12-2011	31-12-2010
Income statement		
Turnover	89 7	61.8
EBITDA	31.6	1.8
Depreciations and impairment losses	-6.1	-12.1
Operating result (EBIT)	25.5	-10.3
Net financial result	-1.4	-10.6
Share in the result of equity accounted investees	-1.6	-1.1
Result before tax	22.5	-22.0
Tax	-0.6	-0.3
Consolidated result after tax	21.9	-22.3
of which group share	21.9	-22.3
Cash flow	30.3	-7.6
Balance sheet		
Property plant and equipment	33.0	38.8
Financial debts	128.4	177.0
Personnel	120	151
of which seegoing	44	75

FLEETLIST 2011

Unit	Type		Year built	Class	Flag	Status
OFFSHORE						
Accommodation / work barges						
KISSAMA	Accommodation Barge	300	2003/2010	BV	Liberian	owned
NUNCE	Accommodation Barge	450	2009	ABS	Liberian	joint venture
Total		**750 POB**				
Total Owned	**1**	**300 POB**				
Total Joint venture	**1**	**450 POB**				
Total BARGES	**2**	**750 POB**				

CURRENT OPERATION + MAINTENANCE CONTRACTS ARE

Name	Client	Type of Service
FPSO Girassol (till June 2011)	Total Angola	Marine Operations and Pilotage
FPSO Dalia (till June 2011)	Total Angola	Marine Operations and Pilotage
FPSO Farwah	Mabruk	Marine Operations and maintenance, Pilotage
Kissama	Kellet/W.Africa	Full Operations and maintenance
Nunce	Estrela/Angola	Full Operations and maintenance
FSRU Toscana	OLT/Italy	Familiarization and training for Marine Operations and maintenance

With the support of strong engineering teams in Antwerp, Houston and Paris, EXMAR has been able to deliver assets and services to its customers that are creative, innovative and practical. Regional offices in Houston, Luanda and Tripoli continue to provide direct service to EXMAR's customers and are instrumental in identifying new opportunities in these regions.

As an example of these, EXMAR Offshore is capitalizing on the successful *OPTI-EX®* project through the development of new concepts based on its proprietary ring pontoon design. New designs based on the OPTI® hull series include larger units and a dry-tree application.

ASSET AND PROJECT MANAGEMENT

OPTI-EX®

The *OPTI-EX®* was delivered to LLOG of Covington, Louisiana in July 2011. Initial production on the 'Who Dat' Field commenced in December 2011. In January 2012, EXMAR and LLOG reached an agreement whereby LLOG agreed to prepay the remaining payments (in addition to the payments of USD 104.5 million already received in July 2011 and USD 10.4 million received during the second semester 2011) due to EXMAR for the *OPTI-EX®* within January 2012 that would otherwise have been payable over a 60 month period. The total proceeds received on 31st January 2012 amount to USD 250 million of which USD 106.7 million has been allocated to debt prepayment.

The total gain on the sale of the *OPTI-EX®* amounts to apporximately USD 65 million of wich USD 41,2 million has been recorded in 2011 and the balance will be accounted fo in the first quarter of 2012 following the above mentioned January 2012 agreement with LLOG to prepay the remaining payments.

FSO

EXMAR received a letter of award from Sonangol P&P for the provision of a converted VLCC (FSO) for the replacement of the FSO Palanca terminal (Block 3-05 offshore Angola) while the Palanca is undergoing an extensive refurbishment. The contract structure and negotiations have continued during the first quarter of 2012 and it is expected that the project will become operational in the course of the second quarter.

Barges

The *KISSAMA* was chartered by ENI Oil in Congo for a short-term contract that terminated in March 2011. *KISSAMA* is starting a 6 months contract in Gabon with ABC Maritime with extention options.

The *NUNCE* accommodation, owned in joint venture with an Angolan partner, is in service to Sonangol under the terms of a ten-year contract since 2009. The unit is fully operational and has had not off-hire period since the beginning of the contract.

Springmarine (a joint venture between EXMAR and its Nigerian partner Springview) has chartered-in the newbuild *OTTO 5* accommodation barge and subsequently chartered-out the barge to Globestar (a member of the Subsea 7 Group) for operations offshore Nigeria under the terms of a medium-term contract. It is expected that commercial operations will commence in July 2012.

Bexco

EXMAR has a 26% stake in Bexco, a Belgian company specialised in the development, fabrication and marketing of ropes for marine and offshore applications.

DESIGN, ENGINEERING AND CONSULTANCY

EOC & DVO

EXMAR Offshore Company (EOC – Houston) provides engineering, design, construction supervision, project management and consultancy for operators, contractors and shipyards. In July 2011, EOC successfully delivered the *OPTI-EX®* to LLOG to a location one mile from the production site on the Who Dat field. Prior to delivery, EOC was responsible for site specific engineering, shipyard modification work, and regulatory approval.

EOC supports the EXMAR Group of companies with technical resources and for a variety of projects including offshore LNG terminals for regasification and liquefaction and for FSOs and FPSOs. While in-house projects are an important segment of EOC's business, the majority of EOC's annual hours are billed to third-party clients such as deep water oil and gas drilling contractors, major and independent offshore oil and gas producers, and specialized marine oil and gas engineering and service contractors.

In 2011, EOC third party clients included companies such as LLOG Exploration, Noble Drilling, Japan Drilling Company, Worley Parsons, Helix Offshore Services, ATP Oil and Gas, and Pacific Drilling.

DVO (Paris) offers experienced operations and engineering staff for all aspects of marine related projects including land based and offshore terminals and subsea production systems. The DVO team can develop projects from concept through FEED and also provides assistance with ITT specification and bid evaluation. In addition, DVO is involved in studies for FSOs and accommodation barge projects for the EXMAR Group. Over the years, DVO has developed and maintained a very close relationship with TOTAL.

Operation And Maintenance

Franship Offshore (FSO) and EXMAR Offshore Services (EOS) continue to deliver operations and maintenance services for offshore installations for EXMAR and third parties out of local offices in Luanda, Livorno and Tripoli. The policy is to ensure a maximum of sustainable local content while providing customers with the assurance of EXMAR's first-class management systems. The implementation of strategic alliances with local stakeholders remains a critical factor to further develop EXMAR's asset and service portfolio, as demonstrated with the successful projects currently being implemented in Angola (FSO) and Nigeria (accommodation barge).

The training of staff and provision of technical assistance to OLT has continued throughout 2011. The Livorno shore base is expected to become operational in July 2012 with the arrival of the FSRU slated for the last quarter of 2012.

Operations from the Tripoli office have resumed and are fully up and running again, following the unrest witnessed in the country in the course of 2011.

The accommodation barge ***OTTO5*** that will be delivered offshore Nigeria in the second half of 2012 will be managed and operated by EOS, thereby reinforcing the Group's presence on the West Africa market.

Services

According to IFRS (in million USD)	31-12-2011	31-12-2010
Income statement		
Turnover	84.0	68.8
EBITDA	3.3	1.3
Depreciations and impairment losses	-2.2	-2.1
Operating result (EBIT)	1.1	-0.8
Net financial result	3.0	-4.0
Share in the result of equity accounted investees	-0.1	0.0
Result before tax	4.0	-4.8
Tax	-0.8	-0.6
Consolidated result after tax	3.2	-5.4
of which group share	3.2	-5.4
Cash flow	5.3	3.9
Balance sheet		
Property plant and equipment	5.7	7.1
Financial debts	29.7	20.3
Personnel	483	499
of which seegoing	327	358

EXMAR SHIPMANAGEMENT

The core service offering comprises of crew management and technical management. These services focus on the efficient operation of the assets. EXMAR Shipmanagement's LNG business offers other value-added services: it is the pioneer and world leader in managing Ship-to-Ship transfer (STS), LNG Regasification vessels as well as Floating Storage and Regasification Units (FSRUs – OLT Livorno).

EXMAR Shipmanagement is key partner to EXMAR, Excelerate Energy, ENI, Offshore LNG Toscana (OLT), Morgan Stanley and Stolt Avance Gas.

EXMAR Shipmanagement follows a clearly defined set of corporate policies designed to ensure continuous enhancement of the quality, safety and security of the daily operations, care for the wellbeing of the crews and protection of the marine environment.

This is achieved by:
- Involving ship and shore staff actively in the daily improvement of HSEQ processes;
- The prevention of all accidents that could lead to personal injury or property damage
- Focusing on company loyalty by inter alia recruitment of young officers through co-operation with several maritime academies;
- Enhanced training programs at recognised top-level institutes supplemented by in-house training;
- Ensuring a fleet wide cost efficient maintenance and defect reporting system;
- Supplying reliable hard- and software tools to support the daily operations;
- Continuously developing and adapting environmental policies suited to the specific business activities.

The current developments in the oil and gas supply chain management result in a growing need for specialised maritime, technical and HSEQ expertise. By providing both Shipmanagement and marine expert services, EXMAR Shipmanagement is well geared to remain a worldwide global service provider for operators in this industry.

In witness hereof, EXMAR Shipmanagement has a proven track record:
- With a company experience rate of 91%, EXMAR can rely on a loyal and dedicated team of seafarers to ensure operational excellence.
- Through conferences and extensive trainings in which the human interaction and leadership skills are embraced, we succeed in managing our vessels with strong teams. For more than six consecutive years, no oil pollution incident has been reported.
- In 2011 the fleet of EXMAR Shipmanagement had a Lost Time Injury Frequency (LTIF) of 1.34.
- EXMAR Shipmanagment is already ISO9001 and ISO14001 certified. During the course of 2012, it will prepare its shore and seagoing staff for the OHSAS18001 certification.
- EXMAR Shipmanagement was an early adopter of KPI based performance management and has introduced lean Six Sigma since 2009 as a management tool.

EXMAR Shipmanagement currently has offices in Antwerp (head office), Singapore, Mumbai, Limassol and Buenos Aires.

BELGIBO

Belgibo is an independent insurance broker based in Antwerp with a specific focus on the marine industry. It ranks amongst the top 10 insurance brokers in Belgium and Luxemburg. In addition to all types of industrial insurance, Belgibo offers a number of specialized products, including cargo transport insurance, hull insurance and aviation insurance to national and international clients.

Inland Barges

Turnover fell slightly in 2011. Due to increasing demand, 2012 started well and the outlook is positive. Belgibo continues to develop new products in order to maintain its leadership position and to stay ahead of the competition.

Cargo and Charterer's Liability

Within this segment, Belgibo is being faced with a difficult environment with strict underwriting rules for insurers and a less stable insurance market.

Nevertheless, the Benelux and Switzerland portfolio was extended and Belgibo keeps looking for possibilities in other markets.

Industry

Not less than 25 new clients joined Belgibo in the course of 2011. The personal approach combined with specific in-depth knowledge of the clients overall risk management needs, are clearly a market differentiation.

Marine

A dedicated team of more than 15 professionals, of which 2 new senior managers, makes Belgibo confident that in the coming year this segment will generate a more than average growth despite the difficult market circumstances clients are being facing with.

CPR (credit- and political risks)

The charterer's default policy proved to be of extreme value to the clients but this led to quite some claims and thus a quite challenging year in terms of claims management. Belgibo continued to actively promote its 'long-term' CPR products and started offering 'short-term' credit insurance in parallel.

TRAVEL PLUS

Despite the global economic downturn that also hit the travel sector, Travel Plus has had a strong year behind it. The foundation for this was laid out in 2010, with turnover actually increasing by 10% last year. Both the customised leisure travel and the business travel segment – the two core activities in which Travel Plus has enjoyed a strong reputation for over 20 years – show outstanding performance. As a result of this, 2011 saw more staff taken on. This was essential for maintaining the high standards of personal service – an absolute plus within the business travel sector. Based on the number of bookings that were already made for 2012, Travel Plus can dare to hope that it once again ends this year on a positive note.

Care for today, respect for tomorrow

Safety and environmental care create sustainable added value

EXMAR places a great deal of importance on a healthy and safe working environment. Throughout our departments and above all on our ships, we consistently and from top to bottom implement a strict Health, Safety, Environment & Quality policy. We furthermore organise our maritime activities in accordance with the applicable international environmental and emission agreements. For EXMAR, sustainable growth is an everyday reality.

EXMAR endeavours to support sustainable growth by attaching the greatest importance to the quality and safety of its personnel, its fleet and its equipment, the health and well-being of its personnel and the protection of the environment. As an employer EXMAR strives for sustainability in its employees careers.

EXMAR's corporate policy on Health, Safety, Environment and Quality (HSEQ) is based on important elements of social responsibility and sustainability.
EXMAR considers compliance, respect for the environment and contribution to society as basic obligations of any company and every citizen. Beyond these basic obligations, EXMAR tries to make durable choices in its business investments, not aiming at short-term profit, but rather looking for long-term shareholders value and shared value for all its stakeholders.

HSEQ (HEALTH, SAFETY, ENVIRONMENT & QUALITY)

EXMAR is continually investing in new technologies and HSEQ management systems.
At EXMAR, safety and quality go hand in hand. A safe working environment, both onshore and offshore, is the prerequisite for cost-efficient service provision and sustainable business.
EXMAR Shipmanagement is in compliance with the International Safety Management Code (ISM) requirements and has its ISO 9001 certificates in place ever since 1998.

EXMAR Shipmanagement further obtained the ISO 14001 certificate and is now implementing same to its fleet. Furthermore EXMAR Shipmanagement is preparing for OHSAS 18001 certification. Most of the OHSAS 18001 occupational health and safety elements are already addressed in the existing management system. The effort of going through formal certification will at the same time be an opportunity to improve efficiency and increase user-friendliness of the documented systems.
EXMAR Shipmanagement applies Tanker Management Self-Assessment (TMSA) as per OCIMF guidelines. TMSA is an in depth guidance from OCIMF for self-assessment including best industry practice guidance regarding quality, safety, health and environment.

Traditional safety based on seafarers' competence, complemented with enhanced risk management, enables innovation in a safe and responsible way at EXMAR. Continuous Improvement and Risk Management are embedded in EXMAR's operations to safeguard our stakeholders from unacceptable risk. Management of change proves to be a key tool to implement adequate risk assessment in shipmanagement operations. Indeed risk assessment and risk management are carried out from the conceptual feasibility stage for new projects up to and including the respective innovative operations. In particular the success of both LNGRV regasification operations and multiple LNG Ship-to-Ship transfer operations at different gasports worldwide and at sea prove the sound approach of EXMAR and EXMAR Shipmanagement in operating their new LNG technologies safely.

The accident statistics for EXMAR Shipmanagement for 2011 are:
- Lost Time Incident Frequency end 2011 was 1.34 (basis one million working hours).
- For the first time in many years a very distressing fatal accident occurred on one of the Midsize LPG ships during maintenance. As a result, a preventive and corrective action plan is now being deployed. Working systematically on improving Safe Behaviour is the key focus of this specific improvement plan.

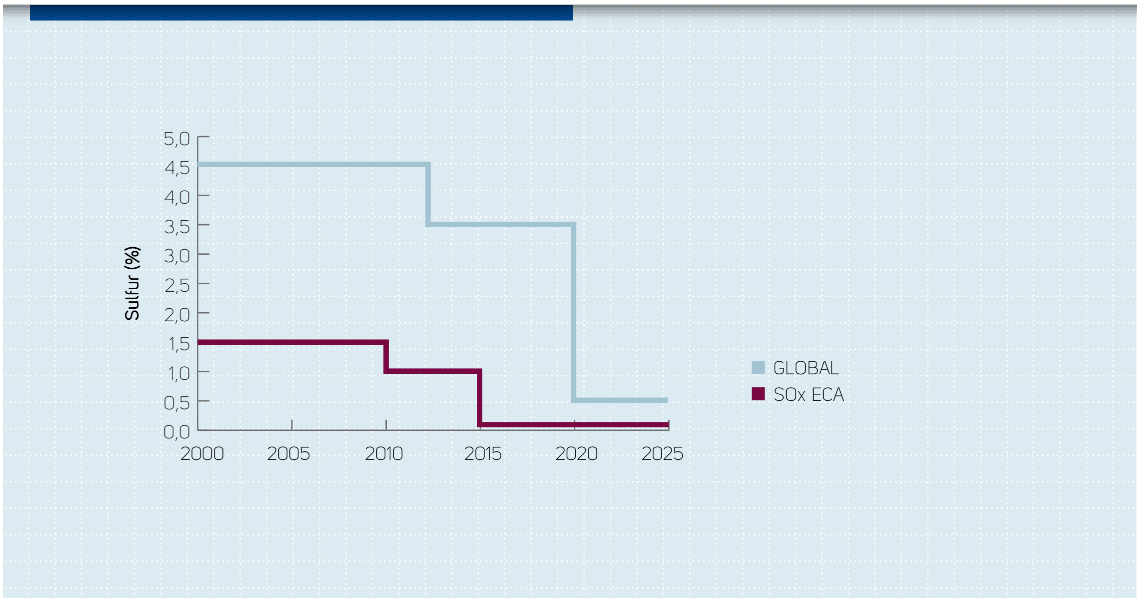
The main Safety & Quality results for EXMAR Offshore Services for 2011 are:
- Lost Time Incident Frequency was zero at the end of 2011. This result was achieved for the sixth consecutive year.
- ISO 9001-2008 certification successfully continued.

EXMAR is on top of environmental legal requirements such as:
- MARPOL VI on low sulphur regulations for SOx Emission Control Areas.
- MARPOL VI on NOx emission regulations.
- IMO draft guideline on ship recycling (Green Passport).

EXMAR is anticipating the new imminent IMO requirements for energy efficiency:
- Energy Efficiency Design Index (EEDI) for new ships.
- Ship Energy Efficiency Management Plan (SEEMP) for ships in operation.

EXMAR is duly concerned with the health and well-being of its personnel and therefore continues to take great effort in providing a safe working environment on board its ships and offshore units, as well as in its offices.

MARPOL ANNEX VI SOX EMISSION LIMITS



A PROGRESSIVE MARITIME LEGAL FRAMEWORK FOR ENVIRONMENTAL SUSTAINABILITY:

IMO has issued regulations specific to the environment ever since 1973, i.e. the MARPOL Convention, covering prevention of marine pollution by oil, chemicals, and garbage, sewage and exhaust gases. The dramatically increased environmental awareness of the global community due to climate change, among other things, resulted in a worldwide increased regulatory pressure for environmental care.

For shipping in particular new step change environmental regulations are due for implementation in the near future. The most important current IMO efforts are in particular concentrating on:

- Protecting marine ecosystems through water ballast treatment systems;
- A continual reduction of greenhouse gases and CO_2 emissions.

Further to present regulations for ballast water exchange, it is expected that the IMO Water Ballast Management convention, including ballast water treatment requirements, will probably be ratified in 2012. This convention will then come into force one year later. Water ballast treatment plants will not only be required on board new ships as from entry into force but will have to be retrofitted as well on existing vessels within the first 5 yearly dry-docking scheme.

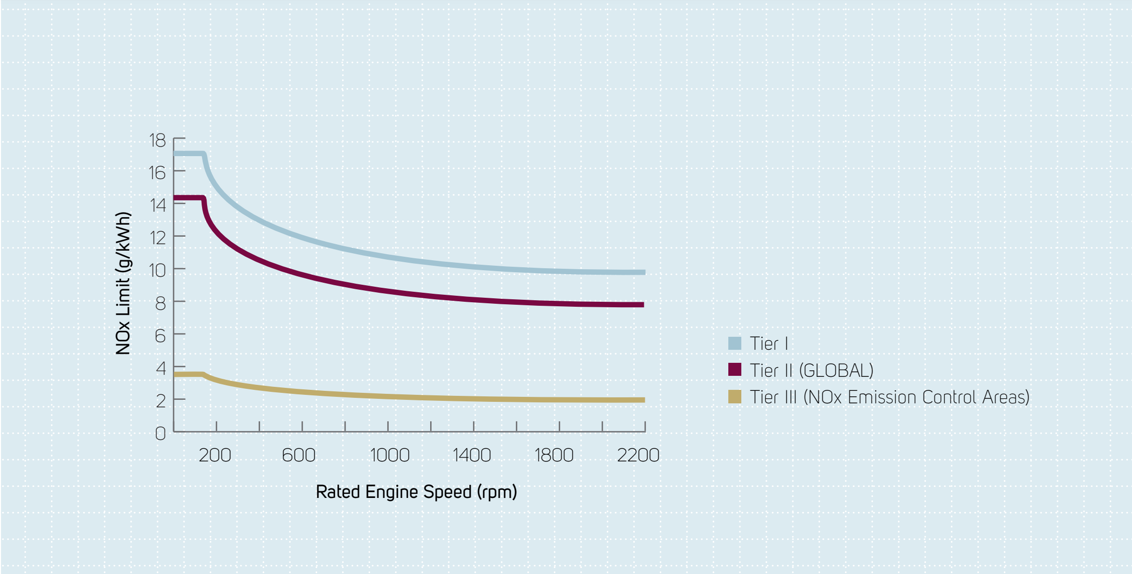
IMO MARPOL Annex VI regulations, which deal with emissions to air, are gradually becoming a very complex set of regulations. A set of goals has been agreed with regard to **NOx** and **SOx** emissions. Major reduction milestones occur in 2015 and 2020. Complementary significant measures for reduction of **CO_2** emissions have been agreed by IMO.

SOx

The fuel sulphur limits as per MARPOL ANNEX VI are not new. However the major reduction milestones are no longer a distant future as shown in the figure above.

Coastal state and or port regulations can even be more stringent. For instance according the EU sulphur directive since 2010 0.1% fuel sulphur is the maximum allowed while at berth in EU ports.
The SOx emission goals can be achieved in two different ways. The first way is by limiting the sulphur content of the fuel. A maximum sulphur content of 0.1% has been defined in **S**ulphur **E**mission **C**ontrol **A**reas (= SECA) zones as from 2015 and of 0.5% worldwide as from 2020. As a result of these requirements, vessels will be using another type of fuel as from 2015 in SECA zones (NW Europe, coastal USA) – marine gasoil or a fuel with a sulphur content below 0.1%, such as LNG or methanol. Alternatively, abating technology such as open or closed scrubber systems may be installed, provided it can be shown that an equivalent reduction of sulphur emission is obtained. These systems are now being developed by several manufacturers but are still in a ‘prototype’ stadium.

MARPOL ANNEX VI NOX EMISSION LIMITS



NOx

In a similar way NOx emission standards have been set by MARPOL ANNEX VI. NOx emission limits are applicable for diesel engines depending on the engine maximum operating speed (n, rpm), as shown in the figure above. Tier I (applicable as from 2000) and Tier II (as from 2011) limits are already in vigor worldwide, while the Tier III standards will apply only in NOx Emission Control Areas as from 2016.
The Tier I standards are applicable as well to existing engines installed on ships built between 1 January 1990 to 31 December 1999. Tier II standards are met by combustion process optimisation. The parameters examined and tuned by engine manufacturers include fuel injection timing, pressure, and rate (rate shaping), fuel nozzle flow area, exhaust valve timing, and cylinder compression volume.
Through the Tier III standards a NOx reduction of 80% is prescribed as from 2015 for new engines.These new engines are presently being developed by the leading main engine manufacturers and will involve dedicated NOx emission control technologies such as for instance various forms of water induction into the combustion process, a complex way of exhaust gas recirculation, double turbo chargers and or built-in NOx catalyst reducers. NOx control can be achieved also by means of NOx catalyst reduction, which decomposes NOx into nitrogen.

CO_2

In the summer of 2011 IMO agreed on a mechanism for CO_2 reduction. New vessels will have to be designed with an energy efficiency design index (EEDI) below a pre-set value (per type of ship). The energy efficiency design index is representative for the fuel consumption and CO_2 emission of the type of vessel. This will have to be proven during sea trials. A further reduction of the EEDI by 10% is scheduled at 5 yearly intervals after the initial implementation. This scheme is to be adopted for the next 15 years, implying that a CO_2 reduction from today's agreed levels by 30% (design conditions) is targeted by 2025. As CO_2 emission is directly proportional to fuel consumption, such reductions will be realized by a combination of factors involving more optimal hull forms, more efficient combustion processes and a more efficient voyage planning and execution.
For existing ships, MARPOL Annex VI will require that each vessel has a Ship Energy Efficiency Management Plan in place as from January 2013. This SEEMP uses the continual improvement process as a principle, similar as is in use for ISO 14001 on environmental issues.

A strategy for competitiveness in the present environmental paradigm:

No doubt concerted actions to reduce fuel consumption have the highest leverage to achieve emission reductions. Furthermore an important increase in marine fuel prices is expected due, among other things, to a significant increase in demand for low sulphur fuels. Whereas the bunker bill is of direct concern to Charterers it is evident that only those shipowners who decide to invest pro-actively in the best available technology for reduced energy consumption and low emissions will be competitive in the present environmental paradigm.

EXMAR at work: new design for Midsize LPG carriers

To stay ahead of the developing environmental regulations, EXMAR has been introducing various innovations in the new vessel design for Midsize LPG carriers. The specific changes regarding emission control are described in this paragraph. The ship operator has three options to comply with upcoming sulphur emission (SOx) limits; being consuming low-sulphur distillate fuel, cleaning the engine exhaust gas with scrubber or consuming clean gas as fuel. Pending the fuel market in SECA zones after 2015 and further technical developments, EXMAR new vessel design will be prepared to accommodate either choice out of these three options.
A specialist third party company is working together with EXMAR and the shipyard to optimize the hull lines for minimal fuel consumption. The resulting ship will be best in class with corresponding savings in CO_2 emissions and fuel bill during operation.
Although not yet mandatory, a Ballast Water Treatment will be installed.

PERSONNEL

Our Human Capital is considered as a crucial source to sustain competitive advantage and as a major key to success. The EXMAR 'code of business ethics – the way we work' is intended to help each employee understand and follow relevant compliance and integrity rules.

To be consistent with EXMAR's quality profile we focus on attracting and retaining motivated, dynamic and well-educated people. EXMAR invests in colleague's growth in such a way that everyone can develop and express his individual talents. A great importance is placed on the team spirit of its employees all over the world and at every level.

Socially, improving relationships between crew members, shore personnel and the families of the seafarers remains another important goal.

At the end of 2011 the EXMAR Group had in total 1,571 employees including 1,293 seafarers. Of the shore staff, 64% is employed in Belgium. The remainder works in Group's businesses in Europe (France and Great Britain) in the United States, in Africa (Angola and Libya) and in Asia (China, India, and Singapore).

For EXMAR a high standard healthy and safe working environment for all staff members both in our offices and aboard our vessels remains the highest priority.

Maritime Labour Convention 2006

The ILO's Maritime Labour Convention (MLC), 2006 provides comprehensive rights and protection at work for the world's more than 1.2 million seafarers. The Convention aims to achieve both decent work for seafarers and secure economic interests in fair competition for quality shipowners. An estimated 90% of world trade is carried on ships and seafarers are in this sense essential to international trade and the international economic and trade system. The new labour standard consolidates and updates more than 68 international labour standards related to the Maritime sector adopted over the last 80 years.

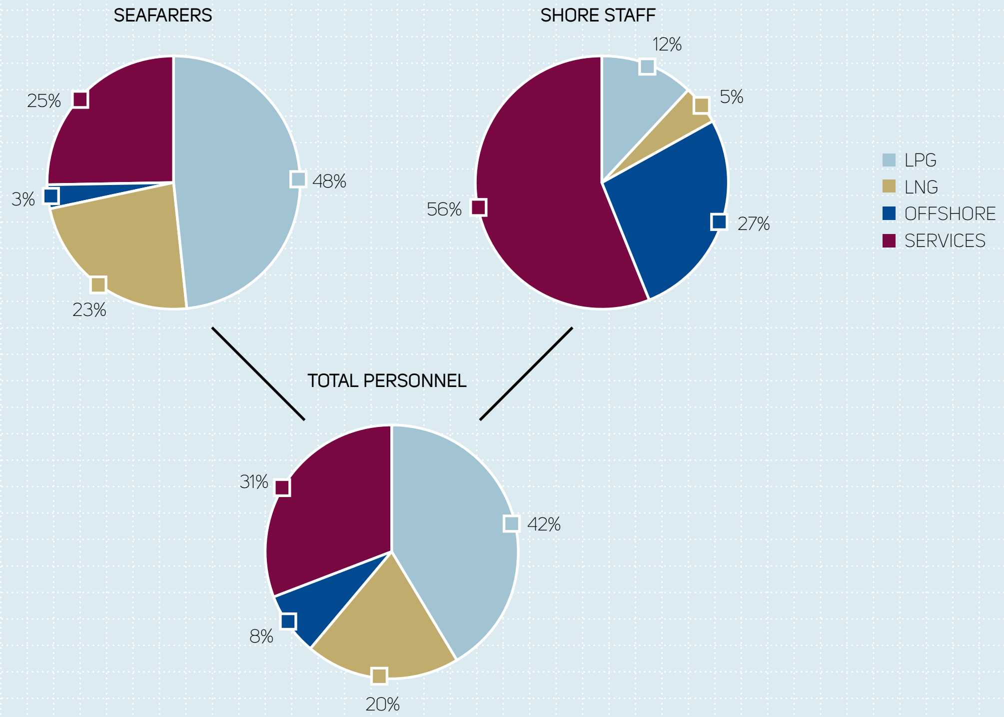
The Convention sets out seafarers' rights to decent conditions of work on a wide range of subjects, and aims to be globally applicable, easily understandable, readily updatable and uniformly enforced. It has been designed to become a global instrument known as the 'fourth pillar' of the international regulatory regime for quality shipping, complementing the key Conventions of the International Maritime Organization (IMO). The decision by the ILO to move forward to create this major new maritime labour Convention was the result of a joint resolution in 2001 by the international seafarers' and shipowners' organisations, also supported by governments. They pointed out that the shipping industry is 'the world's first genuinely global industry' which 'requires an international regulatory response of an appropriate kind – global standards applicable to the entire industry'.

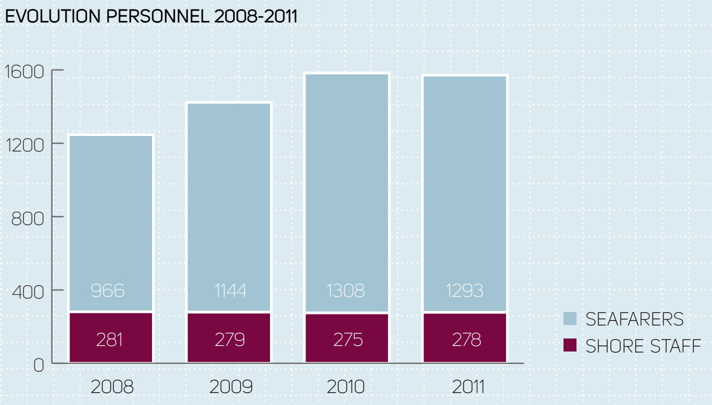
To come into force, the MLC has to be ratified by at least 30 member States with a total share in the world gross tonnage of ships of 33%. At present the number of ILO member States having ratified the Convention is 22 and the percentage of world gross tonnage of ships having ratified is 56%. This means the formal coming into force is imminent.

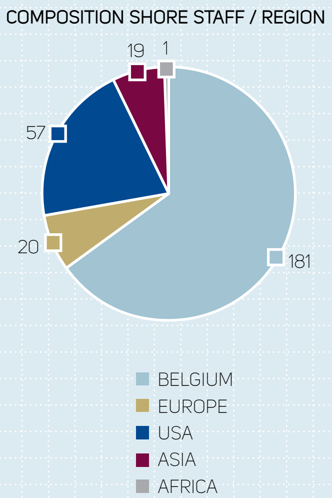
Does the new Convention deal with any new subjects?

The Convention is organized into three main parts: the Articles coming first set out the broad principles and obligations. This is followed by the more detailed Regulations and Code (with two parts: Parts A and B) provisions. The Regulations and the Standards (Part A) and Guidelines (Part B) in the Code are integrated and organized into general areas of concern under five Titles:
Title 1: Minimum requirements for seafarers to work on a ship
Title 2: Conditions of employment
Title 3: Accommodation, recreational facilities, food and catering
Title 4: Health protection, medical care, welfare and social security protection
Title 5: Compliance and enforcement

PERSONNEL


SEAFARERS
25%
3%
23%
48%
SHORE STAFF
12%
5%
27%
56%
LPG
LNG
OFFSHORE
SERVICES
TOTAL PERSONNEL
31%
42%
8%
20%


EVOLUTION PERSONNEL 2008-2011
1600
1200
800
400
0
966
281
1144
279
1308
275
1293
278
2008
2009
2010
2011
SEAFARERS
SHORE STAFF


COMPOSITION SHORE STAFF / REGION
19
1
57
20
181
BELGIUM
EUROPE
USA
ASIA
AFRICA

These five Titles essentially cover the same subject matter as the existing 68 maritime labour instruments, updating them where necessary. It occasionally contains new subjects, particularly in the area of occupational safety and health to meet current health concerns, such as the effects of noise and vibration on workers or other workplace risks.

The provisions relating to flag State inspections, the use of 'recognised organisations' and the potential for inspections in foreign ports (port State control) in Title 5 are based on existing maritime labour Conventions; however, the new Convention builds upon them to develop a more effective approach to these important issues, consistent with other international maritime Conventions that establish standards for quality shipping with respect to issues such as ship safety and security and protection of the marine environment.

Why does EXMAR welcome international standards for seafarers' conditions of work?

In ships flying the flags of countries that do not exercise effective jurisdiction and control over them, as required by international law, seafarers often have to work under unacceptable conditions, to the detriment of their well-being, health and safety and the safety of the ships on which they work.

Since seafarers' working lives are spent outside the home country and their employers are also often not based in their country, effective international standards are necessary for this sector.

Of course these standards must also be implemented at a national level, particularly by governments that have a ship registry and authorize ships to fly their countries' flags. This is already well recognized in connection with ensuring the safety and security of ships and protecting the marine environment. It is also important to understand that there are many flag States and shipowners that take pride in providing the seafarers on their ships with decent conditions of work. By the MLC convention the unfair competition by shipowners which operate substandard ships will expectedly will become much more difficult.
With the MLC convention, it is expected that unfair competition from ship owners operating substandard ships will become much more difficult. This is obviously to the benefit of EXMAR, which has a long tradition of maintaining high work-standard conditions for all its seafarers, regardless their nationality.

Report of the Board of Directors

The report of the board of directors, drawn up according to the companies code, provides a complete summary of our activities and the consolidated and simplfied annual report ending 31 December 2011. This also includes the Corporate Governance Statement in accordance with the Belgian Corporate Governance Code.

Dear Shareholder,

According to the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, EXMAR is required to make its annual financial report available to the public.

This report of the board of directors was drawn up in accordance with Article 96 of the Companies Code and includes the Corporate Governance Statement in conformity with the Belgian Corporate Governance Code.

The annual reports on the consolidated and statutory financial statements have been joined in accordance with Article 119 of the Companies Code.

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

The statutory accounts were drawn up in accordance with the Belgian GAAP.

The issued capital amounts to USD 88,811,667 and is divided into 59,500,000 shares without nominal value.

No capital movements took place during the past financial year that need to be reported in accordance with Article 608 of the Companies Code.

Notwithstanding the provisions of Article 125 of the Companies Code, the capital and accounts are expressed in US dollars. This exception was granted by the Ministry of Economic Affairs and was confirmed in writing on 2 July 2003.
The board of directors believes that the reasons why this exception was requested still apply to the financial statements for this period.

Financial situation as at 31 December 2011

The statutory result for the financial year amounted to USD 45.8 million (USD 17.3 million in 2010). The result for the financial year was positively influenced by the extraordinary income of USD 60.6 million upon the disposal of the 50% stake in Excelsior BVBA (within the EXMAR Group), and at the same time negatively affected by the change in fair value of the interest rate swaps to an amount of USD -20.5 million (USD -27.6 million in 2010) and the exceptional result on the impairment of participations amounting USD -26.4 million.

At the end of 2011, the total assets amounted to USD 948.7 million (USD 906.8 million at end of 2010), of which USD 604.7 million financial fixed assets (USD 611.8 million in 2010).

Shareholders' equity amounted to USD 434.2 million at the end of 2011 (USD 439.8 million in 2010); the USD 5.6 million decrease over the previous year is accounted for by the payment of the interimdividend (USD -12.9 million) and the final dividend (USD -38.5) and by the result for the year (USD 45.8 million).

The liabilities of the company amounted to USD 510.8 million at the end of 2011 (USD 462.8 million in 2010), of which USD 337.0 million long-term liabilities and USD 173.8 million short-term liabilities (USD 348.0 million and USD 114.8 million respectively in 2010).

Appropriation of the result

The present statutory financial statements for the year show a profit of USD 45.8 million. Together with the results brought forward from the previous year, an amount of USD 93.9 million is available for appropriation.

The board of directors proposes to appropriate the result as follows:

Profit brought forward	USD 48,125,150.35
Profit for the period	USD 45,776,803.10
Dividend	USD -51,390,141.10
Transfer to the reserves not available for distribution	USD -837,056.36
Transfer to legal reserves	USD -1,757,035.39
Result to be carried forward	USD 39,917,720.60

The Board of Directors will propose to the general meeting to pay out a gross dividend of EUR 0.65 per share. EUR 0.15 of this amount was paid out on 6 September 2011 as interim

dividend. If the general meeting of shareholders approves this proposal, a final dividend of EUR 0.50 per share (net dividend EUR 0.375 per share after deduction of 25% withholding tax or EUR 0.395 per share together with a VVPR strip coupon after deduction of 21% withholding tax) will be paid out at the counters of a financial institution on presentation of coupon 13 from 23 May 2012.
(Ex-date: 18 May 2012 - Record date: 22 May 2012)

The dividend for holders of registered shares or dematerialized shares will be paid into their account.

After this appropriation, the shareholders' equity of USD 434,198,924.38 will be made up as follows:

Capital	USD 88,811,667.00
Share premium	USD 209,901,923.77
Reserves	USD 95,567,613.01
Result carried forward	USD 39,917,720.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated figures were drawn up in accordance with IFRS.

Turnover

EXMAR Group realized a turnover of USD 450.2 million in 2011, compared with USD 413.9 million in 2010.

Results

The consolidated operating result amounted to USD 37.6 million in 2011 and was positively influenced by the capital gain on the sale of *OPTI-EX®* for USD 41.2 million and the capital gain on the sale of the *GENT* for USD 4.2 million. Following the sale of two VLGCs to BW Gas, an impairment of USD -26.7 million was recorded which had a negative impact on the operating result of 2011. The operating result was also adversely affected by disappointing rates on the LPG spot market (with a strong recovery in the fourth quarter).

In 2010, the operating result of USD 87.4 million had been positively influenced by the capital gain on the sale of 50% of the stake in the vessels *EXCELSIOR* and *EXCALIBUR* (for USD 46.9 million), but negatively affected by disappointing rates on the LPG spot market and the low utilization rate of the *KISSAMA* and the *OPTI-EX®*.

The net financial result for 2011 was negative to the amount of USD -68.4 million (USD -70.1 million in 2010). The negative financial result is mainly accounted for by non-cash, unrealized results following the change in the fair value of the interest rate swaps covering the interest rate risk on the long-term financing of the fleet (USD -34.0 million in 2011 compared with USD -15.9 million in 2010) and the change in the fair value of forward exchange contracts (EUR/USD) (USD -1.1 million in 2011 compared with USD 0.3 million in 2010). On the other hand, the financial result was positively influenced by the interest income on the outstanding receivable from LLOG in respect of the sale of the *OPTI-EX®* (USD 11.2 million).

Non-current assets

The net book value of the vessels decreased by 11% or USD 124.2 million to USD 1,042.4 million.

The net book value of the LPG fleet (USD 504.8 million) decreased as a result of depreciations and impairment losses and of the sale of the *GENT* and the swap of two EXMAR VLGC vessels for the midsize fleet of BW Gas. The value of the LNG fleet as at 31 December 2011 stood at USD 504.9 million, a reduction by USD 21.2 million compared with 2010 due to depreciation expense. The offshore fleet, too, is marked by a decrease in the net book value owing to the depreciation recorded.

As per 31 December 2011 the other non-current receivables include the receivable on LLOG for the sale of the *OPTI-EX®* for an amount of USD 200.9 million.

Current assets

Current assets decreased by USD 234.4 million to USD 322.7 million. In 2010 the *OPTI-EX®* classified as held for sale, was included in the current assets. The sale of the *OPTI-EX®* in 2011, caused the current assets to decrease significantly. The net cash position (cash and cash equivalents less bank overdraft) as at 31 December 2011 amounted to USD 129.0 million (USD 120.2 million in 2010), of which USD 11.2 million free cash flow.

Shareholders' equity

Shareholders' equity amounted to USD 342.8 million as at 31 December 2011, and was negatively influenced by the result

for 2011 (USD -34.0 million) and by the dividend payment of EUR 0.10 per share for the financial year 2010 and EUR 0.15 per share interim dividend for the financial year 2011 (USD -20.5 million in total).

LIABILITIES

The net financial debt (financial liabilities less cash and cash equivalents) totalled USD 866.4 million as at 31 December 2011. The net financial debt decreased by USD 162.3 million, of which USD 120.5 million as early repayment of the revolving credit facility following the sale of two LPG VLGC vessels.

The negative market value of financial instruments was USD 127.1 million as at 31 December 2011, which is an increase compared with 2010 (USD 90.6 million).

RISK FACTORS

In accordance with the provisions of the Companies Code, the board of directors informs the shareholders about the main risk factors for the Group as described in the Corporate Governance Statement.

NOTIFICATIONS

Application of Article 523 of the Companies Code

The minutes of the board of directors of 29 November 2011 made reference to the audit committee meeting that was held on 14 October 2011 following the reporting of a transaction in breach of Article 523 of the Companies Code and the Corporate Governance Charter. The minutes relating to this agenda item read as follows:

"The audit committee convened on 14 October 2011 on the occasion of a loan of EUR 260,000 that had been granted to Saverex NV in breach of Article 523 of the Companies Code and the Corporate Governance Charter. The loan in question was repaid immediately with interest, and the company suffered no prejudice. Saverex NV informed the board of directors and the statutory auditor on 14 October 2011 by letter. This matter will have to be mentioned in the annual report and in the report of the statutory auditor."

The procedure set out in Article 523 of the Companies Code was followed when the agenda item on the remuneration proposals was dealt with at the meeting of the board of directors of 29 November 2011. The minutes relating to this agenda item read as follows:

"Remuneration
Before proceeding with the deliberation on this agenda item, Nicolas Saverys and Patrick De Brabandere informed the other members of the board, pursuant to Article 523 of the Companies Code, that as beneficiaries of the remuneration proposals they have a proprietary interest which conflicts with that of the company.
Nicolas Saverys and Patrick De Brabandere did not take part in the deliberations or the vote on the recommendations of the nomination and remuneration committee. Both gentlemen shall notify the statutory auditor of this in writing pursuant to Article 523 of the Companies Code."
"Karel Stes, secretary of the meeting and also a beneficiary of any remuneration proposals, was informed by the chairman that he should restrict himself to taking the minutes with regard to this agenda item."

The statutory auditor of the Company was notified of these conflicts of interest in accordance with Article 523 of the Companies Code.

There were no conflicts of interest as far as the executive committee is concerned.

STAFF

As at 31 December 2011, EXMAR employed 1,571 people worldwide, of whom 1,293 seagoing staff.

OWN SHARES

As at 31 December 2011, EXMAR held 3,332,642 own shares, representing 5.60% of the total number of issued shares.

STOCK OPTION PLAN

So far, the board of directors has decided on seven occasions to offer options on existing shares to a number of employees of the EXMAR Group.

BRANCHES

Besides the head office in Antwerp (Belgium), EXMAR also has offices in Hong Kong, Houston, London, Limassol, Luxembourg, Mumbai, Paris and Singapore. EXMAR has four branches in Shanghai, Luanda, Tripoli and Buenos Aires.

The number of options granted

Date of offer	Number of outstanding options	Exercise period	Exercise price in Euros
15.12.2004	145,681	Between 01.04.2008 and 15.10.2017 (*)	7.04 (°)
09.12.2005	298,651	Between 01.01.2009 and 15.10.2018 (*)	12.33 (°)
15.12.2006	389,522	Between 01.01.2010 and 15.10.2019 (*)	18.33 (°)
04.12.2007	218,199	Between 01.01.2011 and 15.10.2020 (*)	16.81 (°)
19.12.2008	329,656	Between 01.01.2012 and 18.12.2016	6.80 (°)
29.12.2009	548,100	Between 01.01.2013 and 28.12.2017	5.57
09.12.2010	433,150	Between 01.01.2014 and 28.12.2018	5.41

(*) The board of directors meeting of 23 March 2009 decided to extend the original exercise period for the first four option plans by five years, by virtue of the decision by the Belgian Government to extend the Act of 26 March 1999, in particular regarding stock option plans.
(°) As a result of the capital increase and the dilution protection, the number and exercise price of the stock options was modified with effect from 19 November 2009.

EVENTS AFTER BALANCE SHEET DATE

No events took place after balance sheet date that may have a significant impact on the financial statements, except for the settlement and termination agreement with LLOG dated January 27, 2012 for the accelerated payment of the remaining balance of the consideration for the sale of the *OPTI-EX*®. See note 38 of the financial report.

OTHER INFORMATION

All information which pursuant to Article 96(2) of the Companies Code must be included in the present annual report, more particularly the corporate governance statement and the requirements of Article 34 of the Royal Decree of 14 November 2007, is shown under the chapter 'Corporate Governance Statement', under the chapter 'Risk Factors', and by reference thereto included in the present annual report.

OUTLOOK FOR 2012

The LPG fleet will keep enjoying the support of a solid contract portfolio with creditworthy counterparties. As spot market conditions for the Midsize segment are improving, one must take into account the positive evolution of the market value of the vessels. Our North Sea operations are enjoying operational and financial strengths and the vessels committed to this particular trade are benefiting from premium rates. The outlook for the LPG market and in particular the Midsize Fleet is positive for the medium term with more cargoes available.

The majority of the LNG fleet is expected to perform as per the underlying time-charter contracts. However ***the EXCEL*** will be charter free as from July 2012 and thanks to the positive upside in LNG charter rates, could favorably impact the LNG contribution to the group.

The Offshore division will continue to further strengthen its position with the delivery later this year of an FSO to Sonangol and a barge to Nigeria. All those contracts will cover a good portion of 2012 with some optional extensions. The ***KISSAMA*** will be delivered to TOTAL GABON end of March for a 6 months firm contract with extensions options. The result of the offshore division will be positively influenced by the balance (USD 24 million) of the profit on the sale of the *OPTI-EX*® booked in the first quarter 2012.

BOARD OF DIRECTORS AND COMMITTEES

We will request the general meeting of shareholders to grant us discharge for the exercise of our mandate.

The board of directors notes that the mandates of Messrs Philippe Bodson (independent director), Philippe van Marcke de Lummen (independent director), Nicolas Saverys (executive director), Patrick De Brabandere (executive director) and Saverex NV (non-executive director) will expire immediately after the forthcoming general meeting.

Messr. Philippe Bodson, Nicolas Saverys and Patrick De Brabander are seeking re-election.

The general meeting is requested to deliberate on their reappointment as directors for a new term of three years.

The nomination committee delivered an opinion on the proposed reappointments at its meeting of 28 March 2012.

According to the provisions of the Corporate Governance Code, Mr Philippe Bodson can no longer sit on the board as an independent director as from the forthcoming general meeting, since in accordance with Annex A 2.4/1(2) he has served three consecutive terms of office as an independent director. Mr Bodson has notified the board of directors of this.

The board of directors
Antwerp, 28 March 2012

Corporate Governance statement

This Corporate Governance statement, describes the corporate governance within EXMAR and has been drawn up in accordance with the Corporate Governance Code 2009, which the company uses as a reference code.

In its meeting of 2 December 2005 the board of directors approved the first Corporate Governance Charter. The charter was subsequently adjusted on several occasions, in order to comply with the applicable laws and regulations.

The most recent version of the Corporate Governance Charter (as approved by the board of directors held on 31 March 2011) can be viewed on the company's website (www.exmar.be)

This chapter contains more factual information about the Corporate Governance policy within EXMAR and which explains, as the case may be in specific situations, why certain provisions in the Code are departed from.

THE COMPANY – CAPITAL - SHAREHOLDERS

Registered office

De Gerlachekaai 20, 2000 Antwerpen.
VAT BE 0860 409 202 RPR Antwerpen.

Establishment date and modification of articles of association

The company was established by notarial deed on 20 June 2003, published in the appendix to the Belgian Official Gazette of 30 June 2003, under reference 03072972, and of 4 July 2003, under reference 03076338.
The articles of association were amended for the last time by deed of the civil law notary Patrick Van Ooteghem in Temse on 17 May 2011, published in the appendix to the Belgian Official Gazette (Moniteur Belge) under number 11094141 dated 24 June 2011.

Issued capital

The issued share capital amounts to USD 88,811,667, and is represented by 59,500,000 shares without nominal value. The capital is paid up in full. In order to comply with the Belgian Company Law, the reference value is established a EUR 72,777,924.85.

Authorised capital

By decision of the general shareholders' meeting held on 20 May 2008 the Board of Directors has been authorised to increase the share capital of the company in one or several times by a total maximum amount of USD twelve million (reference value EUR 7,703,665.66) during a period of five years as from the date of publication of such decision.

The special report of the Board of Directors was drawn up in accordance with the provisions of article 604 of the Belgian Company Code.

Articles of association, general shareholders' meetings, admission and exercise of the voting rights

According to the articles of association, the annual shareholders' meeting takes place on the third Tuesday of May at 2.30 p.m.
The rules governing the convening, admission to meetings, their workings and the exercise of voting rights, modification of the articles of association, the nomination of the members of the Board of Directors and its committees can be found in the coordinated articles of association, the corporate governance charter of the company, which are available on the company's website.

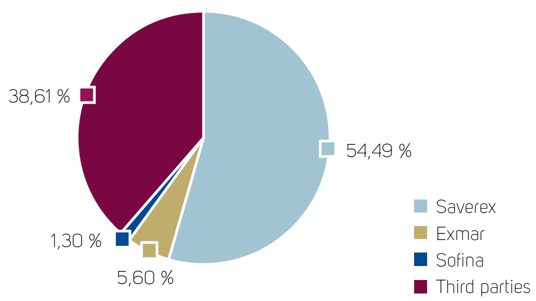
http://www.exmar.be/en/webpage/126/articles-of-association.aspx?via=41

Shares and shareholders

EXMAR shares are quoted on NYSE Euronext Brussels included in the Bel Mid index. (Euronext: EXM).
As from 10 December 2009 the VVPR strips are quoted on NYSE Euronext Brussels.
In the course of 2011 EXMAR nv did not receive any notification in accordance with the transparency legislation (Law of 2 May 2007).
In accordance with Article 74.6 of the law on takeover bids, Saverex nv notified the FSMA on 15 October 2007 (update on 25 August 2011) that it holds more than 30% of the securities with voting rights in EXMAR, a stock exchange listed company.
On 19 May 2009, the extraordinary general meeting of shareholders authorised the Board of Directors of EXMAR NV to acquire own shares within a well-defined price range during a period of five years.
EXMAR NV holds 5.60% of its own shares since 1 September 2010, this represents 3,332,642 shares.

All legal information is published on the website : *www.exmar.be*

SHAREHOLDING AS OF 28 MARCH 2012



The company has no knowledge of any agreements made between shareholders.
There are no statutory restrictions for transfer of shares.

BOARD OF DIRECTORS AND COMMITTEES

Board of directors

The Board of Directors is composed of members from diverse professional backgrounds who have a wide range of experience. The board of directors consists of a sufficient number of directors to allow a optimal functioning, taking into account the specificities of the company.

Regarding the presence of women in the board of directors in listed companies, article 7 of the Law of 28 July 2011 foresees that as an exception, the rules only apply as of 1 January 2019 (in stead of 2017), to listed companies with a free float less than 50%. The Nomination and remuneration committee will follow up recommendations for greater gender diversity as regards future appointments within the Board of Directors in order to comply as from 1st January 2019 with the imposed quotas at board level.
The Board of Directors investigates and evaluates its own performance as described in the Corporate Governance Charter. The Board of Directors formulates and evaluates the requirements regarding independence, skills and qualifications at regular intervals with the help of the Nomination and Remuneration Committee.
On 31 december 2011, the Board of Directors of NV EXMAR was composed of 11 members.

Name	Function and nature of mandate	End of mandate
Baron Philippe Bodson	Chairman (independent director)	2012
Nicolas Saverys	CEO (executive director)	2012
Leo Cappoen	Non-executive director	2013
Ludwig Criel	Non-executive director	2014
Patrick De Brabandere	COO (executive director)	2012
François Gillet	Independent director	2013
Jens Ismar	Independent director	2013
Philippe van Marcke de Lummen	Independent director	2012
Guy Verhofstadt	Independent director	2013
Baron Philippe Vlerick	Non-executive director	2014
NV Saverex represented by Mw Pauline Saverys	Non-executive director	2012

Independent directors

Name	
Philippe BODSON	Independent since 20 June 2003
Philippe van Marcke de Lummen	Independent since 16 May 2006
François GILLET	Independent since 15 May 2007
Jens ISMAR	Independent since 18 May 2010
Guy VERHOFSTADT	Independent since 18 May 2010

All independent directors meet the independent criteria as set out in article 526ter of the Code of Companies and Appendix A of the Corporate Governance Code 2009.

Mr Philippe Bodson will no longer be considered an independent director starting from the annual shareholders meeting of 15 May 2012, given that he has fulfilled three successive mandates as an independent director.

The board of directors intends to propose to the general meeting of shareholders to reappoint Mr. Bodson as a non-executive director.

Functioning of the Board of Directors

The corporate governance charter states that the Board of Directors holds four planned meetings every year. Additional meetings are held if specifically required. Additional meetings are convened in due time and the directors receive a work file as preparation on every occasion.

There were five meetings in 2011; each presided over by Mr Bodson.

There was a total of two apologies at these meetings during the financial year, namely from Mr Philippe van Marcke de Lummen (1) and Mr Jens Ismar (1).

Aside from the subjects dictated by law – closing of the accounts, the annual and the half year report, preparing press releases or preparing the annual general meetings – EXMAR's board deliberated, among other things, on the following items: company strategy and structure, budgets, interim results and forecasts, survey of the day-to-day affairs of the major subsidiaries, investments and disinvestments in fixed assets and participating interests, portfolio and cash flow, fleet and acquisition and sale of own shares, and the strategy and developments per division. In its meeting of 29 August 2011 the board approved the distribution of an interim dividend.

The directors receive timely a file with all information on the items on the agenda of meeting.
All decisions of the board are taken in accordance with Article 22 of the by-laws, which inter alia states that the chairman has a casting vote in case of a deadlock. Until now this has not been necessary.

Evaluation process

The effectiveness of the Board of Directors is crucial for the success of the group, and therefore the Board of Directors will carry out a fundamental evaluation of its functioning and the functioning of the committees as well as the interaction with the management committee.

The effectiveness of the board of directors is critical to the success of the Group.

At the meeting of the Board of Directors held on 1 December 2010 it was decided from that time to organise a discussion with the non-executive directors at every meeting of the Board of Directors, in the absence of the CEO and other executive directors in order to evaluate their reciprocal communication with the executive directors and the members of the management committee.

The Board of Directors instituted an evaluation process in 2011 to assess the effectiveness of the board and of the committees, whereby the chairman of the Board of Directors will organise an evaluation on the basis of an extensive individual questionnaire. The questionnaire will concern the collective performance of the board and the individual contributions of the directors.

Part of the questionnaire is intended for the evaluation of the committees.

The questionnaire includes at least the following elements:
- The effectiveness of Board of Directors/committees
- The information provided to the Board of Directors/ committees
- Self-evaluation (individual)
- Mutual relations with the various committees.

A report will be drawn up on the evaluation and this will be discussed at meetings of the Board of Directors.

The purpose of the evaluation is to improve the effectiveness of the board as a whole.

Audit Committee

The Audit Committee of EXMAR NV complies with Article 526bis of the Companies Code.
The Audit Committee of EXMAR NV was on 31 December 2011 composed of four members, of whom at least one is an independent director.

Name		
Ludwig Criel	Chairman non-executive director	2014
Baron Philippe Bodson	independent director	2012
François Gillet	independent director	2013
Baron Philippe Vlerick	non-executive director	2014

Mr Philippe Bodson will no longer be considered an independent director starting from the annual shareholders meeting of 15 May 2012, given that he has fulfilled three successive mandates as an independent director.

Provided that his reappointment as a director of the company is approved at the next annual shareholders meeting, Mr. Bodson will remain a member of the Audit Committee as a non-executive director given his profound knowledge of the company and his knowledge on the items on the agenda of the meetings of the Audit committee.
The Corporate Governance Code stipulates that at least half of the members of the Audit Committee are independent. Article 526bis of the Code of Companies foresees that at least one member is independent.
The board of directors believes that the composition of the Audit Committee meets the purpose of the Code.
All members of the Audit Committee are experienced in financial reporting, accountancy standards and risk on the basis of their careers and current professional activities. Because of their degrees and careers in various multinational groups all members are considered to possess the necessary expertise with regard to accounting and auditing.

Functioning of the Audit Committee
The specific responsibilities are set out in an audit charter. This audit charter was approved by the board of directors of 31 March 2011.
There were five meetings in 2011, each one attended by all the members. The statutory auditor was present at two meetings. The internal auditors were present at two meetings. The quarterly, half-yearly and annual figures were analysed and discussed at these meetings before they were presented to the Board of Directors.
The Audit Committee furthermore looked closely at specific financial matters and recommendations to the Board of Directors as well as the application of article 523 of the code of Companies.
Other points on the agenda included the internal audit, valuation rules and cash flow projections.

Nomination and remuneration committee

The Nomination- and remuneration committee meets the requirements of article 526 quater of the Code of Companies. On 31 December 2011, the Nomination and remuneration committee of EXMAR nv was composed of three members, of whom at least half are independent directors.

Name		
Baron Philippe Bodson	Chairman non-executive director	2012
Ludwig Criel	non-executive director	2011
Jens Ismar	independent director)	2013

Mr Bodson will no longer be considered an independent director starting from the general shareholders meeting on 15 May 2012, given that he has fulfilled three successive mandates as an independent director.
The board of directors proposes to appoint Mr. Guy Verhofstadt as member of the nomination and remuneration committee in its meeting of 15 May 2012, replacing Mr Ludwig Criel. All members of the Nomination and remuneration committee have the necessary expertise in the domain of remuneration policy based on their degrees and their careers.

Functioning of the Nomination and remuneration committee
The specific responsibilities were set forth in the charter of the nomination and remuneration committee as approved by the board of directors held on 29 November 2011. The procedure for making recommendations for the nomination/renomination of Board members and members of the Executive Committee was approved in the same meeting.

The Nomination and remuneration committee met twice during the past year. All members were present at every meeting.

With respect to the remuneration following items were discussed :
- The remuneration policy and the share option plans;
- The review of the annual remuneration of the non-executive directors, members of the executive committee and employees;
- Recommendations regarding the bonus plan for the members of the executive committee and the employees;
- Drafting the remuneration report.

With respect to the nominations following items were discussed:
- Making recommendations with respect to the nomination or reappointment of the members of the board;
- Considering issues related to succession planning.

Further, the composition of the board of directors and the committees, as well as the independence criteria was evaluated.

Due consideration was given regarding succession.

Executive Committee - CEO

The Board of Directors has delegated its management powers to an Executive Committee in accordance with article 524bis of the provisions of the Company Code.

Name	
Nicolas Saverys	Chief Executive Officer (CEO)
Patrick De Brabandere	Chief Operating Officer (COO)
Pierre Dincq	Managing Director Shipping
Miguel de Potter	Chief Financial Officer (CFO)
Paul Young	Chief Marketing Officer
Marc Nuytemans	CEO Exmar Shipmanagement
Bart Lavent	Director LNG Upstream and Downstream
David Lim	Managing Director Exmar
Didier Reylandt	Executive Vice President Offshore

As on 31 December 2011 the Executive Committee had 9 members.
As of 1 July 2011 Miguel de Potter succeeded Didier Ryelandt as Chief Financial Officer of EXMAR. He also became a member of the Executive Committee. Didier Ryelandt joined the Offshore division in Houston, Texas, as Executive Vice President.

Functioning of the Management Committee
The specific responsibilities were set forth in a charter, approved by the board of directors on 29 November 2011.

The Executive Committee meets on a regular basis. The CEO chairs the meetings of the Executive Committee.

The role of EXMAR's management committee consists of leading EXMAR according to the values, strategies, policies, timetables and budgets set by the Board of Directors. Within the framework of the exercise of their role, the day-to-day management is responsible for compliance with all relevant legislation and regulations.

Supervision

Secretary/compliance officer
Mr Karel Stes, appointed on 1 January 2009.

External audit
The company's statutory auditors are KPMG bedrijfsrevisoren CVBA, represented by Mr Filip De Bock. The statutory auditor conducts the external audit (of both consolidated and statutory figures) of EXMAR NV, and reports to the Board of Directors twice a year.
The remuneration of the statutory auditor is included in the annual report submitted by the Audit Committee to the general shareholders meeting.

The statutory auditor was reappointed at the ordinary general meeting held on 19 May 2009 for a new period of three years, which will end at the general meeting in 2012.

The proposal to the annual meeting to reappoint the auditors will be drafted by the Audit Committee.

Internal audit
The company is assisted by Ernst & Young in the exercise of its internal audit activities. These internal auditors were reappointed by the Audit Committee meeting on 31 March 2010 for a new period of three years, ending with the Audit Committee meeting in March 2013.

TRANSACTIONS BETWEEN PARTIES AND CONFLICTS OF INTEREST

Transactions between related parties

Each director and each member of the management committee is encouraged to organise his personal and business interests in such a way that there is no direct or indirect conflict of interest with the Company. EXMAR is not aware of any potential conflict of interest affecting members of the Board of Directors or the management committee between their duties for the Company and their private and/or other duties. The company's Corporate Governance Charter requires that every transaction between the company (or any of its subsidiaries) and any director or member of the management committee must first be approved by the Board of Directors, regardless of whether such a transaction is or is not subject to the applicable statutory regulations. Such a transaction is only possible on the basis of conditions in accordance with market practices.

Conflicts of interest and directors

In accordance with Article 523 of the Belgian Companies Code, the Board of Directors is required to follow a special procedure if one or more directors potentially have a conflict of interest with one or more decisions or transactions coming under the competence of the Board of Directors.

The provisions of the Companies Code shall apply in the event of a conflict of interest.

EXMAR has no knowledge of any potential conflict of interest among the board members and the members of the executive committee, exercising their duties to the company and their private or other duties except those described in het annual report of the board of directors.

In the minutes of the board of directors held on the 29th November 2011 mention was made of a conflict with the stipulations of the Code of Companies (article 523) and the Corporate Governance Charter.

On 28th September 2011 Saverex nv received an advance of EUR 260,000 of EXMAR nv. This advance was paid back to the company on 30th September 2011 with an interest rate at arms length of 4%. Regarding the very short period of the advance Saverex nv informed the board of directors of this transaction, although afterwards.

Subsequently, the auditors were informed about this transaction.

Transactions with related companies

Article 524 of the Belgian Companies Code provides for a special procedure applicable to transactions within a group or transactions with related companies. This procedure applies to decisions and transactions between the company and related companies that are not subsidiaries of the company. The provisions of the Companies Code shall apply in the event of transactions with related companies.

Saverbel nv and Saverex nv, companies controlled by Nicolas Saverys CEO, provide administrative services to the EXMAR group. These services are charged at cost and are at arms' length.

MARKET ABUSE

A dealing code was included in the Corporate Governance Charter (annex 3) with a view to preventing insider trading and market manipulation.

The purpose of this dealing code is to remind the directors of the company and its managers, employees and other service providers of the principal elements of the regulations on sensitive information, insider trading, and to notify them of the orders that EXMAR deems it necessary to draw up in connection to this.

Every person involved must inform the Compliance Officer before carrying out any transaction relating to financial instruments of EXMAR or of any of its listed participations. The Compliance Officer will inform that person at the time about the existence or absence of a restricted period or prohibited period.

All persons with supervisory responsibilities (members of the Board of Directors and of the Executive Committee), as well as persons connected to them, must inform the FSMA of transactions for their own account in EXMAR shares, derivatives and all financial instruments related to these. All transactions will be supervised by the Compliance Officer.

REMUNERATION REPORT

Remuneration policy and principles:

The Remuneration Report describes EXMAR's remuneration policy as provided for in the legislation of 6 April 2010 in relation to Corporate Governance.
The remuneration policy and the individual scheme for members of the Board of Directors and members of the Executive Committee is in line with the aforementioned legislation.

The nomination and remuneration committee is responsible for deciding the procedure for developing a remuneration policy. The remuneration amounts for non-executive directors were revised and approved by the shareholders meeting most recently in 2006.

The nature and the amounts of the remuneration awarded to executive directors and the members of the Executive Committee are decided by the Board of Directors on the basis of recommendations from the nomination and remuneration committee.
The Board of Directors decides on the plans for granting stock options, on the basis of recommendations from the nomination and remuneration committee.

EXMAR strives for remuneration which will attract, retain and motivate the members of the Board of Directors and members of the Executive Committee and which will guarantee and promote the company's interests in the medium and longer term.

With this policy EXMAR attempts to ensure that the members of the Board of Directors and members of the Executive Committee do not act in their own interests, and do not take risks that do not fit in with the company's strategy and risk profile.

Non-executive directors : remuneration policy / remuneration for book year 2011
The remuneration of non-executive directors consists of a fixed non performance-related annual remuneration which is linked to the director's position and positions on the various committees, in accordance with the company's remuneration policy. Non-executive directors do not receive any variable remuneration and do not benefit from additional pension plans or share-related incentives. The nomination and remuneration committee regularly checks the remuneration of non-executive directors for compliance with market practices.

Overview of the remuneration received by the non-executive directors during book year 2011 :

Non-executive directors	
Annual remuneration	EUR 50,000
Chairman	EUR 100,000
Members of the Audit committee	
Annual remuneration	EUR 10,000
Chairman	EUR 20,000
Members of the nomination and remuneration committee	
Annual remuneration	EUR 10,000

DETAILED REMUNERATION OF THE DIRECTORS

IN EUROS		Fixed remuneration	Audit Committee Remuneration	Remuneration Committee Remuneration	Total
Baron Philippe Bodson	Chairman	100,000	10,000	10,000	120,000
Nicolas Saverys	CEO	-	-	-	0
Patrick De Brabandere	COO	-	-	-	0
Leo Cappoen	Non-executive Director	-			0
Ludwig Criel	Non-executive Director	50,000	20,000	10,000	80,000
François Gillet	Non-executive Director	50,000	10,000		60,000
Jens Ismar	Non-executive Director	50,000		7,500	57,500
Philippe van Marcke de Lummen	Non-executive Director	50,000			50,000
Baron Philippe Vlerick	Non-executive Director	50,000	10,000	2,500	70,000
NV Saverex	Non-executive Director	50,000			50,000
Guy Verhofstadt	Non-executive Director	50,000			50,000
Total		**450,000**	**50,000**	**30,000**	**530,000**

Executive committee: remuneration policy/remuneration for book year 2011

The remuneration of the members of the Executive committee including the CEO consists of a fixed and a variable component.

The scale of the fixed remuneration for members of the Executive Committee, including the executive directors, depends on their position and the responsibilities related to their position.

The variable payment depends on the company's results, as well as on other factors such as the performance of the individual, future prospects, the market situation, exceptional contribution(s) and/or special projects.

The remuneration is determined on the basis of the remunerations of a reference group consisting of a number of comparable enterprises in the maritime industry. The nomination and remuneration committee can, if necessary, call on an independent external consultant.

Once a year the various compensation components for the members of the Executive Committee (including the CEO) are evaluated by the nomination and remuneration committee and tested against conditions in the market.

Seven members of the Executive Committee (including the CEO) have self-employed status. Except for Lara Consult bvba, represented by Mr Bart Lavent, and Chirmont nv, represented by Mr Miguel de Potter, they have no entitlement to any form of redundancy payment in the event of termination of their appointment. The length of the notice period for Lara Consult bvba and Chirmont nv complies with statutory provisions.

Mr. Paul C. Young and Mr. David Lim are employed with an employment agreement under United States law.

The remuneration package of the members of the Executive Committee consists of:

Basic salary:

The basic salary is the key component in the remuneration package and depends on the responsibility and competencies. It serves as a yardstick for determining the short- and long-term remuneration.

Performance-related short-term remuneration:

The short-term remuneration (annual bonus) rewards members of the Executive Committee for achieving performance criteria and the amount is expressed as a percentage of the fixed annual remuneration. The evaluation period is the financial year.

The variable remuneration is linked for 60% to developments in the results, where various weightings are used for the recurrent and non-recurrent parts of the results. The remaining 40% is linked to the specific evaluation and the performance of each individual. This evaluation can result in a maximum increase of 50% in relation to the previous year.

The Board of Directors can deviate from this and decide to award a bonus to a member of the Executive Committee on the basis of other objective criteria.

The extraordinary shareholders' meeting held on 17th May 2011 decided on the application of the provision of article 520ter of the Code of Companies and waived the staggering of the payment of the variable remuneration of the members of the executive committee

The decision on the application of this dispensation was delegated by the shareholders' meeting to the board of directors.

Article 29 of the articles of association was adjusted accordingly.

The variable remuneration for the members of the Executive Committee over book year 2011 is less than 25% of the annual remuneration; article 520ter of the code of companies is as such not applicable.

If the result deviates substantially from the basis on which the variable remuneration of the members of the Executive Committee is calculated, the Board of Directors can decide to revise the variable part of the remuneration and if needed reclaim that part.

The ratio between the fixed and variable part of the remuneration for members of the Executive Committee was as follows in 2011:

Chairman of the management committee (CEO)	
Basic salary	96 %
Variable remuneration	4 %
Other members of the management committee	
Basic salary	95 %
Variable remuneration	5 %

Performance-related long-term remuneration:

EXMAR works towards creation of sustainable economic value by means of long-term remuneration. This ensures that the interests of the members of the Executive Committee are more in line with those of shareholders and that they remain bound to the company.

The long-term remuneration consists of a share option plan for existing EXMAR shares.

The options can only be exercised after a period of 3 years. In the event that a member of the Executive Committee resigns or is dismissed for compelling reasons by EXMAR the right to exercise the options lapses.

The extraordinary shareholders' meeting held on 17th May 2011 decided on the dispensation for the provisions of article 520ter of the Code of Companies concerning the definite acquisition of shares and share options by a director or member of the executive committee.

The decision on the application of this dispensation was delegated by the shareholders' meeting to het board of directors.

Article 29 of the articles of association was adjusted accordingly.

Insurance package
The members of the Executive Committee with self-employed or employed status benefit from group insurance (type individual pension benefits for the self-employed) as well as guaranteed income insurance, accident insurance, hospitalisation insurance and travel insurance.

Other compensation components
The members of the Executive Committee receive a company car, a cell phone and meal cheques.

OVERVIEW OF THE REMUNERATION RECEIVE BY THE CEO OVER BOOK YEAR 2011

IN EUROS	Year	Basic salary	Short term remuneration	Value of share options	Insurance package*	Other benefits**	Total remunerations
Nicolas Saverys	2011	660,180	30,000	-	51,795	tba	741,975
	2010	660,000	400,000	69,000	53,082	tba	1,182,082
	2009	660,000	-	137,400	53,082	tba	850,482

OVERVIEW OF THE REMUNERATION RECEIVED BY THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE DURING BOOK YEAR 2011

IN EUROS		Year	Basic salary	Short term remuneration	Value of share options	Insurance package*	Other benefits**	Total remunerations
Average # persons	8	2011	2,521,403	361,376	-	249,514	tba	3,132,293
	6	2010	2,137,123	792,500	218,500	159,079	tba	3,307,202
	5,25	2009	1,503,751	-	412,200	177,415	tba	2,093,366

* managers insurance, guaranteed income insurance, accident insurance, hospitalisation insurance, travel insurance
** car and cell phone

No loans or advance payments were awarded to the members of the Executive Committee in 2011. The outstanding loan granted to Mr. Paul Young, of which the outstanding amount was USD 232,287.50 on 31 December 2010, has been settled.

Overview of the hares, share options and other rights in connection with shares:
The members of the Executive Committee and the executives benefit from the share option plans as previously approved by the Board of Directors.
On the basis of the recommendations of the nomination committee the Board of Directors decided not to award share options for the year 2011.

THE TOTAL NUMBER OF OPTIONS AWARDED TO MEMBERS OF THE EXECUTIVE COMMITTEE SINCE 15 DECEMBER 2004

	Outstanding as per 31/12/2010	Awarded in 2011	Exercised in 2011	Outstanding as per 31/12/2011
Nicolas Saverys	215,061	0	0	215,061
Patrick De Brabandere	152,397	0	0	152,397
Miguel de Potter	28,400	0	0	28,400
Pierre Dincq	100,133	0	0	100,133
David Lim	55,180	0	0	55,180
Paul Young	102,494	0	0	102,494
Didier Ryelandt	82,663	0	0	82,663
Marc Nuytemans	60,000	0	0	60,000
Bart Lavent	50,000	0	0	50,000
	846,328	**0**	**0**	**846,328**

The share options were issued in accordance with the provisions of the Law of 26 March 1999 regarding the Belgian Employment Action Plan for 1998 and laying down miscellaneous provisions, as amended by the Programme Law of 24 December 2002.

Remuneration policy 2012-2013

No significant changes will be made to the remuneration policy in 2012 and 2013.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The responsibilities of the board of directors include developing a framework for internal control and risk management systems and to assess the implementation of this framework, while taking into account the recommendations of the audit committee.

It is up to the board of directors to decide on the values and strategy of the company, with the assistance of the management committee, which verifies and manages these systems. The EXMAR control and risk management system covers policy, identification processes, evaluation, management and follow-up of business and financial risks.

Description of Components of the risk management and internal control systems

The control environment
The main features of the control and risk management systems can be summarised as follows:

- Defining business ethics and the various objectives;
- Protecting the company's assets;
- Ensuring the accuracy and reliability of the accounts;
- Optimising the efficiency of the various operations;
- Safeguarding follow-up of policy decisions;
- Guaranteeing the reliability and completeness of the information system;
- Permanent monitoring of activities, operating results and financial positions;
- Following up exchange risks and interest risks;
- Discussing rules to prevent market abuse and compliance with the compliance officer;
- Establishing the company's policies and procedures for compliance with applicable legislation and regulations.

The risk management process and control activities
The internal controls and risk management systems are constantly updated and have been designed, among other things, to uncover, eliminate and prevent errors and anomalies in the financial accounts. Although risks can never be entirely excluded, the internal control and risk management systems are meant to offer sufficient certainty that material errors and anomalies will be detected.

The board of directors is assisted in this respect by:

The Compliance Officer:
The Compliance Officer is appointed and charged with monitoring and ensuring compliance with policy regarding insider trading and market manipulation by directors and members of the management committee as well as other persons who have access to inside information.

The audit committee:
The audit committee, set up within the board of directors, checks on the accuracy of the financial information published by the company.
It also audits and manages the control and risk management systems set up by the management committee.
The committee ensures that the external audit reflects the needs of the Group and guarantees compliance with the policy on independence of external auditors.
The committee is also responsible for follow-up of questions and recommendations emanating from the external auditors.
The committee is the point of contact for both the internal and the external audits.

Internal audit:
The internal auditors have the following objectives:
- Ensuring the effectiveness and efficiency of the operational activities, for example, compliance with restrictions on authorities;
- Reliability of financial reporting, both internal and external;
- Compliance with statutory provisions and regulations.

An internal audit system has been developed that examines these policies on a regular basis.
Such a system needs to be continuously managed and adjusted where an organisation operates in an environment with variable risk factors.
The internal auditors need to flag up shortcomings and report these to the management, so the necessary measures can be taken.
The internal auditors report to the audit committee, which verifies and guarantees the effectiveness and independence of the auditors.
The EXMAR Group has appointed Ernst & Young as the Group's internal auditors.

Auditors - External auditors:
As is required by law, the external auditors verify the financial results of the company, the annual accounts and compliance with Belgian legislation.
The external auditors report directly to the audit committee and to the board of directors. They are directly in contact with the chairman of the audit committee and if need be the chairman of the board of directors.
At least twice every year they will issue a report to the audit committee in which they will present their findings on the financial results or any irregularities.

The external auditors are invited to attend every general meeting of shareholders, where they present their report on the annual accounts as well as any other report required by law in the case of certain transactions or under certain circumstances. The Audit Committee monitors the external auditors in the performance of their duties. They must moreover comply with Belgian company laws and the relevant Royal Decrees, the Internal Audit Standards, the rules of the Belgian Institute of Auditors and all other applicable laws and regulations.

Communication and fine-tuning

EXMAR operates in a dynamic environment with variable risk factors, so the internal audit process is constantly managed and fine-tuned. Shortcomings that could impact on the achievement of the company's objectives are flagged up and reported to the management committee, to ensure the right measures can be taken.

The audit committee has important responsibilities in relation to assessing the effectiveness of the internal risk and control system, the findings of internal investigations and the findings of the management committee when weaknesses are identified.The effectiveness of the control system set up by the management committee is assessed at least once a year.

The audit committee investigates whether the necessary policy measures have been implemented to ensure that risks affecting the company are identified.
To be able to perform this responsibility correctly, the audit committee receives the necessary information from the management committee in relation to the risks, policy measures, procedures and checks concerning the integrity of the financial reporting.
The audit committee has a good understanding of the control system so it can make recommendations to the board of directors in relation to weaknesses in controls.
All important aspects and improvements are discussed and reported to the board of directors. Moreover the audit committee regularly reports to the board of directors.

Financial reporting

The main features of the intern control and risk management in relation to financial reporting are as follows:

- Periodic closing and the existing reporting checklist, which guarantees the following items:
  - Communication of timelines
  - Clear distribution and assignment of tasks and responsibilities
- The existence of financial and accounting instructions for the various accounting sections;

An accounting team that is responsible for compiling figures (closing entries, reconciliations, etc.) while the management checks the figures for their values, based on:

- Consistency tests by means of comparisons with historical and budget figures
- Random samples of transactions depending on their material relevance

- Monthly reporting and dashboard to the management committee and the board of directors;
- Periodic reporting to the audit committee on all material areas in the financial statements concerning critical accounting assessments and accounting uncertainties.

Main risks for Exmar Group

Strategic risks

Risks concerning market dynamics

The worldwide transportation of gas (either LNG or LPG) or of any other products that are carried on board the EXMAR fleet entails a certain risk, either due to the nature of the goods being transported or the potential implications of the overall political environment in foreign countries.

EXMAR's activities are situated in a worldwide context. The LPG and LNG loads are transported from and to politically unstable regions. Changing economic, legal and political circumstances in some countries, including political, civil and military conflicts from time to time result in attacks on ships, and disruption to waterways and shipping due to mines, piracy, terrorism and other activities. Terrorist acts, regional hostilities or other political instability may disrupt LPG and LNG trading patterns resulting in reduced income or increased costs. EXMAR may also be obliged to incur additional or unexpected expenses to comply with changed laws or regulations in countries where our ships are active.

Market risks:

EXMAR's operating results depend on whether or not profitable time charters and journey charters can be concluded and/or renewed. Notwithstanding significant cargo coverage, EXMAR is exposed to the volatility of the markets for the transportation of LPG and ammonia as well as underlying freight tariffs. Moreover, these markets affect the value of the fleet, which is a key element supporting some of EXMAR's financings through Asset Protection clauses. As per 31 December 2011, EXMAR is in compliance with these clauses.

The carrying values of our vessels may not represent their fair market value since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and vessel values tend to be cyclical.
While the LPG rates (mainly for VLGC's) in the recent past have not been volatile, the company is of the opinion that the cash flows generated from the continuing use of the fleet, calculated using internal models and assumptions, continue to support the carrying values as at the date of this report.

Although management believes that these calculations provide a reliable basis for their current assessment, there are many factors that are outside the control of the company which may influence future profitability if the market conditions would deteriorate.
EXMAR will continue to closely monitor the market evolution in the different segments in which it operates in order to assess whether a deterioration of the market conditions would impact the book value of its fleet.

Operational risks

Risks regarding operations of LPG and LNG carriers and Offshore assets

The operation of ocean-going vessels entails inherent risks. These risks include the possibility of:

- Disaster at sea;
- Piracy;
- Environmental accidents; and
- Work interruptions caused by mechanical defects, human error, war, terrorism, political actions in various countries, strikes and bad weather.

Any of these circumstances or events could result in increased costs or loss of income.
The involvement of one of our ships in an oil disaster or environmental disaster could harm our reputation as a reliable operator of LPG and LNG ships.
If our ships incur damage they must be urgently repaired. The costs of repair are unpredictable and can be very high. Costs that are not covered by an insurance policy have to be paid. The loss of income during the repair period as well as the costs of repairs themselves may result in decreased operating profits.

Increased operating expenses

Operating expenses for our ships and capital expenditure for dry docks depend on various factors such as costs of manning, provisions, deck and machinery parts, lubricants, insurance, maintenance and repairs, costs of shipyards, etc. These costs are difficult to control given that they are determined externally. Such costs have an impact on the entire shipping industry. Normally we do not bear the costs of fuel if our ships are used for a time-charter contract. Nevertheless fuel costs are significant during periods when a ship is not in use or if it is being repositioned for a time-charter contract.

As a ship ages, the cost of keeping the ship in optimum sailing condition increases. These costs will increase as our fleet gets older. The bunkering costs are for the charterer's expense. Because our ships generally consume more fuel they are more expensive to operate than more modern ships featuring technological improvements. Charterers generally opt to use newer ships for that reason.
Official regulations, including environmental regulations, safety and other equipment in relation to the age of ships may result in expenses to upgrade ships or result in restrictions on the type of transportation for which a ship can be used.

Because our fleet is ageing, eventually the expenses that have to be incurred to keep the fleet profitable for the rest of its lifespan may not be justifiable.

Financial risks

Counterparty risks:

EXMAR receives a considerable part of its income from a limited number of clients and the loss of a client, a time charter or a ship can lead to a significant loss of income and cash flows. In the LNG segment, Exmar is particularly dependent on the performance of its most important client, Excelerate Energy. With the exception of one LNG vessel, the entire Exmar LNG fleet is deployed under long-term charters with Excelerate Energy.

Financing:

As a company that uses financial leveraging to a considerable extent, EXMAR is subject to restrictions on credit agreements, such as financial covenants, audit changes and restrictions on opportunities for EXMAR and its subsidiaries to take on further debts, to create retention rights, to sell capital shares in subsidiaries, undertake certain investments, sell ships or make sales without the consent of its lenders. As of 31 December 2011 EXMAR complies with all the applicable financial conditions of its loan agreements.

With a view to funding future purchases of vessels and other future projects, enhancing working capital or other capital expenditure, EXMAR may be obliged to utilise its available cash, to contract a loan or generate cash by selling debts or additional shares.
The use of cash from operational activities may reduce the amount available for dividends.
Our capacity to obtain funds from financial institutions or our access to the financial markets for any future debts could be limited by adverse market conditions as a result, among other things, of general economic conditions and risks and uncertainties outside of our control.

Interest rates and exchange rates:

The long-term vision that is typical of EXMAR's activities is accompanied by long-term financing and therefore also exposure to underlying rates of interest. EXMAR actively manages this exposure by means of various instruments to cover itself for rising interest rates for a significant part of its debt portfolio.

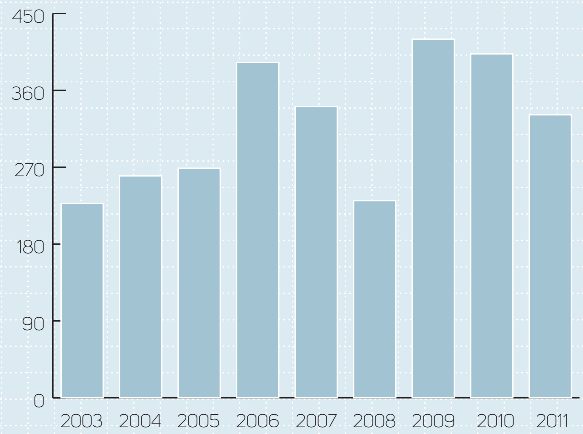
The agreements regarding interest rate hedging require that the risk over and above a predetermined limit is guaranteed by cash collateral on an escrow account with the counterparty. This cash collateral amounted to USD 117.7 million on 31 December 2011. A fall in long-term USD interest rates will require additional guarantees.

EXMAR operates in USD but has to settle certain annual costs in Euros. The exposure to EUR/USD is managed by means of hedging instruments, which at the moment provide cover of approximately 24% at a fixed rate for 2012.

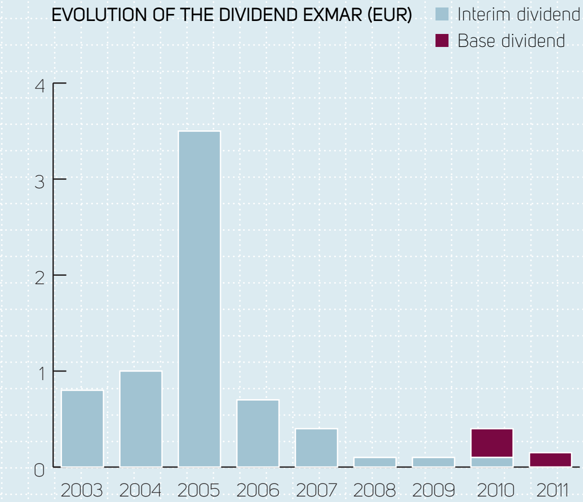
The EXMAR Share

The EXMAR share is listed on the NYSE Euronext Brussels and has formed part of the Bel Mid index (Euronext: EXM) since 23 June 2003. As of 10 December 2009 the VVPR strips were listed on the NYSE Euronext Brussels. EXMAR's capital stands at USD 88,811,667 and is represented by 59,500,000 shares without nominal value.

EVOLUTION OF THE CONSOLIDATED EQUITY (USD)



EVOLUTION OF THE DIVIDEND EXMAR (EUR)



EVOLUTION OF THE SHARE CAPITAL

The share capital stands at USD 88.811.667 and is represented by 59,500,000 shares without nominal value. Since the formation of the Company (due to partial demerger) the following amendments to the captial and shares have taken place:

Date	Share capital USD	Share premium USD	Number of shares
23/06/2003 constitution	48,519,000		7,350,000
11/05/2004 conversion of the capital in USD			7,350,000
28/11/2005 withdrawal of shares			6,700,000
16/05/2006 withdrawal of shares and split			32,500,000
10/11/2006 capital increase within the authorised capital	53,287,000	91,545,904	35,700,000
10/12/2009 capital increase	88,811,667	112,096,261	59,500,000

EVOLUTION OF THE SHARE PRICE (EUR)

Board of Directors

Baron Philippe Bodson – *Chairman*
Nicolas Saverys – *Managing Director/Chief Executive Officer*
Leo Cappoen
Ludwig Criel
Patrick De Brabandere
François Gillet
Jens Ismar
Philippe van Marcke de Lummen
Guy Verhofstadt
Baron Philippe Vlerick
NV SAVEREX represented by Pauline Saverys

Executive commitee

Nicolas Saverys – *Chief Executive Officer*
Patrick De Brabandere – *Chief Operating Officer*
Miguel de Potter - *Chief Financial Officer*
Pierre Dincq – *Managing Director Shipping*
David Lim – *Managing Director Offshore*
Didier Ryelandt – *Executive Vice President Offshore*
Paul Young – *Chief Marketing Officer*
Marc Nuytemans – *CEO EXMAR Shipmanagement*
Bart Lavent – *Managing Director LNG upstream/downstream*

Auditor

Klynveld Peat Marwick Goerdeler – auditors,
represented by Mr. Filip De Bock.

Colophon

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Contact

- All EXMAR press releases can be consulted on the website: www.exmar.be
- Questions can be asked by telephone at +32(0)3 247 56 11 or by e-mail to corporate@EXMAR.be, for the attention of Patrick De Brabandere (COO), Miguel de Potter (CFO) or Karel Stes (Secretary).
- In case you wish to receive our annual or halfyear report please mail: corporate@EXMAR.be

The Dutch version of this annual report must be considered to be the official version.

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