



## DOCKWISE LTD.

*(an exempted limited liability company organized under the laws of Bermuda)*

### **Rights Issue of 4,587,506 Offer Shares at an Offer Price of EUR 17 per Offer Share with Subscription Rights for Existing Shareholders**

**Subscription period: From and including 29 November 2010  
to 13 December 2010 at 14:00 hours (CET)**

The information contained in this document (the “**Prospectus**”) relates to a rights issue and listing (the “**Rights Issue**”) by Dockwise Ltd. (the “**Issuer**” or “**Dockwise**”) of 4,587,506 new common shares (the “**Offer Shares**”) at a subscription price of EUR 17 per Offer Share (the “**Offer Price**”), by way of granting tradable and transferable subscription rights (“**Subscription Rights**”) to the shareholders of Dockwise (the “**Existing Shareholders**”) registered as such as of the end of 26 November 2010 (the “**Record Date**”), subject to applicable securities laws and the terms set out in this Prospectus. Payment for Offer Shares allocated on the basis of subscriptions made to the VPS Subscription and Listing Agent (as defined herein) shall be made in NOK, based on the exchange rate to be determined on 13 December 2010. Subscription of, and payment for, all Offer Shares in the Rights Issue is secured through subscription agreements dated 19 September 2010 and 1 October 2010 by and between the Issuer and certain of the Existing Shareholders (jointly, the “**Subscription Agreements**”).

Each common share registered as held as of the end of the Record Date (each an “**Existing Share**”) will entitle an Existing Shareholder to receive one Subscription Right, and a holder of Subscription Rights will be entitled to subscribe for, and be allocated, 2 Offer Shares at the Offer Price for every 9 Subscription Rights held, subject to applicable securities laws and provided that such holder is able to give the representations and warranties set out in “*Other important information and restrictions*” (an “**Eligible Person**”). Persons who are not Eligible Persons are hereinafter referred to as “**Ineligible Persons**”.

The subscription period in the Rights Issue commences at 09:00 hours (Central European Time “**CET**”) on 29 November 2010 and expires at 14:00 hours (CET), on 13 December 2010 (the “**Subscription Period**”). Trading in the Subscription Rights on the Oslo Stock Exchange (“**Oslo Børs**”) and Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext Amsterdam N.V. (“**Euronext Amsterdam**”), is expected to commence at 09:00 hours (CET) on 29 November 2010 and is expected to continue until 17:30 hours (CET) on 8 December 2010. Over-subscription or subscription without Subscription Rights is not permitted. **Subscription Rights not used to subscribe for Offer Shares before the end of the Subscription Period, or not sold before 8 December 2010 at 17:30 hours (CET), will lapse without compensation, and will consequently be of no value.**

The Existing Shares and the Offer Shares will rank in parity with one another and carry one vote each.

Investing in the Issuer and its outstanding shares from time to time, including the Existing Shares and the Offer Shares, as the case may be (the “**Shares**”), involves risks. See section 2 “*Risk factors*”.

#### **SOLE GLOBAL CO-ORDINATOR AND SOLE BOOKRUNNER**

The Royal Bank of Scotland N.V.

Prospectus dated 26 November 2010

## IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the offer of the Offer Shares through the Rights Issue and the subsequent admission of the Offer Shares to trading on Oslo Børs and on Euronext Amsterdam, as described herein. For the definitions of terms used throughout this Prospectus, see “*Glossary of selected terms*” and “*Definitions*”. This Prospectus has been prepared to comply with the Norwegian Act of 29 June 2007 No. 75 on Securities Trading (the “**Norwegian Securities Trading Act**”) and related secondary legislation, including the EC Commission Regulation EC/809/2004. The Prospectus has been reviewed and approved by the Financial Supervisory Authority of Norway in accordance with Sections 7-7 and 7-8, cf. Sections 7-2 and 7-3, of the Norwegian Securities Trading Act. This Prospectus has been published in an English version only. The Financial Supervisory Authority of Norway will, in accordance with Article 18 of Directive 2003/71/EC (the “**Prospectus Directive**”), provide the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”), the competent authority in the Netherlands, with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive.

This Prospectus is being furnished by the Issuer in connection with an offering exempt from registration under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), solely for the purpose of enabling prospective investors to consider the purchase of Subscription Rights and Offer Shares. The information contained in this Prospectus has been provided by the Issuer and other sources identified herein. Neither the Subscription and Listing Agents (as defined below), the Sole Global Co-ordinator and Sole Bookrunner (as defined below) or any of their advisors named herein, nor any of HAL, PHD, Sankaty and Skagen (as defined below) accepts any responsibility whatsoever for the contents of this Prospectus nor for any other statements made or purported to be made by either itself or on its behalf in connection with the Issuer, the Offer or the Offer Shares. Accordingly, the Subscription and Listing Agents, the Sole Global Co-ordinator and Sole Bookrunner, their advisors named herein and HAL, PHD, Sankaty and Skagen disclaim any and all liability, whether arising in tort or in contract or otherwise in respect of this Prospectus or any such statement. No representation or warranty, express or implied, is made by the Subscription and Listing Agents, the Sole Global Co-ordinator and Sole Bookrunner, any of their advisors named herein or HAL, PHD, Sankaty and Skagen as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Subscription and Listing Agents, the Sole Global Co-ordinator and Sole Bookrunner or any of their advisors. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer Shares offered hereby is prohibited. Each offeree of the Subscription Rights and the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing.

All inquiries relating to this Prospectus should be directed to the Issuer. No other person has been authorized to give any information about, or make any representation on behalf of, the Issuer in connection with the Rights Issue and, if given or made, such other information or representation must not be relied upon as having been authorized by the Issuer.

An investment in the Issuer involves inherent risks. Potential investors should carefully consider the risk factors set out in “*Risk factors*” in addition to the other information contained herein before making an investment decision. An investment in the Issuer is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult with its own legal advisor, business advisor or tax advisor as to legal, business and tax advice.

The delivery of this Prospectus shall under no circumstance create any implication that the information contained herein is correct as of any time subsequent to the date of this Prospectus. However, in accordance with Section 7-15 of the Norwegian Securities Trading Act, every new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Shares and which arises or is noted between the time of approval of the Prospectus and listing of the Offer Shares on Oslo Børs and Euronext Amsterdam, will be included in a supplement to this Prospectus.

**The distribution of this Prospectus and the offer and sale of the Subscription Rights and the Offer Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. In particular, subject to certain exceptions, such documents should not be distributed, forwarded to or transmitted in or into the United States, or in or into Australia, Canada, Japan or any other jurisdiction where the offer and sale of the Subscription Rights or the Offer Shares would breach any applicable law (each an “Excluded Territory”). For a further description of certain restrictions on the Rights Issue and sale of the Subscription Rights and the Offer Shares, see “*Other important information and restrictions*”.**

**EXCEPT AS OTHERWISE PROVIDED FOR HEREIN, THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF OFFER SHARES TO ANY PERSON WITH A REGISTERED ADDRESS, OR WHO IS LOCATED, IN THE UNITED STATES OR TO ANY PERSON WITH A REGISTERED ADDRESS, OR WHO IS LOCATED IN, OR RESIDENT IN ANY OF THE EXCLUDED TERRITORIES.**

The Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act, or under any securities law of any state or other jurisdiction of the United States. Accordingly, none of the Subscription Rights or the Offer Shares may be offered, sold, resold, pledged, taken up, delivered, renounced, or otherwise transferred in or into the United States, except pursuant to an applicable exemption from, or in an offer not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Subscription Rights and the Offer Shares may only be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States by a limited number of persons reasonably believed to be “qualified institutional buyers” (“**QIBs**”) within the meaning of Rule 144A under the U.S. Securities Act, and by persons outside the United States in offshore transactions in reliance upon Regulation S.

## NOTICE TO NEW HAMPSHIRE RESIDENTS

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B (“RSA 421-B”) OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE, NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATION OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

Unless otherwise defined, indicated or the context otherwise requires, in this Prospectus all references to the “**Issuer**” refer to Dockwise Ltd, all references to the “**Company**” refer to, as the context so requires, (i) for the period from and after 4 May 2007, Dockwise Ltd, together with its consolidated subsidiaries or (ii) for the period prior to 4 May 2007, Dockwise Transport N.V (“**DTNV**”), together with its consolidated subsidiaries.

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## 1 SUMMARY

*This section constitutes the summary of the essential characteristics and risks associated with the Issuer, its Shares, and the Rights Issue (the “**Summary**”). This Summary should be read as an introduction to this Prospectus, and in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in the Prospectus. Any decision to invest in any Offer Shares or trade in Subscription Rights should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference and the risks of investing in the Offer Shares or trading in the Subscription Rights as set out in “Risk factors” below.*

*No civil liability attaches to those persons who have prepared this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a European Economic Area State (“**EEA State**”), the plaintiff investor may, under the national legislation of the EEA State where the claim is brought, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

### 1.1 The Company

The Company conducts business within ocean transport, logistics management, procurement and engineering services for heavy marine transport and installation projects, for some of the largest offshore structures in some of the most challenging environments in the world. The Company operates the world’s largest heavy transport fleet, consisting of 19 versatile semi-submersible heavy marine transportation vessels, and offers consistent, high quality, reliable and safe execution of innovative projects for its customers. Over the last three years, the Company has significantly increased the size of its fleet, which has given it significant scale and operating capabilities. The Company has grown its business substantially in recent years, with revenue increasing from USD 136 million to USD 478 million from 2003 to 2009.

The Company’s customers operate in a broad range of industries, including oil and gas, other energy and resources, port and marine infrastructure (“**P&M**”) and the military. Key customers and end users include major oil companies such as ExxonMobil, Chevron and Shell, drilling contractors such as Noble, Diamond Offshore and Rowan and other well-known firms such as Technip, Saipem, Boskalis and Samsung Heavy Industries. The Company has a global presence through offices or local representatives in the Netherlands, Bermuda, the United States, China, Italy, Korea, Australia, Brazil, Singapore, Russia, Nigeria, Malaysia and Mexico, and is in the process of setting up a joint venture company in Saudi Arabia.

### 1.2 Name, legal form, registered office and other company information

The Issuer is an exempted limited liability company organized under the laws of Bermuda with its registered office at Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda and its head office at Lage Mosten 21, 4822 NJ, Breda, the Netherlands. The Issuer’s telephone number at its registered office is +1 441 295 2244 and at its head office it is +31 76 5484100. The Issuer is registered with the Bermuda Registrar of Companies under registration number 39466 and with the trade register of the Dutch Chamber of Commerce under registration number 20161638.

### 1.3 History and development

The Company is the result of a series of business combinations, including the 1993 merger between Wijsmuller Heavy Transport and Dock Express Shipping, and the merger in 2002 with Offshore Heavy Transport, which owned the Blue Marlin and the Black Marlin, two of the Company’s largest vessels. In 2007, the Company acquired an additional six vessels through its merger with Sealift and expanded its engineering and project management capabilities with its acquisitions of Offshore Kinematics Inc. (“**OKI**”) and Ocean Dynamics LLC (“**ODL**”).

The Shares have been listed and admitted to trading on Oslo Børs since 2 October 2007. On 19 October 2009, all Shares held by private equity investor 3i were purchased by three new shareholders; HAL Investments B.V. (“**HAL**”), Sankaty Advisors LLC (“**Sankaty**”) and Project Holland Deelnemingen B.V. (“**PHD**”). The Shares have been listed and admitted to trading on Euronext Amsterdam since 3 December 2009.

#### **1.4 Fundamentally attractive markets**

Based on the view that world demand for oil and gas stabilizes, while untapped sources of oil and gas available on land decrease, the Company anticipates that demand for its expertise in the transport and installation of marine oil and gas rigs and production equipment will continue to grow in the medium term after a decline in 2010 and 2011. In addition, the Company expects that its increasing experience and expertise in onshore logistics, particularly when paired with its unique expertise and abilities in heavy marine transport, will permit it to increase revenues in the overall logistics and project management market. Furthermore, the Company believes that the industrial market sectors in which it operates will grow from approximately USD 3.8 billion in 2010 with a compound annual growth rate (CAGR) of approximately 10% to USD 5.7 billion in 2014.

#### **1.5 Significant developments since 30 September 2010**

There have been no significant changes in the Dockwise group's financial or trading positions since 30 September 2010, which is the date to which the nine month financial information in this Prospectus has been prepared.

#### **1.6 Board of Directors**

Adri Baan (Chairman), André Goedée, Rutger van Slobbe, Tom Ehret, Danny McNease and Jaap van Wiechen serve as the current members of the board of directors of the Issuer (the "**Board of Directors**") and each a "**Director**").

#### **1.7 Management**

The Issuer's senior managers (the "**Senior Managers**") are André Goedée (Chief Executive Officer), Peter Wit (Chief Financial Officer), Rob Strijland (Chief Operating Officer), and Martin Adler (Chief Commercial Officer).

#### **1.8 Employees**

As of 30 September 2010, the Company employed the equivalent of 315 full-time employees. For further details, see "*Business of the Company – Employees*".

#### **1.9 Auditor**

KPMG Accountants N.V. ("**KPMG**") is the Company's independent auditor. KPMG is registered with the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*).

#### **1.10 Advisors**

The Royal Bank of Scotland N.V. is acting as Sole Global Co-ordinator and Sole Bookrunner ("**Sole Global Co-ordinator and Sole Bookrunner**") for the Rights Issue. Van Doorne N.V., Bingham McCutchen LLP, Advokatfirmaet Thommessen AS and Appleby are the Company's legal advisors. Freshfields Bruckhaus Deringer LLP has acted as legal advisor to the Sole Global Co-ordinator and Sole Bookrunner in connection with the Rights Issue. Nordea Bank Norge ASA and The Royal Bank of Scotland N.V. are acting as Subscription and Listing Agents (the "**Subscription and Listing Agents**") in the Rights Issue.

#### **1.11 Shares, share capital and major shareholders**

As of the date of this Prospectus, the Issuer's authorized share capital is USD 200,000,000 and the issued share capital is USD 103,218,900 divided into 20,643,780 common shares, each with a par value of USD 5.00. Following completion of the Rights Issue, the Issuer is expected to have an issued share capital of USD 126,427,555 divided into 25,285,511 Shares, each with a par value of USD 5.00.

The Shares are traded on Oslo Børs under the ticker DOCK and on Euronext Amsterdam under the ticker DOCKW. All Shares are registered in book-entry form with the Norwegian Central Securities Depository ("**VPS**") under ISIN BMG2786A1062 and in Euroclear Nederland, the Dutch centralized securities custody and administration system (legal name: Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.) ("**Euroclear Nederland**") under ISIN BMG2786A2052.

The following table indicates which shareholders held a beneficial ownership of 5% or more of the Shares according to information available to the Issuer as of 22 November 2010.

Name of shareholder	Number of Shares	Percentage of Shares
HAL Investments B.V.....	3,612,676	17.5
Sankaty Advisors LLC.....	2,270,062	11.0
Project Holland Deelnemingen B.V.....	1,791,714	8.7
ODIN Forvaltning AS .....	1,137,368	5.5
<b>Top 4</b> .....	<b>8,811,820</b>	<b>42.7</b>
Other .....	11,831,960	57.3
<b>Total</b> .....	<b>20,643,780</b>	<b>100.0</b>

### 1.12 Certain relationships and related party transactions

The Company has entered into transactions with related parties in the period from 1 January 2007 to the date of this Prospectus. All such transactions have been entered into on arms' length terms. See "*Certain relationships and related party transactions*" for further details.

### 1.13 Summary of the principal terms and conditions of the Rights Issue

The following is a summary of the principal terms and conditions of the Rights Issue:

Rights Issue.....	Issue of 4,587,506 Offer Shares with Subscription Rights for Existing Shareholders for gross proceeds of EUR 77,987,602.
Reasons for the Rights Issue and use of proceeds .....	The net proceeds of the Rights Issue shall be used to pay down or otherwise reduce the Issuer's debt, and thereby facilitating the financing of the acquisition of a new Type 0 vessel (the " <b>Type 0 Vessel</b> ").
Conditions for the Rights Issue.....	The Rights Issue will be withdrawn if the Subscription Agreements are validly terminated.
Subscription Rights.....	<p>Each Existing Shareholder will be granted one Subscription Right for each Existing Share registered as held by such Existing Shareholder as of the end of the Record Date. Holders of Subscription Rights will be entitled to subscribe for and be allocated 2 Offer Shares for every 9 Subscription Rights held, provided that the holder is an Eligible Person. In respect of Subscription Rights registered in Euroclear Nederland, the Subscription Rights can only be exercised in multiples of 9, so that 1 to 8 Subscription Rights will not entitle the holder thereof to any Offer Shares. In respect of Subscription Rights registered in the VPS, the number of Offer Shares allocated will be rounded down to the nearest whole Offer Share, so that 5 to 8 Subscription Rights will entitle the holder thereof to 1 Offer Share.</p> <p>Ineligible Persons may not subscribe for Offer Shares. Subscription Rights not used to subscribe for Offer Shares before the end of the Subscription Period will lapse without compensation, and will consequently be of no value.</p>
Offer Price .....	<p>The Offer Price is set at EUR 17 per Offer Share.</p> <p>Payment for Offer Shares allocated on the basis of Subscription Rights exercised in the VPS shall be made in NOK. The amount payable in NOK will correspond to the Offer Price of EUR 17 per Offer Share, such amount to be determined using the European Central Bank's exchange rate at 14:15 hours (CET) on 13 December 2010, and will be announced in the form of a stock exchange notification from the Issuer through Oslo Børs' information system.</p>

Trading in Subscription Rights .....	The Subscription Rights will be independently tradable and will from 09:00 hours (CET) on 29 November 2010 to 17:30 hours (CET) on 8 December 2010 be listed on Oslo Børs under the symbol "DOCK T" and on Euronext Amsterdam under the symbol "DOCKS".
Record Date .....	26 November 2010 as at 24:00 hours (CET) (i.e. shareholders who are registered in the Shareholder Register as of the end of 26 November 2010 will receive Subscription Rights).
Subscription Period .....	From and including 29 November 2010 to 14:00 hours (CET) on 13 December 2010.
Subscription procedures .....	<p>For subscribers holding Subscription Rights registered in VPS, subscriptions for Offer Shares must be made by submitting a correctly completed VPS Subscription Form to Nordea Bank Norge ASA (the "<b>VPS Subscription and Listing Agent</b>") during the Subscription Period.</p> <p>Subscribers being Eligible Persons and holding Shares through a nominee will customarily be informed by the nominee of the number of Subscription Rights to which it is entitled. Each subscriber should instruct the nominee in accordance with the instructions received. The nominee will be responsible for collecting subscription instructions from the subscriber and for informing the Subscription and Listing Agent of the subscriber's subscription instructions. A subscriber should contact the nominee if it is an Eligible Person entitled to participate in the Rights Issue and exercise Subscription Rights to subscribe for Offer Shares but have received no information with respect to the Rights Issue.</p> <p>Over-subscription and subscription without Subscription Rights is not permitted.</p>
Allocation of Offer Shares.....	Allocation of the Offer Shares will take place on or about 14 December 2010 on the basis of Subscription Rights held at the expiry of the Subscription Period, which have been duly exercised by the holders thereof.
Payment and delivery of Offer Shares .....	<p>Payment will take place on 17 December 2010, following which the Offer Shares are expected to be delivered to the subscribers on or about 17 December 2010.</p> <p>Subscribers holding Subscription Rights through a financial intermediary should be aware that such financial intermediary may require payment to be provided by the subscriber prior to 17 December 2010.</p>
Listing and trading in Offer Shares .....	It is expected that trading in the Offer Shares will commence on Oslo Børs and Euronext Amsterdam on or about 17 December 2010.
Dilution.....	The Rights Issue, assuming full subscription, will result in an immediate dilution of approximately 18.2% for Existing Shareholders who do not participate in the Rights Issue.
Proceeds and expenses.....	The total fees and expenses related to the Rights Issue are estimated to amount to approximately EUR 3 million. Total net proceeds of the Rights Issue are estimated to amount to approximately EUR 75 million.
Subscription Agreements .....	Subscription of and payment for all Offer Shares in the Rights Issue is secured through (i) a subscription agreement between the Issuer and HAL, PHD and Sankaty dated 19 September 2010

(the “**Subscription Agreement**”) and (ii) short form subscription agreements between the Issuer and SKAGEN Vekst Verdipapirfond and SKAGEN Vekst III Verdipapirfond (jointly, “**Skagen**”) dated 1 October 2010 (the “**Short Form Subscription Agreements**”, and together with the Subscription Agreement, the “**Subscription Agreements**”).

Trading symbols ..... Oslo Børs – Shares: “DOCK”; Oslo Børs – Subscription Rights: “DOCK T”; Euronext Amsterdam – Shares: “DOCKW”; Euronext Amsterdam – Subscription Rights: “DOCK S”.

International Securities

Identification Number (ISIN) ..... Shares in the VPS: ISIN BMG2786A1062; Subscription Rights in the VPS: ISIN BMG2786A1229; Shares in Euroclear Nederland: ISIN BMG2786A2052; and Subscription Rights in Euroclear Nederland: ISIN NL0009637818.

## 1.14 Summary of risk factors

### ***Risks Related to the Industry***

- The Company’s business is dependent on capital expenditures by oil and gas companies for exploration and production of oil and gas fields.
- The Company operates in markets, such as P&M and the military, in which demand can be uncertain.
- The Company operates in a marine environment, which is subject to the forces of nature as well as environmental and climatological risks that could cause damage to, loss of, or suspension of operations of the Company’s vessels and could result in reduced levels of offshore activity.
- Piracy could have a material negative impact on the markets in which the Company operates.
- War, military actions, sabotage or terrorist attacks could have a material negative impact on the markets in which the Company operates.
- Uncertainty in the global economy and in financial markets may expose the Company to a risk of limited availability of funds and may limit the Company’s ability to recapitalize.
- Implementation of environmental taxes or regulations may increase the Company’s taxation or other costs or limit the Company’s ability to operate.

### ***Risks Related to the Company***

- The Company has a significant amount of third party indebtedness.
- The Company’s financing agreements contain change of control provisions, the breach of which would cause repayment obligations or obligations to pay penalties for the Company.
- The Company’s vessels may suffer damage in the course of loading, transporting or discharging cargo.
- The Company could face additional supply of vessels in the heavy marine transport industry that could materially adversely affect the Company’s competitive position and the rates it can charge for its services.
- The Company may fail to successfully expand both its transportation and installation of offshore structures and onshore modules businesses or to manage the risks associated with operating such businesses.
- The continued growth and success of the Company’s business depends on its ability to attract, integrate, retain and incentivize the Senior Managers and other qualified personnel.
- The Company may fail to comply with various environmental, health, security and safety laws, to maintain regulatory permissions or approvals, or to obtain any necessary waivers from such laws, regulations and standards.
- The Company may fail to obtain permits and licenses necessary to conduct business in the countries in which it does business.
- The Company may fail to secure certain pre-qualifications required by certain customers.

- The Company may be closed out of certain business opportunities due to political pressures and “local content” requirements.
- The Company’s insurance policies may not cover or not adequately reimburse the Company for losses or liabilities it may incur.
- The Company may selectively seek acquisitions in the future, which could expose the Company to significant business risks.
- The Company may become subject to government litigation, regulatory activity or investigation with respect to its market position that could limit the Company’s scope of business.
- The Company may fail to maintain the “in class” status of one or more of its heavy marine transport vessels.
- The Company may fail to estimate effectively risks, costs or timing when bidding on contracts and to manage such contracts efficiently which could have a material adverse impact on the profitability of the Company.
- The Company may not be able to respond effectively to the time frames associated with bidding and winning short term heavy marine transport contracts.
- The Company will from time to time be involved in disputes and legal proceedings.
- The Company’s business involves complex shipping, engineering and project management tasks that require subjective analysis and estimates that are subject to inaccuracy and misjudgement.
- The Company is dependent on certain third parties. This dependence exposes it to operational disruptions, liability arising from delays and reputational risk if the Company cannot satisfactorily manage these third parties’ performance or maintain their relationships with the Company.
- The Company could receive inaccurate information from its customers regarding technical specifications and timing for its contracts.
- The Company may fail to keep pace with technological changes.
- The Company may face risks of disruption in information technology and operating systems.
- Equipment and mechanical failures could increase the costs, impair revenues and result in penalties for failure to meet project completion requirements.
- The Company may not be successful in realizing revenue it has planned for in its backlog.
- The Company’s operations expose it to political, economic and financial risks associated with emerging markets.
- The Company engages in contracts with state-owned companies that can be subject to different risks, due to political shifts and difficulties in enforceability, than contracts with other international companies.
- The Company may have difficulties negotiating and collecting on sums due from customers, claims and variation orders.
- The Company is affected by interest rate fluctuations.
- The Company is exposed to currency exchange rate risks.
- The final determination of the Company’s tax liability may be materially different from what is reflected in the Company’s income tax provisions and related balance sheet accounts.

***Risks related to the new build of the Type 0 Vessel***

- The Company is dependent on certain third parties in designing and constructing the Type 0 Vessel, which exposes it to schedule, quality, financial and reputational risk if the Company cannot manage these third parties’ performance or maintain their relationships with the Company in a satisfactory manner.
- The Company may have to decide to convert a vessel on top of building the Type 0 Vessel.
- The Type 0 Vessel may prove not to fulfill the technical or operational assumptions.
- The Company may fail to obtain the “in class” status for the Type 0 Vessel or may fail to obtain other required permits to operate the vessel.

- The Company's financial assumptions in respect of the Type 0 Vessel may prove to be incorrect.

**Risks Related to the Rights Issue and the Shares**

- The Company is exposed to a settlement risk in respect of the Offer Shares and obligations under the Subscription Agreements.
- The market price of the Shares will fluctuate, and may decline below the Offer Price.
- The Company cannot assure investors that an active trading market will develop for the Subscription Rights and, if a market does develop, the market price of the Subscription Rights will be affected by the market price of the Existing Shares.
- Existing Shareholders may experience dilution as a result of the Rights Issue, which will be significant if they do not or cannot exercise their Subscription Rights in full.
- Investors that do not exercise their Subscription Rights will not receive any compensation for their unexercised Subscription Rights.
- Following completion of the Rights Issue, substantial share ownership will remain concentrated in the hands of certain Existing Shareholders, and future sales of Shares by such Existing Shareholders could have a material adverse effect on the market price of the Shares.
- Existing Shareholders in certain jurisdictions may not be able to exercise Subscription Rights and such shareholders' ownership and voting interests in the Issuer's share capital will accordingly be diluted.
- If securities or industry analysts do not publish research or reports about the Company's business, or if they adversely change their recommendations regarding the Shares, the market price and trading volume of the Shares could decline.
- The price of the Shares may be volatile.
- Holders of the Shares that are registered in a nominee account may not be able to exercise voting rights as readily as shareholders whose Shares are registered in their own names.
- The Issuer may be unwilling or unable to pay any dividends in the future.
- If the Rights Issue is withdrawn, the Subscription Rights will no longer be of value.
- It may be difficult for investors based in the United States to enforce civil liabilities predicated on U.S. securities laws against the Issuer, the Issuer's affiliates or the Directors and Senior Managers.
- Shareholders may be subject to exchange rate risk.

**1.15 Summary selected historical consolidated financial information**

*The following summary of consolidated financial information has been extracted from and should be read together with (a) the audited consolidated financial statements (including the notes thereto) of the Company for the years ended 31 December 2007, 2008 and 2009, including the auditor's reports, prepared in accordance with International Financial Reporting Standards and Interpretations, adopted by the International Accounting Standards Board as adopted by the European Commission for use in the European Union ("IFRS"), and (b) the unaudited condensed consolidated interim financial statements (including the notes thereto) of the Company for the nine months ended 30 September 2010, including the auditor's review report and the unaudited comparative financial information for the nine months ended 30 September 2009, prepared in accordance with IFRS, and (c) the unaudited condensed consolidated interim financial information of the Company for the three months ended 30 September 2010 with comparative unaudited financial information for the three months ended 30 September 2009, all of which are incorporated by reference into this Prospectus. For a detailed discussion of the presentation of the historical financial information of the Company, see "Presentation of financial and other information".*

*The summary consolidated financial information should be read in conjunction with "Management's discussion and analysis of financial condition and results of operations" and the consolidated financial statements and notes thereto incorporated by reference into this Prospectus. The results for the nine months ended 30 September 2010 are not necessarily indicative of results for the full year 2010. The summary consolidated financial information set forth below may not contain all of the information that is important to potential investors.*

### Consolidated income statement

The following table sets forth the Company's results of operations for the periods indicated.

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
	<i>(USD in millions)</i>						
<b>Revenue</b> .....	<b>290.1</b>	<b>456.6</b>	<b>478.0</b>	<b>359.8</b>	<b>316.2</b>	<b>113.9</b>	<b>108.9</b>
Direct costs .....	(214.7)	(281.5)	(315.1)	(217.6)	(231.9)	(76.5)	(73.4)
<b>Gross profit</b> .....	<b>75.5</b>	<b>175.1</b>	<b>162.9</b>	<b>142.1</b>	<b>84.3</b>	<b>37.3</b>	<b>35.5</b>
Other income .....	—	4.8	3.4	3.3	—	0.3	—
Administrative expenses .....	(54.0)	(50.3)	(53.9)	(37.4)	(34.3)	(10.9)	(11.6)
<b>Profit/(loss) from operations</b> .....	<b>21.5</b>	<b>129.6</b>	<b>112.4</b>	<b>107.9</b>	<b>50.0</b>	<b>26.7</b>	<b>23.9</b>
Financial income .....	5.6	2.7	2.6	1.2	0.9	0.0	0.2
Financial expenses .....	(102.0)	(85.4)	(77.0)	(55.3)	(35.9)	(18.1)	(10.9)
<b>Net financing costs</b> .....	<b>(96.4)</b>	<b>(82.8)</b>	<b>(74.4)</b>	<b>(54.1)</b>	<b>(35.0)</b>	<b>(18.1)</b>	<b>(10.7)</b>
<b>Profit/(loss) before income tax</b> .....	<b>(74.9)</b>	<b>46.8</b>	<b>38.1</b>	<b>53.8</b>	<b>15.0</b>	<b>8.7</b>	<b>13.2</b>
Income tax credit/(expense) .....	(0.9)	0.2	(1.5)	(1.4)	(0.4)	(0.6)	(0.1)
<b>Net profit/(loss) for the period</b> .....	<b>(75.8)</b>	<b>47.0</b>	<b>36.6</b>	<b>52.4</b>	<b>14.6</b>	<b>8.1</b>	<b>13.1</b>
<b>Attributable to:</b>							
Equity holders of the Issuer .....	(75.8)	47.0	36.6	52.4	14.6	8.1	13.1

### Consolidated balance sheet

The following table sets forth the Company's balance sheet as of the dates indicated.

	As of 31 December			As of 30 September	
	2007	2008	2009	2009	2010
	<i>(USD in millions)</i>				
Total non-current assets .....	1,453.4	1,624.5	1,544.2	1,567.6	1,496.9
Total current assets .....	149.8	129.2	142.7	103.8	174.6
<b>Total assets</b> .....	<b>1,603.2</b>	<b>1,753.7</b>	<b>1,686.9</b>	<b>1,671.3</b>	<b>1,671.5</b>
Total non-current liabilities .....	917.8	991.3	670.3	900.5	624.8
Total current liabilities .....	131.4	186.1	158.4	138.9	186.8
<b>Total liabilities</b> .....	<b>1,049.2</b>	<b>1,177.5</b>	<b>828.6</b>	<b>1,039.4</b>	<b>811.6</b>
<b>Total equity</b> .....	<b>554.0</b>	<b>576.2</b>	<b>858.3</b>	<b>631.9</b>	<b>859.9</b>
<b>Total equity and liabilities</b> .....	<b>1,603.2</b>	<b>1,753.7</b>	<b>1,686.9</b>	<b>1,671.3</b>	<b>1,671.5</b>

### Consolidated statements of cash flows

The following table sets forth the Company's cash flows for the periods indicated.

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
	<i>(USD in millions)</i>						
Net cash from/ (used in) operating activities .....	19.1	156.0	131.7	102.2	72.6	14.6	31.1
Net cash from/(used in) investing activities .....	(786.1)	(209.4)	(11.4)	(2.3)	(26.2)	(5.2)	(6.8)
Net cash from/(used in) financing activities .....	782.4	59.3	(89.8)	(94.6)	(46.4)	(35.0)	(11.9)
<b>Net increase/ (decrease) in cash and cash equivalents ...</b>	<b>15.5</b>	<b>5.9</b>	<b>30.5</b>	<b>5.4</b>	<b>(0.1)</b>	<b>(25.7)</b>	<b>12.4</b>
<b>Cash and cash equivalents at the end of the period .....</b>	<b>15.5</b>	<b>21.4</b>	<b>51.9</b>	<b>26.8</b>	<b>51.8</b>	<b>26.8</b>	<b>51.8</b>

### 1.16 Capitalization and indebtedness

The following table sets forth the Issuer's cash and consolidated capitalization as of 30 September 2010. In addition, the Issuer's cash and consolidated capitalization is presented as of such date on an as adjusted basis to give effect to the Rights Issue, with estimated net proceeds to the Issuer of USD 103.2 million<sup>2</sup>, after deducting estimated fees and expenses associated with the Rights Issue and assuming that these net proceeds and available cash on the balance sheet of USD 11.0 million, are used to pay down or otherwise reduce the Senior Credit Facilities with USD 110 million. Additionally, the payment of certain waiver and upfront lending fees and hedging costs has been included.

The information presented below should be read in conjunction with "Management's discussion and analysis of financial condition and results of operations", "Use of proceeds", and the consolidated financial statements and the notes related thereto incorporated by reference into this Prospectus.

<sup>2</sup> Based on a currency exchange rate of USD 1.37424 per EUR.

As of 30 September 2010

	Actual	As adjusted for the net proceeds of the Rights Issue and available cash on balance sheet
<i>(USD in millions)</i>		
<b>Capitalization and indebtedness</b>		
<b>Current debt:</b>		
– Guaranteed and secured .....	9.4	9.4
– Unguaranteed/unsecured .....	—	—
<b>Total current debt:</b> .....	<b>9.4</b>	<b>9.4</b>
<b>Non-current debt:</b>		
– Guaranteed and secured .....	624.8	516.3
– Unguaranteed/unsecured .....	—	—
<b>Total non-current debt<sup>1</sup></b> .....	<b>624.8</b>	<b>516.3</b>
<b>Shareholders' equity:</b>		
Share capital .....	103.2	126.4
Share premium and other legal reserve .....	783.0	863.0
Other reserves .....	(40.9)	(38.9)
Unappropriated profit/(loss) .....	14.6	9.6
<b>Total shareholders' equity</b> .....	<b>859.9</b>	<b>960.1</b>
<b>Total capitalization</b> .....	<b>1,494.1</b>	<b>1,458.8</b>
<b>Net financial indebtedness</b>		
A. Cash .....	40.8	29.8
B. Cash deposits .....	11.0	11.0
C. Trading Securities .....	—	—
<b>D. Liquidity (A) + (B) + (C)</b> .....	<b>51.8</b>	<b>40.8</b>
E. Current financial receivable .....	—	—
F. Current bank debt .....	—	—
G. Current portion of non current debt .....	9.4	9.4
H. Other current financial debt .....	—	—
<b>I. Current Financial Debt (F) + (G) + (H)</b> .....	<b>9.4</b>	<b>9.4</b>
<b>J. Net current financial indebtedness (I) – (E) – (D)</b> .....	<b>(42.4)</b>	<b>(31.4)</b>
K. Non-current bank loans .....	624.8	516.3
L. Bonds issued .....	—	—
M. Other non-current loans .....	—	—
<b>N. Non-current Financial Indebtedness (K) + (L) + (M)</b> .....	<b>624.8</b>	<b>516.3</b>
<b>O. Net financial indebtedness (J) + (N)</b> .....	<b>582.4</b>	<b>484.9</b>

1 This amount reflects bank borrowings of USD 624.8 million under the Senior Credit Facilities and includes capitalized bank fees of USD 10.5 million. Bank borrowings consist of total bank borrowings of USD 644.7 million minus current financial debt of USD 9.4 million and minus capitalized bank fees of USD 10.5 million. All of the Issuer's debt under the Senior Credit Facilities is secured and guaranteed by certain of the Issuer's subsidiaries.

### 1.17 Rounding

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

### 1.18 The Issuer's memorandum of association and Bye-Laws

Paragraph six of the Issuer's memorandum of association records the objects of the Issuer as (i) to carry on business as a holding company and to acquire and hold shares, stocks, debenture stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted or carry on business, and shares, stock, debentures, debenture stock, bonds, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, local authority or other public body, whether in Bermuda or elsewhere, and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient any of the Issuer's investments of the time being; and (ii) to acquire any such shares and other securities as are

mentioned in the preceding paragraph by subscription, syndicate participation, tender, purchase, exchange or otherwise and to subscribe for the same, guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.

The Issuer's memorandum of association and the Issuer's bye-laws (the "**Bye-Laws**") are available at both the registered office of the Company (Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda) and the head office of the Company (Lage Mosten 21, 4822 NJ Breda, the Netherlands).

#### **1.19 Documents incorporated by reference and documents on display**

For 12 months from the date of this Prospectus, the following documents (or copies thereof) may be physically inspected at both the registered office of the Company (Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda) and the head office of the Company, (Lage Mosten 21, 4822 NJ Breda, the Netherlands), and may be obtained free of charge by sending a request in writing, by fax (+ 31 76 5484290) or by email (fons.van.lith@dockwise.com):

- the Issuer's memorandum of association and Bye-Laws;
- the Company's 2007, 2008 and 2009 consolidated annual financial statements, including the auditor's report;
- the unaudited condensed consolidated interim financial statements (including the notes thereto), including the auditor's review report, for the Company for the nine months ended 30 September 2010 with comparative financial information for the nine months ended 30 September 2009;
- the unaudited condensed consolidated interim financial information for the three months ended 30 September 2010 with unaudited comparative financial information for the three months ended 30 September 2009; and
- the 2008 and 2009 annual financial statements for the Issuer's subsidiaries (to the extent such exist).

For documents that are incorporated in, and form part of, this Prospectus, see "*Documents incorporated by reference*".

## 2 RISK FACTORS

*Investing in the Issuer involves inherent risks. Potential investors should carefully consider each of the following risks and all of the information set forth in this Prospectus before deciding to invest in the Subscription Rights and/or the Offer Shares. The Issuer has no commercial operations of its own except those undertaken by its subsidiaries. If any of the following risks and uncertainties related to the Company develops into actual events, the Company's business, financial condition, results of operations, prospects or cash flows could be materially adversely affected. In that case, the trading price of the Subscription Rights and the Offer Shares could decline and potential investors may lose all or part of their investment. The order in which the individual risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of the severity or significance of individual risks. The risks described below are not the only risks facing the Company. Additional risks not presently known to the Company or risks that are currently deemed by the Company to be immaterial to its business, may in the future impair the Company's business operations and adversely affect the price of the Shares. This Prospectus also contains forward-looking statements that are based upon assumptions or estimates regarding future events, which are subject to risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements, including as a result of any of the risks faced by the Company described below. See "Cautionary note regarding forward-looking statements".*

### 2.1 Risks related to the industry

***The Company's business is dependent on capital expenditures by oil and gas companies for exploration and production of oil and gas fields.***

The Company's business depends largely upon the overall robustness of the oil and gas industry and the industry's willingness and ability to fund the exploration and production of oil and gas fields. Generally, within each regional market, the oil and gas industry is dependent upon various factors that are beyond the Company's control, including worldwide and domestic supplies of oil and natural gas, hydrocarbon prices, market conditions, the level of investment and spending on infrastructure projects, monetary, regulatory and other governmental policies that have the effect of encouraging or discouraging oil and gas consumption and demand, environmental regulation, macroeconomic factors and geopolitical stability.

Unfavourable developments with respect to any of these factors can have a significant negative impact on the demand for heavy marine transport services or transportation and installation services for offshore structures and onshore modules, both in terms of decreased volumes and price levels. Economic slow-downs in key national or regional markets may have a material adverse impact on the Company's business, results of operations, financial condition or prospects.

Offshore oil and gas exploration and development expenditures are also influenced by many other factors beyond the Company's control, including the prices of oil and gas and anticipated growth in global oil and gas demand; discovery rates of new offshore hydrocarbon reserves; economic feasibility of developing particular offshore oil and gas fields; political and economic conditions in areas where offshore oil and gas exploration and development may occur; governmental regulations regarding personnel and environmental protection and climate change policy, and the oil and gas industry as a whole and the ability of oil and gas companies to access or generate capital and the cost of such capital.

A significant amount of the Company's success in recent years has been due to increased growth in oil and gas exploration, development and production. As oil prices have dropped significantly from their peak in 2008, oil and gas companies' capital expenditures are not expected to continue to reach or grow beyond 2008 levels until 2012 at the earliest. Because the projects that the Company is involved in require years of planning and execution, decreases or increases in capital expenditures may not have an immediate impact. If the oil and gas exploration and development market does not grow at the rate anticipated by the Company, or at all, or if the market decreases in size, it would have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company operates in markets, such as P&M and the military, in which demand can be uncertain.***

The Company also provides heavy marine transport services for markets other than the oil and gas industry. These services are provided principally to military customers and P&M companies that require the transportation of floating and non-floating structures and vessels. The level of future demand for the Company's services can be very uncertain, because of trends in global trade and political volatility, and is subject to significant variation from year-to-year. For example, although in the past the U.S. military has retained the services of the Company in connection with moving military hardware, such as radar platforms and frigates, there can be no assurances that budgetary or security considerations, among other things, will not reduce or eliminate this market or prevent a non-U.S. company, such as the Company, from bidding for such work. Demand for the Company's yacht carrier services, which is a luxury business, is also sensitive to general global economic conditions. Such uncertainty and variability make it difficult to anticipate demand in these markets. There can be no assurance that these markets will grow or will be maintained at current levels. If one or more of these markets does not grow at the rate anticipated by the Company, or at all, or if the market decreases in size, it could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company operates in a marine environment, which is subject to the forces of nature as well as environmental and climatological risks that could cause damage to, loss of, or suspension of operations by the Company's vessels and could result in reduced levels of offshore activity.***

The Company's vessels and cargoes are subject to risks particular to marine operations, including capsizing, grounding, sinking, collision and loss and damage from severe weather, storms, fire, earthquakes, tsunamis or explosions. Any of the foregoing circumstances could result in damage to, or destruction of, vessels or equipment, personal injury and property damage, suspension of operations or environmental damage.

Litigation from any such event may result in the Company being named as a defendant in lawsuits asserting large claims. Moreover, the loss of any one vessel could result in the Company's inability to meet contract deadlines or improve vessel utilization, which could damage its relationships with key customers, result in opportunity costs to the Company and have a material adverse effect on its business, results of operations, cash flows, financial condition or prospects.

Furthermore, adverse weather conditions usually result in low levels of offshore activity. Additionally, during certain periods of the year, the Company's vessels may encounter adverse weather conditions such as hurricanes or tropical storms in areas such as the Gulf of Mexico. During periods of curtailed activity due to adverse weather conditions, the Company continues to incur operating expenses, but its revenues from operations are delayed or reduced.

Stricter safety and environmental protection requirements could lead to additional regulatory oversight and control with respect to offshore drilling, a potential ban or restriction on oil and gas exploration in certain offshore areas, particularly deepwater drilling, and an increase in insurance premiums for casualty insurance that may be more difficult to obtain. Any such development could reduce demand for the Company's services in the area, which could in turn have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***Piracy could have a material negative impact on the markets in which the Company operates.***

The Company's operations, and the markets in which it operates, could be limited by acts of piracy. Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Gulf of Aden off the coast of Somalia, and the Nigerian coast. Throughout 2009 and 2010, the frequency of piracy incidents increased significantly, particularly in the Gulf of Aden off the coast of Somalia. The Company operates near these areas of the world, in particular the Gulf of Aden and the Nigerian Coast. As a heavy marine transport company with slow-moving vessels, the Company is particularly vulnerable to these kinds of illicit activities. If these piracy attacks result in regions in which the Company's vessels are deployed being characterized by insurers as "war risk" zones or Joint War Committee "war and strikes" listed areas, as the Gulf of Aden temporarily was in June 2009, premiums payable for insurance coverage could increase significantly and such insurance coverage may be more difficult to obtain. Crew costs, including costs related to employing onboard security guards, could increase in such circumstances.

Although the Company takes measures to protect its crew, assets and cargo in markets that present these risks, including hiring consultants to train its crews to avoid such incidents and requesting military escorts, the Company's ability to prevent or repel such attacks is limited. The Company's business, at times, requires it to operate in areas that pose increased risk and it cannot ensure that an act of piracy will not affect its operations. If one of the Company's vessels were attacked by pirates, such attack could lead to harm to the vessel's crew as well as damage to the cargo or the vessel itself. An attacked vessel could be sunk or could be seriously damaged to the point that it is out of service for a lengthy period of time. The Company may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on its business, results of operations, cash flows, financial condition or prospects.

In addition, detention hijacking as a result of an act of piracy against the Company's vessels, or an increase in cost, or unavailability of insurance for the Company's vessels, could have a material adverse impact on the Company's business, results of operations, cash flows, financial condition or prospects.

***War, military actions, sabotage or terrorist attacks could have a material negative impact on the markets in which the Company operates.***

Acts of terrorism, sabotage and threats of armed conflicts in or around the various areas in which the Company operates could limit or disrupt the Company's markets and operations, including disruptions from evacuation of personnel, cancellation of contracts or the loss of personnel, cargo or assets. Armed conflicts, terrorism, sabotage and their effects on the Company or markets in which the Company operates may significantly affect the Company's business, results of operations, financial condition or prospects in the future.

The Company could experience increased costs related to the protection and security of its crew, cargo and vessels, increased insurance premiums, loss of time and higher transportation costs which the Company may not be able to charge in full, or at all, to its customers as a result of choosing alternative shipping routes. In addition, the Company could suffer from loss of revenue as a result of decisions to cancel certain transports in order to protect its crew, cargo, and vessels. If one or more of these risks should be realized, it could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***Uncertainty in the global economy and in financial markets may expose the Company to a risk of limited availability of funds and may limit the Company's ability to recapitalize.***

The heavy marine transport industry in which the Company operates is capital intensive and requires the availability of sufficient funds. Uncertainty in financial markets has affected the availability of credit and increased its cost, which has caused some lenders to impose a reduction in their credit exposures. Continuing global economic turmoil could make it more difficult for the Company to draw on its senior secured facilities, including its revolving credit facility with BNP Paribas Fortis Bank S.A./N.V. (UK Branch) as mandated lead arranger (the "**Senior Credit Facilities**") or other borrowings if the Company is unable to comply with applicable financial covenants. Actions by counterparties who fail to fulfill their obligations to the Company as well as the Company's inability to access new funding may impact its cash flow and liquidity, which could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects. Such turmoil could also affect the Company's ability to refinance its obligations or obtain new financing when the majority of the Senior Credit Facilities matures in 2015 and 2016.

The Company consistently monitors actual and forecasted future cash flow requirements to ensure that it has sufficient cash available on demand to meet expected operational expenses, including the servicing of financial obligations. However, the potential impact of unforeseeable circumstances, such as a further significant deterioration of economic conditions, natural disasters or the insolvency or financial difficulties of large customers or suppliers, may require the Company to raise additional capital. The current credit illiquidity could make it difficult for the Company to obtain additional financing on acceptable terms or at all, or increase the cost of obtaining credit, which could decrease profit margins, or jeopardize the Company's continued ability to operate.

***Implementation of environmental taxes or regulations may increase the Company's taxation or other costs or limit the Company's ability to operate.***

The Company is active worldwide and its vessels enter various different territorial waters as well as international ports to bunker, load or discharge cargos and it cannot rule out the possibility that

new environmental related tax and obligations, such as but not limited to CO<sub>2</sub> emission or new ballast water regulations, may be implemented in some or all of the jurisdictions in which it operates, which may influence the Company's business, results of operations, cash flows or prospects.

## **2.2 Risks related to the Company**

### ***The Company has a significant amount of third party indebtedness.***

The Company has a significant amount of third party indebtedness. A breach of the terms of the Senior Credit Facilities may cause the lenders to require repayment of the financing immediately and to enforce the security granted over substantially all of the Company's assets, including its vessels. If the Company is unable to comply with the terms of the Senior Credit Facilities and accordingly is required to obtain an amendment or waiver from its lenders relating to an existing or prospective breach of one or more covenants in its Senior Credit Facilities, the lenders may require the Company to pay significantly higher interest going forward and may also require the payment of a consent fee. In addition, if the Company's operating cash flows are not sufficient to meet its operating expenses and the debt payment obligations of the Company, the Company may be forced to do one or more of the following:

- delay or reduce capital expenditures;
- sell certain of its assets; or
- forego business opportunities, including acquisitions and joint ventures.

As of 30 September 2010, the Company had a total of USD 644.7 millions in indebtedness outstanding and shareholder's equity of USD 859.9 million. The Company incurred net finance costs of USD 74.4 million in the year ended 31 December 2009 and USD 35.0 million the nine months ended 30 September 2010. The Company's credit agreements include a number of operating and financial covenants and require the Company to maintain certain financial ratios addressing minimum cash flow, coverage of interest expense and overall leverage (net debt/EBITDA). In addition, the Company is required under the Senior Credit Facilities to make a prepayment of a portion of its free cash flow for the prior year, with the amount of the payment based on the level of the Company's leverage ratio (net debt/EBITDA) then in effect. These covenants and prepayment requirements could limit the Company's flexibility in planning for, and reacting to, competitive pressures and changes in its business, industry and general economic conditions and limit its ability to make strategic acquisitions and capitalize on business opportunities. Subject to the restrictions in its financing agreements, the Company may borrow money from time to time for working capital, capital expenditures, acquisitions or other purposes.

There can be no assurance that the Company's business will generate sufficient cash flow from operations or that future borrowings will be available in an amount sufficient to enable the Company to service its indebtedness or to fund its liquidity needs. Furthermore, if the Company is successful in expanding into the transportation and installation businesses, it will likely be required to enter into performance bonds or guarantees secured by letters of credit. By issuing letters of credit, the Company reduces the amount it can draw under its financing agreements and consequently its ability to fund its liquidity needs with borrowings. If the Company is unable to meet its debt service obligations, the Company may attempt to restructure or refinance its existing debt or seek additional funding. However, the Company may not be able to do so on satisfactory terms, if at all. Failure to do so could have a material adverse effect on its business, results of operations, cash flows, financial condition or prospects.

### ***The Company's financing agreements contain change of control provisions, the breach of which would cause repayment obligations or obligations to pay penalties for the Company.***

The Senior Credit Facilities include certain change of control provisions. A breach of these provisions will cause the Company to be required to repay its indebtedness under the Senior Credit Facilities and may require the Company to pay penalties unless otherwise is agreed with its lenders.

### ***The Company's vessels may suffer damage in the course of loading, transporting or discharging cargo.***

The Company's standard contract for its heavy marine transportation business provides for "knock-for-knock" liability, meaning that any damage done to any of the Company's vessels during the

execution of a contract is at the Company's risk and cost. Some of the damage that could be incurred by the Company may not be covered by the Company's insurance against damage to its vessels' hull and machinery. Furthermore, the Company is, in general, not insured for any consequential damages, such as loss of revenue or an inability to perform a later contract because of a vessel requiring repairs. If one or more of the Company's vessels suffers damage, sinks or becomes temporarily or permanently inoperable that is at the Company's risk and cost and may not, or is only partially, covered by the Company's insurance. In such event, the Company's business, results of operations, cash flows, financial condition or prospects could be materially adversely affected.

***The Company could face additional supply of vessels in the heavy marine transport industry that could materially adversely affect the Company's competitive position and the rates it can charge for its services.***

The Company operates in a market with certain barriers to entry and in general has good visibility as to its potential competition years in advance, but if there is an increase in the supply of heavy marine transportation vessels (through conversion or construction of new vessels), tugs and barges, customers may seek to deliberately delay confirming orders in anticipation of additional supply capacity.

The Company's services are provided in an open market characterized by a large number of potential customers and a relatively small number of suppliers. The demand for the Company's services may be volatile and variable for a number of reasons, including such factors as: reduced need for transportation of offshore structures and onshore modules; shorter transport distances for offshore structures; slowdown in economic activities; or other political and other factors. The number of heavy marine transportation vessels, tugs, barges and others supplying the market, and the number of companies supplying them, is rising in response to a gradual increase in market rates over the last few years.

Furthermore, alternatives to heavy marine transportation vessels, tugs and barges, may become more popular or more readily available. For example, tanker owners may seek to convert their vessels in order to enter the market. These investments may eventually drive transport rates down as newly available capacity catches up with demand. There is a risk that these additions or future additional supply will create an oversupply in the market, which may cause the Company to lay up vessels and which may have a negative impact on future rates.

***The Company may fail to successfully expand both its transportation and installation of offshore structures and onshore modules businesses or to manage the risks associated with operating such businesses.***

At the end of 2005, the Company decided to enter, as contractor, into the business of transporting and installing large complex offshore exploration, production and accommodation blocks, or modules or structures, using the float-over method, and the business of installing large complex onshore modules. Although since 2005, the Company has secured a number of contracts in the transportation and installation businesses and has successfully executed some projects in these businesses, no assurance can be given that the Company will be able to successfully further expand, market or manage the risks associated with these installation businesses. In particular, installing offshore structures and onshore modules, in addition to transporting them, involves greater and different technical, engineering, operational and other risks and uncertainties than the Company manages in its heavy marine transportation business. The Company has comparatively limited experience in the installation aspect of the transportation and installation businesses and any failure to successfully execute a transportation and installation contract could, among other things, have a negative impact on the Company's reputation as a transportation and installation contractor. To the extent that the Company fails to effectively manage its offshore or onshore transportation and installation businesses, the Company's business, results of operations, financial condition, cash flows or prospects could be materially adversely affected.

In addition, there is a possibility in both transportation and installation contracts for offshore structures and onshore modules that the Company might incur costs that it did not expect at the time of bidding, resulting in losses on fixed price contracts. Over the duration of the Company's fixed price contracts, the cost and gross profit realized on such contracts can vary from those expected because of changes beyond the Company's control including unanticipated technical problems, unanticipated changes in costs of components, materials or labour, project modifications or delays caused by local weather conditions. In particular, in the installation of large and complex

offshore structures and onshore modules, the Company relies more heavily on third party subcontractors than it does in its heavy marine transport business. The Company actively manages its subcontractors for quality assurance purposes. If any of the Company's subcontractors fails to perform its role satisfactorily or if the Company is unable to reach an agreement with a necessary subcontractor, it could have an effect on the Company's ability to fulfill its contracts which could have a material adverse effect on the Company's relationships with key customers or its business, results of operations, cash flows, financial condition or prospects.

***The continued growth and success of the Company's business depends on its ability to attract, integrate, retain and incentivise the Senior Managers and other qualified personnel.***

The Company's success depends upon the leadership and performance of the Senior Managers. The loss of one or more of the Senior Managers without adequate replacement could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

The Company is dependent upon its ability to attract and retain qualified technical, engineering, operations, project management, business development, managerial and marketing personnel, both onshore and offshore, and throughout the world. There can be no assurance that the Company will be successful in retaining these employees or in hiring new employees with corresponding qualifications. Limitations on the Company's ability to retain or hire and train the required number of personnel would reduce its capacity to undertake further contracts and may have a material adverse impact on its business, results of operations, cash flows, financial condition or prospects.

***The Company may fail to comply with various environmental, health, security and safety laws, to maintain regulatory permissions or approvals, or to obtain any necessary waivers from such laws, regulations and standards.***

The Company may incur substantial costs to comply with environmental, health, security and safety laws, regulations and standards, including obligations relating to spills and discharges of oil or other hazardous substances, ballast water management, air emissions, maintenance and inspection, development and implementation of emergency procedures, security and insurance coverage. For example, because most of the countries in which the Company operates, and in particular the United States and Australia, have strict regulations on preventing vessels with foreign ballast water from exchanging ballast water in their waters and harbours, the Company may incur significant costs in connection with ensuring that its ballast water meets appropriate standards. See "*Regulatory matters – Environmental regulations*". Although the Company believes it complies in all material respects with the environment, health, security and safety laws, regulations and standards to which it is subject, the Company could nonetheless face substantial liability under existing and future environmental, health, security and safety laws, regulations and standards for penalties, fines, damages and remediation costs associated with oil and other hazardous substance spills or other discharges involving its shipping operations or its reputation could be significantly damaged.

Changes in enforcement policies for existing laws, regulations and standards and additional laws, regulations and standards adopted in the future could limit the Company's ability to do business or further increase the cost of the Company doing business. In addition, in the future, the Company may have to alter existing equipment on, add new equipment to, or change operating procedures for, its vessels to comply with any changes in environmental, health, security and safety laws, regulations and standards or other equipment standards or to meet its customers' changing needs.

Finally, even if the Company is in compliance with relevant environmental, health, security, safety and other laws, regulations and standards, the ordinary course of operation of the Company's business involves certain inherent risks to the environment, its employees and others. The Company could incur substantial liability in the event of accidents, exposure to hazardous substances, spillages or other events resulting in injury or death, even if any such event is not as a result of any fault on the Company's part. The Company's expenses associated with these risks, if not covered or not completely covered by the Company's insurance, could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects. Any liability incurred by the Company, the increased costs of environmental compliance and damage to the Company's reputation could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

Furthermore, the Company's vessels are subject to varying environmental, health and safety laws, regulations and standards of each of the countries in which the Company operates. Consequently,

the Company, on a project-by-project basis, is required either to seek waivers from the requirements of such laws, regulations and standards or comply with them to execute such projects. Any failure to obtain such waivers or, in the absence of waivers, any failure to comply with such laws, regulations or standards could result in criminal and civil penalties being imposed on the Company, including being banned from certain jurisdictions or being unable to execute contracts, that could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company may fail to obtain permits and licences necessary to conduct business in the countries in which it does business.***

The Company's activities in the countries in which it operates or intends to operate are subject to permits, licences, regulations, approvals and/or waivers of governmental authorities, including those relating to operation, marketing, pricing and taxation matters. The Company's expansion into the transportation and installation of offshore structures and onshore modules businesses requires certain permits, licenses, regulations, approvals and waivers other than those it generally needs in connection with its heavy marine transportation business. The Company has limited control over whether or not such permits, licenses, regulations, approvals and waivers (or renewals thereof) are granted, the timing of obtaining (or renewing) such permits, licenses, regulations, approvals and waivers, the terms on which they are granted or the tax regime to which it will be subject. For example, expansion of the Company's activities to include an increase in engineering, logistical and other services may result in such services falling outside the tonnage tax regime applicable to the Company's transport services.

The Company is often reliant on its customers to obtain the permits, licenses, regulations, approvals and waivers necessary to conduct business in the customer's country. As a result, the Company may have limited control over the nature and timing of transport contracts. If the Company does not maintain its licenses, permits or other qualifications to provide its services, it may not be able to provide services to existing customers or be able to attract new customers and could lose revenue, which could have a material adverse impact on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company may fail to secure certain pre-qualifications required by certain customers.***

Certain of the Company's customers, such as major oil companies, require their suppliers to satisfy certain pre-qualifications before such suppliers are eligible to perform activities for such customer. Such pre-qualifications require the Company to meet certain predetermined standards with respect to the operation of its business, including maintaining high standards with respect to health and safety, organisation of its business, administration and reporting. These standards are regularly audited by the Company's customers. Should the Company not satisfy the pre-qualification standards or should the customer unilaterally amend such pre-qualification standards in such a manner that the Company no longer satisfies the pre-qualification standards, the failure to pre-qualify could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company may be closed out of certain business opportunities due to political pressures and "local content" requirements.***

The Company operates and seeks contracts globally. Some countries, particularly in emerging markets, are subject to trade restrictions and some have national "local content" laws requiring that a minimum percentage of the costs of a project be spent within their country. These requirements can limit which contracts the Company can be successful at winning and, subsequently, negatively affect demand for the Company's services.

***The Company's insurance policies may not cover or not adequately reimburse the Company for losses or liabilities it may incur.***

The Company's operations involve numerous hazards. The operation of large ocean going vessels and the use of the heavy equipment necessary to load and prepare those vessels for transit involve inherent risks, including those of catastrophic loss, spills, personal injury and loss of life, maritime disaster, mechanical failure, fire, collision, stranding and loss of, or damage to cargo. In addition to losses caused by errors and accidents, the Company may also be subject to losses resulting from, among other things, piracy, war, terrorist activities, business interruption and weather events. Any of these events could result in the Company experiencing direct losses and

liabilities, loss of income, increased costs and reputational damage. There can be no certainty that the Company's insurance policies would be sufficient to cover all or even a portion of the cost of damages suffered from any of these events. For example, the Company cannot fully insure against pollution and environmental risks.

The Company also cannot adequately insure against expenses arising from acts of gross negligence. While the Company operates with well-trained and experienced crews, the Company cannot guarantee that inaccuracy or misjudgement, rising to the level of gross negligence, will not occur and if it does, the Company cannot guarantee that the expenses of such an event would be fully insured.

It is also possible that the Company could have difficulty maintaining insurance should it be subject to repeated events causing damages, or make numerous claims, or that the Company will be able to renew such insurance on commercially reasonable terms.

In addition, the Company could be liable for consequential damages, should it fail to cancel a contract within the contractually agreed upon period and should such failure result in material damage to the customer's business or operations. In the case of heavy marine transportation of a rig or oil platform or in connection with a float-over operation, such damages could be substantial. Although the Company excludes consequential damages in its contracts, there can be no assurance that a court might not award such damages or that the Company's insurance would cover such damages.

If the Company's insurance is insufficient to cover large claims and liabilities, its assets, including its vessels, could be subject to attachment, seizure or other judicial processes, which could have a material adverse effect on its business, results of operations, cash flows, financial condition or prospects.

***The Company may selectively seek acquisitions in the future, which could expose the Company to significant business risks.***

The Company's ability to consummate and to integrate effectively any future acquisitions on terms that are favourable to it may be limited by the number of attractive acquisition targets, internal demands on its resources and its ability to obtain financing on satisfactory terms, if at all. Future acquisitions could result in the incurrence of additional debt, costs and contingent liabilities, all of which could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects. The Company may also incur costs and divert management attention for acquisitions which are never consummated. Integration of acquired operations may also take longer, or be more costly or disruptive to the Company's management and business, than originally anticipated. It is also possible that expected synergies from future acquisitions may not materialize. The Company's ability to implement and realize the benefits of its strategy may also be affected by a number of factors beyond its control, such as operating difficulties, increased operating costs, regulatory developments, general economic conditions, increased competition or the inability to obtain adequate financing for its operations on suitable terms. The Company's failure to effectively address any of these issues could adversely affect its business, results of operations, cash flows, financial condition or prospects.

***The Company may become subject to government litigation, regulatory activity or investigation with respect to its market position that could limit the Company's scope of business.***

Due to the Company's market position and the consolidated nature of the heavy marine transport industry, the Company is subject to close scrutiny from government agencies in the jurisdictions in which it operates, including in the United States and the Netherlands. Some jurisdictions also provide private rights of action for competitors or customers to assert claims of anti-competitive conduct.

Governmental regulatory actions, investigations, court decisions or the rulings of other competent authorities, or private actions, relating to or as a consequence of the Company's market position may hinder the Company's ability to provide heavy marine transportation services to its customers, thereby reducing the Company's revenue. Legal actions relating to anti-competitive conduct in some jurisdictions could be initiated at any time and, in addition to the negative consequences to the Company's business, may or may not result in fines, penalties or restrictions on the Company's ability to conduct its business, operationally or geographically.

The outcome of such actions could have a material adverse effect on the Company in a variety of ways, including:

- causing the Company to withdraw or restrict the availability of its services from certain jurisdictions;
- complying with government requirements and legally required limitations with regards to providing services may cause confusion that harms the Company's reputation; and
- limiting the Company's ability to acquire new vessels, make additional strategic investments or acquisitions, or otherwise limit the Company's ability to grow.

In addition, government agencies could require the Company to divest some of its vessels or other assets, or amend the prices it charges to customers. If one or more of these risks should materialize, it could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company may fail to maintain the "in class" status of one or more of its heavy marine transport vessels.***

Every oceangoing vessel must be "classed" by a classification society that has been approved by the vessel's flag state. Classification societies certify that a vessel is "in class", signifying that the vessel has been built and maintained in accordance with the rules of the classification society. Compliance with conditions of class may involve extensive repairs and lengthy dry-docking. In particular, if a classification surveyor finds that the thickness of the hull or other structures of any of the Company's vessels is less than required by the classification society rules, the classification society will require steel renewal. Aging vessels and vessels experiencing excessive wear and tear may require extensive steel renewal as a condition of class. Steel renewal is expensive and may involve lengthy dry-docking. If steel renewal is required for any of the Company's vessels, the Company would incur substantial expenditure in order to continue using those vessels. If any of the Company's vessels do not maintain an "in class" status, those vessels cannot be used which could result in a substantial decrease in the Company's business, results of operations, cash flows, financial condition or prospects. Moreover, it could result in the Company being in violation of certain covenants in the Senior Credit Facilities. Should the Company fail to maintain the "in class" status of one of its vessels, the subsequent delays for repair of the vessel, the costs and the disruption to the business could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company may fail to estimate effectively risks, costs or timing when bidding on contracts and to manage such contracts efficiently which could have a material adverse impact on the profitability of the Company.***

The success of the Company will depend on identifying key issues and risks with respect to potential projects and ensuring that the contractual arrangements in relation to each project adequately safeguard the Company against such risks. The Company must continue to manage risks efficiently as well as adapt to developing circumstances during the life of a project. Such issues and risks can include, but are not limited to, the pricing and availability of raw materials, labour costs, wage inflation, and the cost of capital maintenance or replacement of assets. Unanticipated increases in costs in relation to these and other areas may reduce operating profit to the extent that such increases cannot be passed on to customers. For substantially all of its contracts, the Company is required to deliver projects in accordance with agreed delivery schedules. Significant financial consequences can be imposed when a project is not delivered on time or at all. While the identification of key risks, the estimation of costs and the establishment of appropriate deadlines in relation to such contracts is an inherent part of the Company's business, the length and complexity of such projects means that management's estimates can be particularly difficult to make and could turn out to be potentially inaccurate. If the risk management strategies employed by the Company fail to identify key risks or accurately estimate costs and timetables, or do not adapt quickly enough to new risks or other changes in the market, this could have a material adverse impact on the profitability of the Company.

***The Company may not be able to respond effectively to the time frames associated with bidding and winning short term heavy marine transport contracts.***

As a result of the current recession, many of the global oil companies have reduced or delayed their investments into the development of new oil fields and have increasingly focused on

managing their supplier costs. The focus on costs and the current utilization of offshore drilling rigs has led to tighter time frames to respond to tenders for new drilling contracts made by such global oil companies. The Company has faced and may continue to face reduced time to respond to tenders, such as those made by drilling companies for the transport of offshore drilling rigs to different locations. The Company's fleet size gives it flexibility relative to its competitors, but with a shift to the short term market, the Company has experienced and may continue to experience reduced visibility with regard to future mandates in its pipeline. The reduced time frames for new mandates may affect the Company's ability to efficiently utilise its vessels and may, together with any inability by the Company to timely respond to tenders to move drilling rigs, result in loss of revenue for the Company. These circumstances could materially adversely affect the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company will from time to time be involved in disputes and legal proceedings.***

The Company will from time to time be involved in disputes and legal proceedings. Such disputes and legal proceedings may be expensive and time-consuming, and could divert management's attention from the Company's business. Furthermore, legal proceedings could be ruled against the Company and the Company could be required to, among other things, pay damages, halt its operations, stop its expansion projects, stop the provision of its services, etc., which can consequently have a significant negative impact on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company's business involves complex shipping, engineering and project management tasks that require subjective analysis and estimates that are subject to inaccuracy and misjudgement.***

The contracts undertaken by the Company, in particular transportation and installation of offshore structures and onshore modules projects, often require the Company's engineers, project managers and crew to execute complex and demanding tasks that are frequently novel. These activities, involve subjective analysis and estimates that are subject to inaccuracy and misjudgements that can be sufficiently significant so as to jeopardize the successful execution of the project. While the Company has sought to identify areas of potential inaccuracies and misjudgements and has made corrections when such inaccuracies and misjudgements have been identified, the Company cannot ensure that human error will not affect its operations. Inaccuracies and misjudgements, whether in connection with operating one of the Company's vessels or in connection with unloading, installing or executing another complex engineering task, could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company is dependent on certain third parties. This dependence exposes it to operational disruptions, liability arising from delays and reputational risk if the Company cannot satisfactorily manage these third parties' performance or maintain their relationships with the Company.***

The Company relies on the services of independent subcontractors to meet its operational needs, including the provision of crew and maintenance for its vessels. For example, the Company depends on Anglo-Eastern to provide the crews for the Company's heavy marine transportation vessels and for maintaining the heavy marine transportation vessels. The Company expects to rely more heavily on third parties as it expands into the transportation and installation of offshore structures and onshore modules businesses, for services such as the chartering of remotely operated vehicles, anchor handles and climatological data. The Company cannot guarantee that it will be able to maintain relationships with these subcontractors in the future. If one of the Company's key subcontractors decides to terminate its relationship with the Company, the Company may experience difficulties in replacing the subcontractor with an equally qualified subcontractor, and it may be a number of months before such a replacement is found. Furthermore, the Company may be unable to secure the subcontractors necessary to support the Company's expansion into the transportation and installation of offshore structures and onshore modules businesses. If any of these risks materialises, the Company's business and operations may be subject to interruptions, liability arising from delays and its reputation may suffer if such interruptions interfere with the Company's ability to perform its contracts. In addition, if the services or products provided by the Company's subcontractors experience problems or disruptions, it could affect the Company's ability to grow its business with existing and future customers.

***The Company could receive inaccurate information from its customers regarding technical specifications and timing for its contracts.***

The Company depends on its customers to provide it with accurate information on their cargoes, timing of their readiness for loading and unloading, as well as other transportation and installation specifications. In the past, the Company has experienced damage to one of its vessels due to incorrect information received from a customer with regard to the technical specifications of a project. The Company is also impacted by inaccurate information as to when a project will be ready for transport. Such inaccurate information limits the Company's ability to plan its vessels' schedules. While the Company attempts to anticipate such problems, the Company's contracts, in accordance with market practice, do not generally provide for the consequential or other losses associated with such occurrences to be borne by the customer. Consequently, if one or more customers provide the Company with inaccurate or misleading information, the Company's operations could be impacted. Adjusting to inaccurate or misleading information could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company may fail to keep pace with technological changes.***

The Company must continuously develop new, and update existing, technologies. In addition, rapid and frequent technology and market demand changes can render existing technologies obsolete, requiring substantial new capital expenditures and write downs of assets. Furthermore, the technology employed by the Company's customers could evolve in such a way that forces the Company to keep pace. Any failure by the Company to anticipate or to respond adequately and timely to changing technology, market demands and client requirements could materially adversely affect the Company's business, results of operation, cash flows, financial condition or prospects.

***The Company may face risks of disruption in information technology and operating systems.***

The Company's operations are dependent on IT systems and other operating systems, as well as stable business solutions. Such systems may fail for a variety of reasons that may be outside the Company's control. Any failure or disruption to these systems or business solutions could materially harm the Company's ability to carry out its business operations and efficient services to its customers, which may have a material adverse effect on the Company's business, results of operation, financial condition, cash flows, or prospects.

***Equipment and mechanical failures could increase costs, impair revenues and result in penalties for failure to meet project completion requirements.***

The successful execution of contracts requires a high degree of reliability from the Company's vessels and equipment. Breakdowns add to the costs of executing a project and may also delay the completion of subsequent contracts scheduled to utilize the same vessels. The high utilization of the Company's heavy marine transport vessels reflects the Company's increased activity and also increases the potential for mechanical failures. If the Company experiences any equipment or mechanical failures with its major vessels, such problems could increase costs, impair revenues and result in penalties for failure to deliver or meet project completion requirements, which may have a material adverse impact on its business, results of operations, cash flows, financial condition or prospects.

***The Company may not be successful in realizing revenue it has planned for in its backlog.***

The U.S. dollar amount of the Company's revenue backlog is based on signed contracts and letters of intent that the Company has determined are likely to be performed. This backlog, however, may not be fully indicative of future revenues or earnings related to the performance of that work. During the course of any contract the expected future revenues under that contract are revised to reflect any agreed adjustments to the terms of the contract and contract extensions. Although the Company only includes revenues it expects to receive from signed contracts, cancellations, delays or scope adjustments to the contracts cannot be anticipated and are likely to occur. The revenue backlog may not be predictive of the Company's future sales, revenues or profitability for any given year because the revenue backlog extends over at least two financial years and gross margins may vary over time depending on future costs and the nature and pricing of projects included in revenue backlog. Additionally, the Company cannot fully predict when these expected future revenues will become actual revenues or when, or if, the work anticipated under the contracts will occur.

***The Company's operations expose it to political, economic and financial risks associated with emerging markets.***

The Company operates in various countries around the world, including emerging markets. Operating in emerging markets exposes the Company to the political, economic, legal, regulatory and social risks of those countries. These risks include potential instability in political, economic or financial systems, uncertainty arising from undeveloped legal and regulatory systems, corruption, civil strife or labour unrest and outbreaks of infectious diseases. The emerging markets in which the Company operates may have transportation, telecommunications and financial services infrastructures that present logistical challenges not associated with doing business in more developed markets. Any delays to the Company's operation could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company engages in contracts with state-owned companies that can be subject to different risks, due to political shifts and difficulties in enforceability, than contracts with other international companies.***

The Company enters into contracts with state-owned oil and gas companies. Contracts with these state-owned businesses can pose certain difficulties, such as political shifts in power or national security issues that are different than those which arise in dealings with international businesses. State-owned businesses have at times behaved, and may continue to behave, in ways that are not commercially expected. Changes in political regimes can lead to the new regime seeking to unwind, frustrate or unilaterally modify the terms of contracts. Any difficulty in managing these differences could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition or prospects.

***The Company may have difficulties negotiating and collecting on sums due from customers, claims and variation orders.***

Although the Company has a broad and diversified base of mainly tier 1 customers, it runs payment risks by customers due to for example insolvency of a customer or discussions on the quality or timely execution of the work by the Company. In the Company's ordinary course of business, it negotiates with customers to resolve claims for amounts in excess of the agreed contract price. The Company seeks to collect from customers for client-caused delays, demurrage, errors in specifications and designs, contract terminations and other causes of unanticipated additional costs. In addition, the Company negotiates with customers to resolve written changes in the provisions of a project contract, which may be initiated by either the customer or the Company. It is customary, when a variation to the project scope or specifications is required, that the Company continues to execute the project to completion, although it may not have reached a precise agreement with its customer as to the financial responsibilities for completing the project. The Company often tries to resolve such situations through negotiation with its customers, but delays or difficulties in resolving disputes may have a material adverse impact on the Company's business, results of operations, cash flows, financial condition or prospects.

After claims are negotiated and agreed, the Company still might experience difficulty collecting on sums due to it. The Company seeks to ensure that its services are provided to customers with an appropriate credit history in combination with requirements for various payment guarantees or prepayments and to some extent credit insurance. However, the continuing global economic contraction and dislocation in the financial markets has reduced visibility for credit risks related to counterparties, including customers and banks. The Company recognized limited losses on receivables at 31 December 2009 and at 30 September 2010. Even though the Company has taken precautions, it may experience increased losses in the future.

***The Company is affected by interest rate fluctuations.***

The Company is exposed to interest rate risk. Fluctuations in interest rates may affect the Company's interest expense on existing debt and the cost of new financing that the Company may seek. The Company's Senior Credit Facilities bear interest at a rate per year equal to the sum of LIBOR plus an applicable margin of between 1.25% and 4.50%. Although the Company uses interest rate swaps to mitigate a portion of this risk, fluctuations in interest rates may nonetheless affect the Company's interest expense on existing debt and the cost of new financing. If the Company is unable to secure swaps for the particular period or if a counterparty is in default of its obligations under an interest swap and the interest rate increases, the Company may not be able

to pay the higher interest payments on its debt or secure new financing at costs the Company can bear.

***The Company is exposed to currency exchange rate risks.***

The Company operates internationally and is exposed to currency risk, primarily to fluctuations in the U.S. dollar versus Euro, in respect of general and administrative expenses and assets and liabilities in currencies other than the entities' functional currencies. As the effects of this economic long-term exposure cannot be hedged using derivatives but only delay their effects, the Company ended its engagement in currency hedging in 2010. A sustained adverse development of the exchange rates between these currencies may have an adverse effect on the business, results of operations, cash flows, financial condition or prospects of the Company. Currency developments will affect translation to U.S. dollars of financial statements of entities with functional currencies other than U.S. dollars. For translation of profit and loss items, as well as capital expenditure, the Company uses average monthly exchange rates as an approximation to the exchange rates at the dates of the transactions. If exchange rates fluctuate significantly, the use of the average rate for a period may be inappropriate. The currency exchange rate risk resulting from possible fluctuations in EUR versus U.S. dollar has been hedged in respect of the net proceeds of the Rights Issue.

***The final determination of the Company's tax liability may be materially different from what is reflected in the Company's income tax provisions and related balance sheet accounts.***

The Company is involved in business activities in various jurisdictions. When computing its tax obligations in these jurisdictions, the Company is required to take various tax and accounting positions on matters that are not entirely free from doubt and for which the Company has not received rulings from the relevant authorities. There is a risk that local tax authorities in the relevant jurisdictions will not agree with the positions taken by the Company, something which may lead to an increased tax cost for the Company. In addition, the manner in which the operations and the ownership of the different legal entities in the Company's group is structured may have tax implications for the Company and its shareholders.

### **2.3 Risks related to the new build of the Type 0 Vessel**

***The Company is dependent on certain third parties in designing and constructing the Type 0 Vessel, which exposes it to schedule, quality, financial and reputational risk if the Company cannot manage these third parties' performance or maintain their relationships with the Company in a satisfactory manner.***

The Company relies and will rely on the services of independent subcontractors for design, testing, procurement, quality inspection, project management and the actual building of the Type 0 Vessel, including the provision of crew and maintenance. Most importantly, the Company will depend on a fabrication yard, with whom a contract needs to be concluded, which may be located in a developing nation, to complete the Type 0 Vessel within the agreed budget, quality standards and time. Different interpretations with regard to agreements, scope, quality standards, engineering drawings, procurement requirements or lead times may arise with these third parties, potentially compromising quality, delaying the scheduled delivery of the vessel and causing cost overruns. The Company cannot guarantee that it will be able to maintain its relationships with its subcontractors for the duration of the project, the performance of these subcontractors or that no force majeure event will take place in the country, region, town or location of the yard. If one of the Company's key subcontractors for the project decides to terminate its relationship with the Company, the Company may experience difficulties in replacing the subcontractor with an at least equally qualified subcontractor, and it may be a number of months before such a replacement is found, potentially compromising quality, delaying the scheduled delivery of the Type 0 Vessel and causing cost overruns. Furthermore, the Company may be unable to secure the (sub)contractors or a yard necessary to timely finish the Type 0 Vessel.

If any of these risks materializes, the Company's plans for the Type 0 Vessel may be subject to delay, interruptions and liability arising there from, and the Company's reputation may suffer if such interruptions interfere with the Company's ability to perform its contracts. In addition, if the services or products provided by the Company's subcontractors experience problems or disruptions, it could affect the Company's ability to expand its business with existing and future customers.

***The Company may have to decide to convert a vessel on top of building the Type 0 Vessel.***

Following the occurrence of certain of the Type 0 Vessel specific risks as described in this Prospectus, leading to a delay of the delivery of the vessel or the Company being otherwise unable to use the vessel, the Company may have to decide to convert one of its vessels to be able to fulfill contractual transportation obligations, which were scheduled to be performed with the Type 0 Vessel. Such conversion shall – depending on the vessel and the required conversion – lead to a minimum capital expenditure of USD 35 million. Moreover, should timely conversion of any of its other vessels not be feasible or should such other potential vessels have been committed for other contracts in the period concerned, the Company could be in breach of (a) transportation contract(s) with any of its clients. If any of these risks materializes such may have a material adverse impact on the Company's results of operations, cash flows, reputation, financial performance or prospects.

***The Type 0 Vessel may prove not to fulfill the technical or operational assumptions.***

The Company's technical or operational assumptions with regard to the Type 0 Vessel's seagoing behaviour, ballasting, loading and unloading operability and load carrying capacity may prove to be incorrect. Specifically, the type of very heavy cargo that the Company expects the Type 0 Vessel to be suitable for, may prove impossible to transport. Failure to fulfill the Company's technical or operational assumptions could have a material adverse impact on the Company's results of operations, cash flows, financial performance or prospects.

***The Company may fail to obtain the "in class" status for the Type 0 Vessel or may fail to obtain other required permits to operate the vessel.***

Like all ocean going vessels, the Type 0 Vessel must be "classed" by a classification society approved by the vessel's flag state. Compliance with conditions of class may involve extensive changes to the design, rework, repairs and lengthy dry-docking, which could lead to cost and schedule overruns and/or diminished operational functionality of the vessel. If the Company does not obtain, or fails to maintain "in class" status for the Type 0 Vessel, the Company will not be able to use the vessel, which could result in a substantial decrease in the Company's results of operations, cash flows, financial performance or prospects. Moreover, it could result in the Company being in violation of certain covenants in the Senior Credit Facilities.

***The Company's financial assumptions in respect of the Type 0 Vessel may prove to be incorrect.***

The economic assumptions made by the Company with regard to the revenue, capital expenditure and operational cost for the Type 0 Vessel may prove to be incorrect. Specifically, the expected market for the Type 0 Vessel may prove not to exist or to be smaller in size than estimated by the Company or to cannibalize on existing capacity and a contract for employing the vessel may be cancelled or delayed. Such events may have a material adverse impact on the Company's results of operations, cash flows, financial performance or prospects.

## **2.4 Risks related to the Rights Issue and the Shares**

***The Company is exposed to a settlement risk in respect of the Offer Shares and obligations under the Subscription Agreements.***

Payment for the Offer Shares to be issued in the Rights Issue is due on 17 December 2010. Although the subscription of, and payment for, the Offer Shares is secured through the Subscription Agreements between the Issuer and certain of the Existing Shareholders, and the Company is confident that the proceeds will be received from such Existing Shareholders according to their signed commitments, the risk cannot be excluded that any or all of these Existing Shareholders could claim that any of the terms in the Subscription Agreements is breached or could otherwise fail to pay for the Offer Shares on the due date. This could in turn have a material adverse impact on the Company's ongoing financial condition or prospects.

***The market price of the Shares will fluctuate, and may decline below the Offer Price.***

The market price of the Shares at the time of the Rights Issue may not be indicative of the market price of the Shares after the Rights Issue is completed. The market price of the Offer Shares that Eligible Persons will receive upon exercise of the Subscription Rights as well as the market price of the Shares may fluctuate significantly due to a change in sentiment in the market regarding the Company's business, results of operations, cash flows, financial condition or prospects. Such fluctuations may be influenced by the market's perception of the likelihood that the Rights Issue will

be completed and the extent to which Subscription Rights will be exercised for Offer Shares, which may vary with speculation in the media or the investment community, and the expectations and recommendations of analysts who cover the Company's business and industry. In turn, these may be affected by a number of factors, some of which are beyond the Company's control, including actual or anticipated changes in its performance, the performance of its competitors and other companies in the markets in which it operates, strategic actions by the Company's competitors (including acquisitions and restructurings), regulatory changes, large sales or purchases of the Shares (or the perception that such transactions may occur) and general market and economic conditions. Stock markets around the world have in recent years experienced significant price and volume fluctuations in connection with the global financial crisis and economic contraction. Securities quoted on Oslo Børs and/or Euronext Amsterdam have experienced significant volatility which has had an adverse impact on the market prices for securities and which may be unrelated to the actual performance or prospects of individual companies, such as the Company. The Company cannot assure potential investors that the market prices of the Shares will not decline below the Offer Price. Should this occur after a potential investor has exercised its Subscription Rights, the exercise of which cannot be withdrawn, cancelled or modified after having been received by the relevant Subscription and Listing Agent, the investor will suffer an immediate unrealised loss as a result. Moreover, the Company cannot assure a potential investor that, following the exercise of Subscription Rights, it will be able to sell the Shares at a price equal to or greater than the Offer Price.

***The Company cannot assure investors that an active trading market will develop for the Subscription Rights and, if a market does develop, the market price of the Subscription Rights will be affected by the market price of the Existing Shares.***

The trading period for the Subscription Rights on Oslo Børs and Euronext Amsterdam is set from 09:00 hours (CET) on 29 November 2010 until 17:30 hours (CET) on 8 December 2010. Prior to the Rights Issue there has been no market for the Subscription Rights. The Company cannot assure investors that an active trading market in the Subscription Rights will develop on Oslo Børs or Euronext Amsterdam during that period. The Subscription Rights are expected to have an initial value that is lower than the Existing Shares and will have a limited trading life, which may impair the development of an active trading market. In addition, the price at which Subscription Rights may trade on Oslo Børs and Euronext Amsterdam will be subject to the same risks which affect the market price of the Shares as described in these "Risk factors". Accordingly, the market price of the Subscription Rights may be highly volatile. Moreover, the Subscription Rights registered in the VPS will be trading in NOK on Oslo Børs and will thus be exposed to currency fluctuations towards the Euro.

***Existing Shareholders may experience dilution as a result of the Rights Issue, which will be significant if they do not or cannot exercise their Subscription Rights in full.***

The proportionate ownership and voting interest in the Issuer of an Existing Shareholder, being an Eligible Person, that fails to exercise its Subscription Rights in full by the end of the Subscription Period as part of the Rights Issue, or of an Existing Shareholder, being an Ineligible Person, will be significantly reduced and the percentage of the Issuer's enlarged share capital that the Existing Shares will represent, will accordingly be significantly reduced. If an Existing Shareholder elects to sell rather than exercise its Subscription Rights, the consideration the Existing Shareholder receives may not be sufficient to compensate the Existing Shareholder fully for the dilution of its percentage ownership of the Issuer's share capital that will result from the Rights Issue. See also "The Rights Issue".

***Investors that do not exercise their Subscription Rights will not receive any compensation for their unexercised Subscription Rights.***

The Subscription Period in the Rights Issue commences at 09:00 hours (CET) on 29 November 2010 and expires at 14:00 hours (CET) on 13 December 2010. Eligible Persons and, if applicable, financial intermediaries acting on their behalf, must act promptly to ensure that all required exercise instructions are actually received by the relevant Subscription and Listing Agent before the expiration of the Subscription Period. Eligible Persons who fail or whose financial intermediary fails to correctly follow the procedures that apply to the exercise of Subscription Rights may be unable to exercise the Subscription Rights by the end of the Subscription Period.

***Following completion of the Rights Issue, substantial share ownership will remain concentrated in the hands of certain Existing Shareholders, and future sales of Shares by such Existing Shareholders could have a material adverse effect on the market price of the Shares.***

A significant portion of the Shares and the voting rights in the Issuer is concentrated in the hands of certain Existing Shareholders. For further details, see “*Principal Shareholders*”. Consequently, these larger Existing Shareholders may be in a position to exert significant influence over or determine the outcome of matters requiring approval of the Issuer’s shareholders, including appointments to the Board of Directors and the approval of significant transactions. The interests of these larger Existing Shareholders may differ from the interests of other shareholders. As a result, the larger Existing Shareholders’ interests in the Issuer’s voting capital may permit them to effect certain transactions without other shareholders’ support, or delay or prevent certain transactions that are in the interests of other shareholders, including an acquisition or other change in control of the Company’s business, which could prevent other shareholders from receiving a premium on their Shares. The market price of the Shares may decline if the larger Existing Shareholders use their influence over or control of the Issuer’s voting capital in ways that are adverse to other shareholders.

***Existing Shareholders in certain jurisdictions may not be able to exercise Subscription Rights, and such shareholders’ ownership and voting interests in the Issuer’s share capital will accordingly be diluted.***

The securities laws of certain jurisdictions may restrict the Company’s ability to allow shareholders to participate in offerings of the Issuer’s securities. Accordingly, Existing Shareholders with registered addresses, or who are resident or located, in certain jurisdictions will not be eligible to exercise Subscription Rights as part of the Rights Issue, in which case the Subscription Rights will lapse without compensation, subject, however, to the procedures set out in further detail in “*The Rights Issue*”. As a result, Existing Shareholders with registered addresses or who are resident or located in such jurisdictions will experience substantial dilution of their ownership and voting interests in the Issuer’s share capital. The Sole Global Co-ordinator and Sole Bookrunner will use commercially reasonable efforts to sell Subscription Rights on behalf of, and for the benefit of, Ineligible Persons and will pay the net proceeds from any such sales (after deduction of all costs incurred in connection with the sales) to the Ineligible Persons on a *pro rata* basis. See “*The Rights Issue*”.

In addition, the Issuer may in the future offer, from time to time, a stock dividend election to its shareholders, subject to applicable securities laws, in respect of future dividends. However, the Issuer may not permit shareholders with registered addresses or who are resident or located in certain restricted jurisdictions to exercise this election. Accordingly, shareholders in these restricted jurisdictions may be unable to receive dividends in the form of shares rather than cash and, as a result, may experience further dilution. See “*Other important information and restrictions*”.

***If securities or industry analysts do not publish research or reports about the Company’s business, or if they adversely change their recommendations regarding the Shares, the market price and trading volume of the Shares could decline.***

The trading market for the Shares will be influenced by the research and reports that industry or securities analysts publish about the Company’s business. If one or more of the analysts who cover the Company or its industry downgrade the Shares, the market price of the Shares would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on it, the Company could lose visibility in the financial markets, which could cause the market price of the Shares or trading volume to decline.

***The price of the Shares may be volatile.***

The market price of the Shares could be subject to significant fluctuations after the Rights Issue and may decline. Among the factors that could affect the price of the Shares are:

- the Company’s operating and financial performance, cash flows and prospects;
- quarterly variations in the rate of growth of the Company’s consolidated financial indicators, such as earnings per share, net income and revenues;
- changes in revenue or earnings estimates;
- publication of research reports by analysts;

- speculation in the press or investment community;
- strategic actions by the Company or its competitors, such as acquisitions or restructurings;
- sales of the Shares by shareholders;
- actions by institutional investors;
- fluctuations in oil and gas prices;
- general market conditions; and
- international economic, legal and regulatory factors unrelated to the Company's performance.

The equity markets in general have recently experienced extreme volatility unrelated to the operating performance of particular companies. These broad market fluctuations may have a material adverse effect on the price of the Shares.

***Holders of the Shares that are registered in a nominee account may not be able to exercise voting rights as readily as shareholders whose Shares are registered in their own names.***

Beneficial owners of the Shares that are registered in a nominee account (e.g. through brokers, dealers or other third parties) may not be able to vote on such Shares unless their ownership is re-registered in their own names prior to the Issuer's general meetings. The Issuer cannot guarantee that beneficial owners of the Shares will receive the notice for a general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote on their Shares in the manner desired by such beneficial owners.

***The Issuer may be unwilling or unable to pay any dividends in the future.***

Pursuant to the Issuer's dividend policy, dividends are only expected to be paid if its net debt/ EBITDA ratio falls below 2.5 and certain other conditions described in "*Dividends and dividend policy – Dividend Policy*" are fulfilled. In addition, the Company may choose not, or may be unable, to pay dividends in future years. The amount of dividends paid for a given financial exercise, if any, by the Issuer will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, the ability of the Issuer's subsidiaries to pay dividends to the Issuer, credit terms, general economic conditions and other factors that the Issuer may deem to be significant from time to time.

***If the Rights Issue is withdrawn, the Subscription Rights will no longer be of value.***

It is expected that the completion of the Rights Issue will take place on or about 17 December 2010. The Issuer has entered into the Subscription Agreements with certain of the Existing Shareholders, which agreements may be terminated under certain circumstances, see "*Rights Issue – Subscription Agreements*". The Rights Issue may be withdrawn if the Subscription Agreements are no longer in full force and effect at any time prior to the completion of the Rights Issue. If completion of the Rights Issue does not take place, whether or not as a result of (early) termination of the Subscription Agreements, the Rights Issue will be withdrawn.

If the Rights Issue is withdrawn, all Subscription Rights will lapse without value, subscriptions for, and allocation of, Offer Shares that have been made will be disregarded and any subscription payments will be returned without interest. Any such forfeiture of Subscription Rights would be without prejudice to the validity of any trades in Subscription Rights, and investors would not receive any refund or compensation with respect to Subscription Rights purchased in the market.

***It may be difficult for investors based in the United States to enforce civil liabilities predicated on U.S. securities laws against the Issuer, the Issuer's affiliates or the Directors and Senior Managers.***

The Issuer is an exempted limited liability company organised under the laws of Bermuda. All but one of the Directors and all Senior Managers reside outside the United States. All or a significant portion of the assets of these individuals are located outside the United States. Similarly, a substantial portion of the Company's assets is located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Issuer, its affiliates or its Directors and Senior Managers, or to enforce judgments obtained in the United States against the Issuer, its affiliates or its Directors and Senior Managers, including judgments based on the civil liability provisions of the U.S. federal securities laws.

***Shareholders may be subject to exchange rate risk.***

The Subscription Rights and the Offer Shares registered in the VPS will be quoted and traded in NOK, and the Subscription Rights and the Offer Shares registered in Euroclear Nederland will be quoted and traded in EUR. In addition, any dividends that the Issuer may pay will be declared and paid in U.S. dollars. Accordingly, shareholders may be subject to risks arising from adverse movements in the value of their local currencies against the EUR, U.S. dollar and NOK, which may reduce the value in their local currencies of the Subscription Rights or the Shares as well as that of any dividends paid.

### 3 STATEMENT OF RESPONSIBILITY

This Prospectus has been prepared in connection with the offer of Offer Shares through the Rights Issue and the subsequent admission of the Offer Shares to trading on Oslo Børs and on Euronext Amsterdam, as described herein.

The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

26 November 2010

**Adri Baan**  
Chairman

**André Goedée**  
Director and CEO

**Rutger van Slobbe**  
Director

**Danny McNease**  
Director

**Tom Ehret**  
Director

**Jaap van Wiechen**  
Director

## 4 OTHER IMPORTANT INFORMATION AND RESTRICTIONS

*It is expressly advised that an investment in the Offer Shares and/or trading in the Subscription Rights entails certain risks. Potential investors should therefore carefully review the entire contents of this Prospectus.*

*Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Subscription Rights and/or the Offer Shares.*

### 4.1 General

The offer and sale of the Subscription Rights and/or the Offer Shares to persons who have a registered address in, or who are resident or located in, or citizens of, a jurisdiction other than Norway or the Netherlands may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to accept, sell, purchase, exercise or transfer the Subscription Rights or subscribe for any Offer Shares. It is the responsibility of all persons outside Norway and/or the Netherlands who receive this Prospectus, an allocation of Subscription Rights (whether for administrative purposes or otherwise) or any Offer Shares to satisfy themselves as to full observance of the laws of the relevant jurisdiction, including obtaining all necessary governmental or other consents which may be required, observing all other requisite formalities needing to be observed and paying any issue, transfer or other taxes due in such jurisdiction.

No action has been or will be taken to register the Subscription Rights or the Offer Shares or otherwise to permit a public offering of the Offer Shares (pursuant to the exercise of Subscription Rights or otherwise) in any jurisdiction outside Norway and the Netherlands. Accordingly, no Subscription Rights or Offer Shares have been or will be offered or sold in or into the United States or any of the other Excluded Territories subject to certain exceptions. Only Eligible Persons may participate in the Rights Issue and exercise Subscription Rights to subscribe for Offer Shares.

Subject to certain exceptions, this Prospectus does not constitute or form part of an offer to issue or sell, or the solicitation or invitation of an offer to purchase or subscribe for Subscription Rights or Offer Shares in the United States or any other Excluded Territory, and, in those circumstances, any person who obtains a copy of this Prospectus is required to disregard it.

If any person receives a copy of this Prospectus in any jurisdiction other than Norway or the Netherlands, this person may not treat this Prospectus as constituting an invitation or offer to such person, nor should this person deal in Subscription Rights or Offer Shares unless, in the relevant jurisdiction, such an offer, solicitation or invitation could lawfully be made to such person and Subscription Rights or Offer Shares can lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements.

A copy of this Prospectus has been delivered to the Registrar of Companies in Bermuda for filing pursuant to section 26 (1) of the Companies Act (Bermuda) 1981 (as amended) (the “**Bermuda Companies Act**”). In accepting this Prospectus for filing, the Bermuda Registrar of Companies accepts no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed with regard to them.

No person in possession of this Prospectus, including financial intermediaries, brokers, custodians and nominees, may distribute, forward or transmit this Prospectus or any other materials relating to the Rights Issue, nor disclose any of their contents, to any person who does not qualify as an Eligible Person. If this Prospectus is forwarded to any other person (whether under a contractual or legal obligation or otherwise) the recipient’s attention should be drawn to the contents of this “*Other important information and restrictions*” section.

The comments set out in this section are intended as a general guide only. If a potential investor is in any doubt as to its position, such investor should consult its professional advisors.

If a potential investor is in the United States, such investor may not subscribe for any Offer Shares offered hereby unless such investor is a QIB. The Issuer reserves the right to grant the Subscription Rights and the Offer Shares that may be offered to, and subscribed for by, a limited number of Existing Shareholders in the United States reasonably believed to be QIBs, in offerings exempt from or in a transaction not subject to, the registration requirements under the U.S. Securities Act. Where proof has been provided to the Issuer’s satisfaction that the Offer Shares

are being subscribed for by a person that is, and each account for which it is acting is, or is acting on behalf of a person that is, a QIB, and that such exercise will not result in the contravention of any applicable regulatory or legal requirements in any jurisdiction, the Issuer may allow such exercise on the terms and conditions and subject to the requirements set out in “*The Rights Issue*”.

The Subscription Rights and the Offer Shares have not been and will not be registered under the securities laws of the United States or any other Excluded Territory and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption from, and in compliance with, any applicable securities laws.

All Existing Shareholders outside of Norway and the Netherlands and any person (including a nominee or trustee) who has a contractual or legal obligation to forward this Prospectus or, if and when received, any other document to the United States or any other Excluded Territory should read “*The Rights Issue*”.

Any payment paid in respect of Offer Shares that does not meet the foregoing criteria will be returned without interest.

#### **4.2 Exercise of Subscription Rights**

Only Eligible Persons will be entitled to exercise, sell or otherwise transfer Subscription Rights pursuant to the grant of Subscription Rights by the Issuer. Subscription Rights credited for administrative purposes to the securities account of any Existing Shareholder that is an Ineligible Person shall not constitute an offer of any Offer Shares to such Existing Shareholder and shall not confer any rights upon such Existing Shareholder, including the right to exercise, sell, or otherwise transfer such credited Subscription Rights. A financial institution may not acknowledge the receipt of any Subscription Rights, and the Issuer reserves the right to treat as invalid the exercise, purported exercise or transfer of any Subscription Rights which may involve a breach of the laws or regulations of any jurisdiction or if the Issuer or its agents believe that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

Exercise instructions or certifications sent from or postmarked in the United States or any other Excluded Territory will, subject to certain exceptions, be deemed to be invalid and the Offer Shares being offered in the Rights Issue will not be delivered to any address inside any of these jurisdictions. The Issuer, the Subscription and Listing Agents and the Sole Global Co-ordinator and Sole Bookrunner reserve the right to reject any exercise (or revocation of any exercise) in the name of any person that provides an address in the United States or any other Excluded Territory for acceptance, revocation of exercise or delivery.

Notwithstanding any other provision of this Prospectus, the Issuer reserves the right to permit the exercise of Subscription Rights if the Issuer in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. In any such case, neither the Issuer, the Sole Global Co-ordinator and Sole Bookrunner nor the Subscription and Listing Agents accept any liability for any actions that are taken or for any consequences that are suffered by an acceptance of the exercise of Subscription Rights.

#### **4.3 Eligible Persons**

Each Existing Shareholder and any subsequent transferee of the Subscription Rights, in each case which are able to give the representations and warranties set out below, is an Eligible Person with respect to the Rights Issue.

Each person who (i) delivers or otherwise transfers Subscription Rights (ii) exercises Subscription Rights, or (iii) purchases, subscribes for, trades or otherwise deals in Subscription Rights or the Offer Shares being granted or offered, respectively, in the Rights Issue, will be deemed to have given each of the following representations and warranties to the Issuer, the Sole Global Co-ordinator and Sole Bookrunner, the Subscription and Listing Agents and to any person acting on the Issuer's or their behalf, unless the Issuer, the Subscription and Listing Agents and the Sole Global Co-ordinator and Sole Bookrunner waive such requirement:

- (a) It was a shareholder in, and held Existing Shares of, the Issuer as of the end of the Record Date, or lawfully acquired or may lawfully acquire Subscription Rights, directly or indirectly, from such a person;
- (b) It may lawfully be offered, exercise, obtain, subscribe for and receive the Subscription Rights and/or the Offer Shares in the jurisdiction in which it resides or is currently located;
- (c) It is not (i) resident or located in, or a citizen of an Excluded Territory; (ii) accepting an offer to acquire or exercise Subscription Rights or Offer Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of an Excluded Territory at the time the instruction to accept was given; or (iii) acquiring Subscription Rights or Offer Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such Subscription Rights or Offer Shares into an Excluded Territory;
- (d) If it is not within the United States; (i) it is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Offer Shares; (ii) it is not exercising for the account of any person who is located in the United States, unless: (a) the instruction to exercise was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that it is acquiring the Offer Shares in an “offshore transaction” within the meaning of Regulation S under the U.S. Securities Act; and (iii) it is not acquiring the Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer Shares into the United States;
- (e) If it is within the United States, it is a QIB; and
- (f) It is either located outside the United Kingdom, or it is a person who is a “qualified investor” (as defined in Section 86(7) of the Financial Services and Markets Act 2000 of the United Kingdom, as amended).

A person who can make the representations and warranties described above shall be deemed an Eligible Person for the purposes of the Rights Issue.

The Issuer, the Sole Global Co-ordinator and Sole Bookrunner, the Subscription and Listing Agents and any persons acting on their behalf will rely upon the truth and accuracy of the representations and warranties given. Any provision of false information or subsequent breach of these representations and warranties may trigger liability. If a person is acting on behalf of another person exercising or purchasing Subscription Rights or Offer Shares (including as a nominee, custodian or trustee), this person will be required to provide the foregoing representations and warranties to the Issuer, the Sole Global Co-ordinator and Sole Bookrunner, and the Subscription and Listing Agents with respect to the exercise or purchase of Subscription Rights or Offer Shares on behalf of such person. If a person does not provide the foregoing representations and warranties, neither the Issuer, nor the Sole Global Co-ordinator and Sole Bookrunner, nor the Subscription and Listing Agents, nor any persons acting on their behalf, will be bound to authorize the allocation of any Offer Shares to such person or the person on whose behalf such person is acting.

#### 4.4 European Economic Area

In relation to each EEA State which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), an offer to the public of the Subscription Rights or the Offer Shares which are the subject of the Rights Issue contemplated by this Prospectus may not be made in that Relevant Member State other than the offers contemplated in the Prospectus in Norway and the Netherlands once the Prospectus has been approved by the NFSA, the competent authority in Norway, and published and passported into the Netherlands in accordance with the Prospectus Directive as implemented in Norway and the Netherlands, except that an offer to the public in that Relevant Member State of any Subscription Rights or Offer Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in the relevant entity's last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons in the Relevant Member State (other than qualified investors as defined in the Prospectus Directive); or
- (d) in any other circumstances which do not require the publication by the Issuer or the Sole Global Co-ordinator and Sole Bookrunner of a prospectus pursuant to Article 3(2) of the Prospectus Directive;

provided that no such offer of the Subscription Rights and/or the Offer Shares shall result in a requirement for the publication by the Issuer or the Sole Global Co-ordinator and Sole Bookrunner of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an "offer to the public" in relation to any Subscription Rights or Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Subscription Rights and/or the Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for Subscription Rights and/or the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive includes any relevant implementing measure in each Relevant Member State.

Prospective investors from Relevant Member States should be aware that this Prospectus will be passported into the Netherlands and will not be passported into any other Relevant Member State. See the following paragraphs below for specific notices applying to the United States, United Kingdom and Switzerland.

#### **4.5 United States**

The Subscription Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or within the United States except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws of any state or other jurisdiction of the United States.

Accordingly, the Issuer is not extending the offer under the Rights Issue into the United States unless an exemption from the registration requirements of the U.S. Securities Act is available. Except as set out below, neither this Prospectus nor the crediting of Subscription Rights to a stock account constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Offer Shares in the United States, and this Prospectus will not be sent to any Existing Shareholder with a registered address in the United States. Exercising Subscription Rights or renunciations thereof sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring Offer Shares and wishing to hold such Shares in registered form must provide an address for registration of the Offer Shares, issued upon exercise thereof outside the United States.

Until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the Subscription Rights or Offer Shares within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the U.S. Securities Act.

#### ***Sales within the United States***

Notwithstanding the foregoing, the Subscription Rights and the Offer Shares may be offered to and the Subscription Rights may be exercised by or on behalf of, persons in the United States reasonably believed to be QIBs, in offerings exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, provided such persons satisfy the Issuer that they are eligible to participate on such basis.

Each person exercising Subscription Rights and each purchaser of Offer Shares within the United States pursuant to an exemption from the registration requirements of the U.S. Securities Act, by accepting delivery of this Prospectus, will be deemed to have represented, warranted, agreed and acknowledged that:

- (1) It is (a) not an affiliate (as defined in Rule 144 under the U.S. Securities Act) of the Issuer and is not acting on the Issuer's behalf, (b) a QIB, and (c) exercising such Subscription Rights or acquiring such Offer Shares for its own account or for the account of a QIB as to which it has full investment discretion, in each case for investment purposes, and not with a view to any distribution (within the meaning of the U.S. federal securities laws) of the Shares.
- (2) It understands that such Subscription Rights and Offer Shares are being offered for sale in a transaction not involving any public offering in the United States and the Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act or any U.S. securities laws and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act or (c) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 there under (if available), in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It understands that such Subscription Rights or Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QIB WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS SHARE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SHARE MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.

- (4) The Issuer, the Sole Global Co-ordinator and Sole Bookrunner, the Subscription and Listing Agents, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is exercising any Subscription Rights or acquiring any Offer Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No representation has been, or will be, made by the Issuer or the Sole Global Co-ordinator and Sole Bookrunner as to the availability of Rule 144 under the U.S. Securities Act or any other exemption under the U.S. Securities Act or any state securities laws for the re-offer, sale, pledge or transfer of the Offer Shares.

Any person in the United States into whose possession this Prospectus comes should inform itself about and observe any applicable legal restrictions; any such person in the United States who is not a QIB is required to disregard this Prospectus.

**Prospective purchasers are hereby notified that sellers of the Subscription Rights or Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.**

***Sales outside the United States***

Each person that at the time of exercise of Subscription Rights or purchase of Offer Shares was outside the United States and that is not a U.S. Person (and was not exercising or purchasing for the account or benefit of a U.S. Person) within the meaning of Regulation S under the U.S.

Securities Act, by accepting delivery of this Prospectus, will be deemed to have represented, warranted, agreed and acknowledged that:

- (1) It (i) is not within the United States; (ii) is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Offer Shares; (iii) is not exercising for the account of any person who is located in the United States, unless: (a) the instruction to exercise was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Offer Shares in an “offshore transaction” within the meaning of Regulation S under the U.S. Securities Act; and (iv) is not acquiring the Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer Shares into the United States.
- (2) It understands that such Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act or any U.S. securities laws and that it will not offer, sell, pledge or otherwise transfer such Subscription Rights or Offer Shares except (a) in accordance with Rule 144A under the U.S. Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It understands that such Subscription Rights and Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT.
- (4) The Issuer, the Sole Global Co-ordinator and Sole Bookrunner, the Subscription and Listing Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

#### **4.6 United Kingdom**

Neither this Prospectus nor any other offering material has been submitted to the clearance procedures of the Financial Services Authority in the United Kingdom. Neither the Subscription Rights nor the Offer Shares are being or have been offered or sold in the United Kingdom except to qualified investors. In the immediately preceding sentence, “qualified investors” has the meaning given to it in section 86(7) of the Financial Services and Markets Act 2000 (the “**FSMA**”).

The Sole Global Co-ordinator and Sole Bookrunner has represented and agreed that:

- (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business;
- (b) it has not offered or sold and will not offer or sell either the Subscription Rights or the Offer Shares in the United Kingdom other than to qualified investors as defined in section 86(7) of FSMA;
- (c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of the Subscription Rights or the Offer Shares in circumstances in which section 21(1) of FSMA does not apply or in respect of which an exemption (as set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended) applies; and
- (d) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Subscription Rights or the Offer Shares in, from or otherwise involving the United Kingdom.

#### **4.7 Switzerland**

The Offer Shares may not be offered or distributed in or from Switzerland on the basis of a public solicitation, as such term is defined under the current practice of the Swiss Federal Banking Commission, and neither this Prospectus nor any supplement thereto relating to the Offer Shares may be offered or distributed in connection with any such offering or distribution.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized. In making an investment decision, investors should rely on their own examination of the Issuer, and the terms of this Rights Issue, including the merits and risks involved.

#### **4.8 Bermuda**

SECURITIES MAY BE OFFERED OR SOLD IN BERMUDA ONLY IN COMPLIANCE WITH PROVISIONS OF THE INVESTMENT BUSINESS ACT 2003, THE EXCHANGE CONTROL ACT 1972 AND SUCH OTHER RELATED LEGISLATION OF BERMUDA WHICH REGULATE THE SALE OF SECURITIES IN BERMUDA. IN ADDITION, SPECIFIC PERMISSION IS REQUIRED FROM THE BERMUDA MONETARY AUTHORITY (THE “**BMA**”), PURSUANT TO THE PROVISIONS OF THE EXCHANGE CONTROL ACT 1972 AND RELATED REGULATIONS, FOR ALL ISSUANCES AND TRANSFERS OF SECURITIES OF BERMUDA COMPANIES, OTHER THAN IN CASES WHERE THE BMA HAS GRANTED A GENERAL PERMISSION. THE BMA PROVIDES IN ITS POLICY DATED 1 JUNE 2005 THAT A GENERAL PERMISSION IS GIVEN FOR THE ISSUE AND SUBSEQUENT TRANSFER OF ANY SECURITIES FOR AS LONG AS ANY EQUITY SECURITIES OF THE COMPANY ARE LISTED ON AN APPOINTED STOCK EXCHANGE AS DEFINED IN THE BERMUDA COMPANIES ACT. AN EQUITY SECURITY IS DEFINED AS A SHARE ISSUED BY A BERMUDA COMPANY WHICH ENTITLES THE HOLDER TO VOTE FOR OR APPOINT ONE OR MORE DIRECTORS OF THE COMPANY OR A SECURITY WHICH BY ITS TERMS IS CONVERTIBLE INTO A SHARE WHICH ENTITLES THE HOLDER TO VOTE FOR OR TO APPOINT ONE OR MORE DIRECTORS OF THE COMPANY. BOTH OSLO BØRS AND EURONEXT AMSTERDAM ARE APPOINTED STOCK EXCHANGES UNDER THE BERMUDA COMPANIES ACT.

IN ADDITION, AT OR SHORTLY AFTER THE TIME OF ISSUE OF THE OFFER SHARES, THE ISSUER WILL DELIVER TO AND FILE A COPY OF THIS PROSPECTUS WITH THE REGISTRAR OF COMPANIES IN BERMUDA IN ACCORDANCE WITH BERMUDA LAW.

APPROVALS OR PERMISSIONS RECEIVED FROM THE BMA OR THE BERMUDA REGISTRAR OF COMPANIES DO NOT CONSTITUTE A GUARANTEE BY THE BMA OR THE BERMUDA REGISTRAR OF COMPANIES AS TO THE PERFORMANCE OR THE CREDIT-WORTHINESS OF THE ISSUER. THE BMA SHALL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE ISSUER, OR FOR THE ACCURACY OF ANY STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PROSPECTUS.

## 5 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that reflect the Issuer's current views with respect to future events and financial and operating performance as well as future market conditions. Words such as "believe", "anticipate", "aim", "expect", "project", "estimate", "predict", "intend", "target", "assume", "may", "might", "could", "should", "will" or, in each case, their negative, or other variations or comparable terminology are intended to identify such forward looking statements. Forward-looking statements appear in a number of places in this Prospectus including "*Risk factors*", "*Management's discussion and analysis of financial condition and results of operations*", "*Industry*" and "*Business of the Company*". These forward-looking statements address matters such as:

- production capacity, technological developments and other trends in the business in which the Company operates;
- the Company's business strategies, including geographical, technological and logistical developments and targets;
- future capital expenditures, investments in the Company's business, working capital requirements and dividends;
- governmental, tax, environmental and other regulations that govern the Company's business and industry; and
- future exposure to interest rate changes, currency devaluations or exchange rate fluctuations, in particular fluctuations in the value of the U.S. dollar compared to the Euro.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. While the Issuer has prepared these forward-looking statements in good faith and on the basis of assumptions it believes to be reasonable, the Issuer cautions potential investors that forward-looking statements are not guarantees or warranties of future performance and that its actual financial condition, actual results of operations and cash flows and the development of the markets or industry in which it operates may differ materially from those made in or implied by the forward-looking statements contained in this Prospectus. Important factors that could cause those differences include, but are not limited to:

- the effect of changes in demand, pricing and competition for the Company's services, increased competition from its competitors or changes in the global demand for oil and gas;
- the risks and costs associated with international services;
- the ability to secure sufficient employment opportunities for new vessels, whether purpose-built or converted for use as heavy marine transport vessels, as such vessels are delivered;
- adverse regulatory, legislative and judicial developments;
- the Company's failure to attract and retain a sufficient number of skilled personnel;
- the risk that the Company fails to remain in compliance with the financial covenants in its credit facilities;
- the adverse impact of currency exposures; and
- the impact of worldwide economic, political and business conditions.

Additional factors that could cause the Company's actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk factors*".

These forward-looking statements speak only as of the date of this Prospectus and the Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation. Prospective investors are advised, however, to consult any further public disclosures made by the Issuer, such as filings made with Oslo Børs and Euronext Amsterdam or press releases.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

## 6 PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### 6.1 Overview of corporate history and financial presentation

Although the Company and its predecessors have been operating for over 30 years, the Issuer was only incorporated on 11 January 2007 as “Sealift Ltd.” and renamed Dockwise Ltd. on 30 July 2007. The first financial year of the Issuer ended on 31 December 2007.

The operational performance of the Issuer and DTNV for the year ended 31 December 2007 was comparable. However, the financial results of the Issuer for the year ended 31 December 2007 differ from those of DTNV as a result of a significantly different legal and capital structure. The principal differences are as follows:

- accounting for the acquisition of DTNV by Delphi Acquisition Holding S.A (“**Delphi**”), which entails amongst others: (i) recognition of fair values for the tangible fixed assets (i.e. the vessels of DTNV) and (ii) recognition of goodwill and other intangibles;
- entering into the Senior Credit Facilities;
- accounting for the Issuer’s acquisition of Delphi (as further described below);
- results of the Issuer have been included from 4 May 2007 onwards; and
- results of OKI and ODL have been included as from 27 July 2007 onwards.

The takeover by the Issuer (at the time Sealift Ltd.) of Delphi, the parent of DTNV at the time of the transaction, on 4 May 2007 was accounted for as a “reverse acquisition”. The Issuer believes this treatment is appropriate because (a) the shareholders of Delphi gained control over the Issuer by receiving more than 50% of the shares in the Issuer and (b) the management of DTNV became the management of the Issuer. For more information on the acquisition by Sealift Ltd. of Delphi see “*Company history and organizational structure – History*”.

The Company is incorporating by reference into this Prospectus the following: (a) the audited consolidated financial statements (including the notes thereto) of the Company for the years ended 31 December 2007, 2008 and 2009, prepared in accordance with IFRS, and (b) the unaudited condensed consolidated interim financial statements (including the notes thereto) of the Company for the nine months ended 30 September 2010 with unaudited comparative financial information for the nine months ended 30 September 2009, prepared in accordance with IFRS, and (c) the unaudited condensed consolidated interim financial information of the Company for the three months ended 30 September 2010 with unaudited comparative financial information for the three months ended 30 September 2009. The Company’s financial statements for the years ended 31 December 2007, 2008 and 2009 incorporated by reference into this Prospectus have been audited by KPMG as indicated in their reports incorporated by reference into this Prospectus and the unaudited condensed consolidated interim financial statements for the nine months ended 30 September 2010, including the unaudited comparative financial information for the nine months ended 30 September 2009 and the related notes, referred to in this section have been reviewed by KPMG as indicated in their report thereon and they have consented to the inclusion of their reports in this Prospectus. As the Offer Shares have not been and will not be registered under the U.S. Securities Act, KPMG has not filed a consent under the U.S. Securities Act. See “*Documents on display and incorporation by reference*”.

The audits and review of financial information included in this Prospectus were performed in accordance with Dutch law and auditing and review standards generally accepted in the Netherlands. None of the financial information used in this Prospectus has been audited in accordance with auditing standards generally accepted in the United States of America (“**U.S. GAAS**”) or auditing standards of the Public Company Accounting Oversight Board in the United States (“**PCAOB**”). In addition, there could be differences between Dutch law and auditing standards generally accepted in the Netherlands and those required by U.S. GAAS or the auditing standards of the PCAOB. Potential investors should consult their own professional advisors to gain an understanding of the information in this Prospectus and the implications of differences between the auditing standards noted herein.

Prospective investors should consult their own professional advisors for an understanding of the differences between IFRS and generally accepted accounting principles in the United States of America (“**U.S. GAAP**”).

The financial information included in this Prospectus is not intended to comply with the reporting requirements of the United States Securities and Exchange Commission. Compliance with such

requirements would require the modification or exclusion of certain financial measures, including EBITDA, adjusted EBITDA, utilization rate and revenue backlog and the presentation of certain other information not included herein.

## 6.2 Revenue backlog

Revenue backlog represents the aggregate value of the Company's signed contracts (and letters of award or intent for float-over contracts) less revenue recognized from those contracts. The Company only includes the contract price of signed contracts related to the Company's heavy marine transport business, including transportation, installation and engineering contracts, in its revenue backlog. References to the Company's revenue backlog in this Prospectus do not include any revenue backlog for its yacht transportation business. Revenue backlog is monitored on a regular basis.

To the extent work advances on these contracts, revenue is recognized in accordance with the Company's revenue recognition policy and the portion of the contract that has become recognized revenue is removed from the revenue backlog. For a discussion of the Company's revenue recognition policy see "*Management's discussion and analysis of financial condition and results of operations – Critical accounting policies – Revenue*".

Revenue backlog is not an IFRS measure and is not audited. Other companies in the offshore oil and gas service industry may calculate this measure differently. Please also see "*Risk factors*" and "*Management's discussion and analysis of financial condition and results of operations*".

## 6.3 Utilization rate

The Company calculates the utilization rate for each of its vessels by dividing the number of days its vessels are booked, from the point of mobilization, or start of preparation, to the point at which the contract is completed, by 365 days less any maintenance days (which are assumed at an average of 45 days per year). On average, the Company has around 320 sellable days per vessel in each year. It uses that figure for budgeting. The Company is considering changing such calculation method with effect from 2011.

## 6.4 Gross margin, EBITDA, adjusted EBITDA, adjusted revenue and adjusted total costs

**Gross margin.** The Company calculates gross margin for its contracts by subtracting its contract related expenses attributable to such contracts from its revenue from such contracts. Contract related expenses are a component of direct costs. Contract related expenses include fuel, harbour dues, canal dues, expenses related to preparing a vessel and securing cargo for the voyage. Contract related expenses do not include crew, depreciation, amortization, insurance, maintenance and other operational costs.

**EBITDA.** The Company calculates EBITDA as profit/(loss) for the period before interest, tax, depreciation and amortization. EBITDA margin is calculated by dividing EBITDA for the particular period by revenue for that period.

**Adjusted EBITDA.** Adjusted EBITDA is EBITDA plus the cash amount received during the relevant period in connection with compensating the Company for the loss of gross margin related to the sinking of the Mighty Servant 3 and includes the profit on the sale of two vessels in 2009 and two ship-mid-sections in 2008 and excludes non-recurring administrative expenses. Presentation of adjusted EBITDA allows analysis of comparable annual results without exceptional, non-recurring items. Adjusted EBITDA is not a measurement of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or profit on ordinary activities as indicators of the Company's operating performance or any other measures of performance derived in accordance with IFRS.

**Adjusted revenue.** Adjusted revenue is revenue plus the gross compensation for the Mighty Servant 3. Adjusted revenue is not a measurement of financial performance under IFRS.

**Adjusted total costs.** Adjusted total costs represent direct costs actually incurred by the Company during the period plus the direct costs deemed to be associated with the gross compensation deemed to be received in connection with the sinking of the Mighty Servant 3. Adjusted total costs is not a measurement of financial performance under IFRS.

The Company was compensated by the former owners of the Company for the loss of gross margin related to the sinking of the Mighty Servant 3. All revenue and direct costs numbers have been adjusted in order to reflect the effect on revenue and direct costs of being compensated for

the sinking of the Mighty Servant 3. Such adjustments are based on the related cash received in this respect from the previous owners. Adjusted revenue is revenue for the period plus the gross compensation deemed to be received in connection with the sinking of the Mighty Servant 3. Adjusted total costs represent direct costs actually incurred by the Company during the period plus the direct costs deemed to be associated with the gross compensation deemed to be received in connection with the sinking of the Mighty Servant 3. By adjusting both revenue and associated direct costs the Company's results can be represented during the relevant period as if the Mighty Servant 3 was operational during that period.

Gross margin, EBITDA, adjusted EBITDA, adjusted revenue, adjusted total costs and the related ratios presented in this Prospectus are supplemental measures of the Company's performance and liquidity that are not required by, or presented in accordance with IFRS. Furthermore, neither EBITDA nor adjusted EBITDA is a measure of the Company's financial performance or liquidity under IFRS and neither should be considered as an alternative to profit/(loss), operating profit/(loss) or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities of the Company's liquidity. EBITDA and adjusted EBITDA may not be indicative of the Company's historical operating results, nor are they meant to be predictive of future results. EBITDA and adjusted EBITDA have been calculated by adding together and/or subtracting figures that are extracted without material adjustment either from the income statements that appear in the audited and unaudited consolidated financial statements of the Company incorporated into this Prospectus or in the notes thereto.

The Company has presented these supplemental measures because they are used by the Company in managing the Company's business performance. In addition, the Company believes that EBITDA is commonly reported by comparable businesses and used by security analysts, investors and other interested parties in evaluating companies in the Company's industry in comparing the performance of businesses without regard to investment income, foreign exchange gain/(loss) on financing, finance costs, taxes and depreciation and amortization, which can vary significantly depending upon accounting methods or other non-operating factors. Accordingly, presentation of adjusted EBITDA allows analysis of comparable annual results without exceptional, non-recurring items.

The EBITDA disclosed in this Prospectus may not be comparable to similarly titled measures disclosed by other companies as EBITDA is not uniformly defined. Prospective investors should not consider these non-GAAP measures in isolation or as a substitute for profit/(loss) as determined by IFRS, or as an indicator of the Company's or the Company's operating performance or of cash flows from operating activities as determined by IFRS. Prospective investors should not use these non-GAAP measures as a substitute for the analysis provided in the Company's or the Company's income statements or cash flow statements.

Some of the limitations of EBITDA, adjusted EBITDA and adjusted revenue as a measure are:

- it does not reflect revenue invoiced to a customer;
- it does not reflect cash expenditures or future requirements for capital expenditure or contractual commitments;
- it does not reflect changes in, or cash requirements for, working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and adjusted EBITDA measures do not reflect any cash requirements for such replacements; and
- other companies in the industry may calculate EBITDA and adjusted EBITDA measures differently than the Company, significantly limiting their usefulness as a comparative measure.

Because of these limitations, EBITDA and adjusted EBITDA should not be considered as a measure of discretionary cash available to the Company to invest in the growth of the business. In addition, the presentation of EBITDA and adjusted EBITDA in this Prospectus is not necessarily calculated the same way as it is in the Company's financing agreements.

The Company compensates for these limitations by relying primarily on its IFRS results and using EBITDA and adjusted EBITDA measures only supplementary.

Accordingly, undue reliance should not be placed on the EBITDA or adjusted EBITDA data contained in this Prospectus.

### **6.5 Rounding**

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

## 7 INDUSTRY AND MARKET DATA

This Prospectus contains historical economic and industry data, and forecasts of such data. This information has been obtained from industry publications, market research and other independent third-party sources. Industry publications generally state that the historical information they provide has been obtained from sources and through methods believed to be reliable, but that they do not guarantee the accuracy and completeness of this information. Similarly, market research, while believed to be reliable, has not been independently verified by the Company. The Company has accurately reproduced information published by a third party, and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, neither the Company, nor the Sole Global Co-ordinator and Sole Bookrunner, nor any of the Subscription and Listing Agents represents the accuracy and completeness of information published by a third party. Market and industry statistics are inherently predictive and subject to uncertainty and are not necessarily reflective of actual market or industry conditions. Such statistics are based on market research which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

This Prospectus also contains information about the markets in which the Company operates and its competitive position within those markets, including market size information. The Company is not aware of any exhaustive industry or market reports that cover or address the market for its services and products, partially reflecting the unique nature of the market in which the Company operates. In assembling the market data, the Company has relied on information about the Company and its competitors' financial performance and information obtained in connection with public tender processes in which the Company has participated. The Company's management believes that the market share information contained in this Prospectus provides fair and adequate estimates of the size of the markets the Company operates in and fairly reflects the Company's competitive position within that market. However, this information has not been certified by independent experts, and the Company cannot guarantee that a third party using different methods to assemble, analyse or compile market data would obtain or generate the same results. As a result, potential investors should be aware that the economic and industry data and forecasts and estimates of market data included in this Prospectus may not be reliable indicators of the Company's future results.

## 8 EXCHANGE RATE INFORMATION

The following table sets forth, for the periods and dates indicated, certain information concerning the exchange rates for the U.S. dollar expressed in EUR per U.S. dollar and NOK per U.S. dollar. Information concerning the U.S. dollar exchange rate is based on Bloomberg average daily exchange rates. Such rates are provided solely for convenience and no representation is made that U.S. dollars were, could have been, or could be, converted into EUR or NOK at these rates or at any other rate. Such rates were not used by the Company in the preparation of its consolidated financial statements incorporated by reference into this Prospectus.

EUR per USD exchange rate				
Year ended 31 December	Period end	High	Low	Average
2007.....	0.6855	0.7756	0.6724	0.7305
2008.....	0.7156	0.8030	0.6253	0.6832
2009.....	0.6978	0.7981	0.6608	0.7189
<b>Month</b>				
January 2010.....	0.7214	0.7214	0.6890	0.7007
February 2010.....	0.7337	0.7404	0.7161	0.7310
March 2010.....	0.7402	0.7535	0.7264	0.7368
April 2010.....	0.7521	0.7590	0.7324	0.7448
May 2010.....	0.8126	0.8213	0.7579	0.7981
June 2010.....	0.8172	0.8387	0.8072	0.8190
July 2010.....	0.7662	0.7983	0.7647	0.7812
August 2010.....	0.7887	0.7919	0.7530	0.7756
September 2010.....	0.7334	0.7887	0.7334	0.7642
October 2010.....	0.7170	0.7307	0.7100	0.7195
<b>Nine months ended 30 September 2010</b> .....	<b>0.7334</b>	<b>0.8387</b>	<b>0.6890</b>	<b>0.7616</b>

NOK per USD exchange rate				
Year ended 31 December	Period end	High	Low	Average
2007.....	5.4371	6.4893	5.2715	5.8587
2008.....	6.9538	7.2228	4.9638	5.6488
2009.....	5.7935	7.2152	5.5299	6.2861
<b>Month</b>				
January 2010.....	5.9274	5.9274	5.6088	5.7400
February 2010.....	5.9100	5.9866	5.8352	5.9157
March 2010.....	5.9421	6.0997	5.8213	5.9206
April 2010.....	5.9049	5.9775	5.8525	5.9136
May 2010.....	6.4603	6.5833	5.9370	6.3068
June 2010.....	6.4996	6.7073	6.3584	6.4834
July 2010.....	6.0758	6.4437	6.0758	6.2692
August 2010.....	6.3025	6.3151	5.9527	6.1522
September 2010.....	5.8768	6.2223	5.8512	6.0472
October 2010.....	5.8482	5.9435	5.7316	5.8332
<b>Nine months ended 30 September 2010</b> .....	<b>5.8768</b>	<b>6.7073</b>	<b>5.6088</b>	<b>6.0847</b>

## 9 USE OF PROCEEDS AND THE TYPE 0 VESSEL

### 9.1 Introduction to the Rights Issue

The Issuer expects to raise gross proceeds of EUR 77,987,602 through the Rights Issue. The Issuer expects to receive net proceeds of approximately EUR 75 million after deducting approximately EUR 3 million in estimated fees and other expenses incurred in connection with the Rights Issue. In order to address the currency exchange rate risk, resulting from possible fluctuations in the U.S. dollar versus EUR, the Company has hedged EUR 75,760,616 against an average EUR/USD exchange rate of 1.37424 into USD 104,113,000. The remaining proceeds will be used to pay for certain EUR denominated deal related expenditures.

### 9.2 Use of proceeds

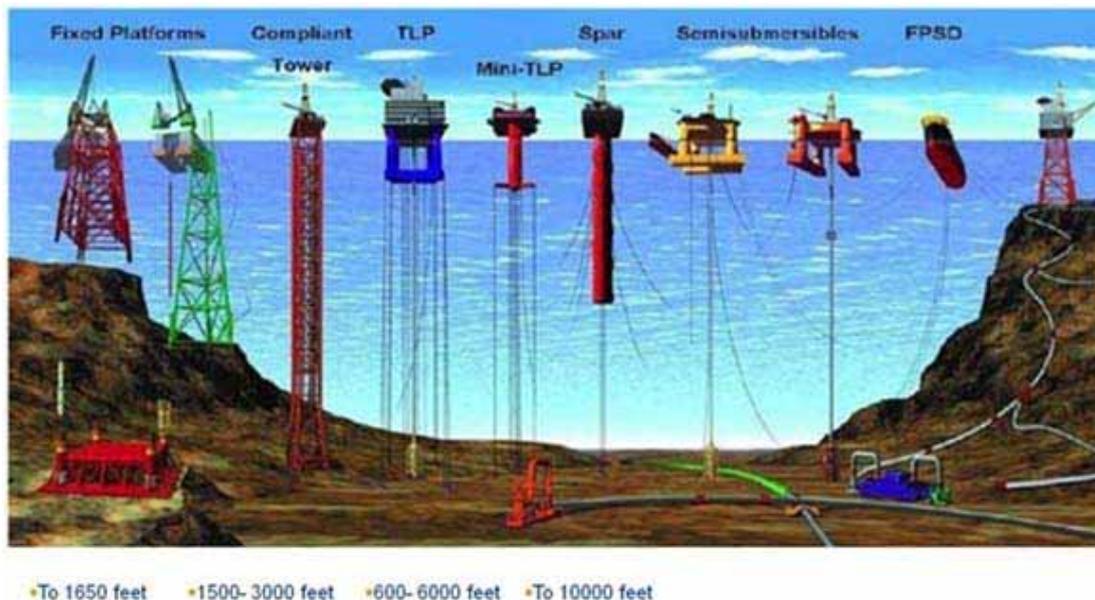
The Issuer shall use the entirety of the expected net proceeds of the Rights Issue to pay down or otherwise reduce the Senior Credit Facilities, thereby facilitating the financing of the acquisition of the Type 0 Vessel. The Issuer intends to reduce the total amount outstanding under the Senior Credit Facilities by repaying USD 110 million in respect of the non-revolving facilities from (i) the net proceeds of the Rights Issue and (ii) available cash on the balance sheet.

The Type 0 Vessel is expected to require a total investment of approximately USD 200 million. In order to finance this investment, the Issuer intends to increase its current revolving facility by USD 110 million, from USD 60 million to USD 170 million, and draw on available funds under these facilities, in addition to using available cash, see *“Management’s discussion and analysis of financial condition and results of operations – Senior Credit Facilities”* below. However, as a result of the repayments in respect of the non-revolving facilities referred to above, the maximum aggregate amount that can be outstanding under the Senior Facilities Agreement, should all facilities thereunder be fully drawn, will not increase. The increase of the revolving facility will become available in line with the current terms and conditions of the revolving facility under ancillary facilities. The combination of the repayments and the increase of the revolving facility will reduce the aggregate interest charges for the Company.

### 9.3 The Type 0 Vessel

#### ***The market***

The Company recognizes a growing trend of bigger and heavier offshore production structures (picture 9.1). This development is based upon the fact that new oil and gas wells are found in deeper water and harsher environments. Capital expenditures of oil companies for transportation and installation of the offshore structures is increasing (picture 9.2). Currently, floating production structures, like tension leg platforms and semi-submersible platforms, and gravity based structures with a weight of more than 50,000 tonnes have to be transported separately and integrated or even built at the destination. Other production structures, like Spar buoys, can only be transported to a certain size. The latest newly built floating production storage and offloading vessels (the “FPSOs”) and semi-submersible crane vessels have to be towed to their destination.



## Deepsea engineering

Source: offshore-technology.com

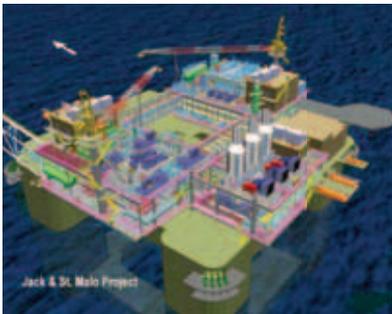
Picture 9.1

The maximum carrying capacity of all the semi-submersible heavy lift vessels in the world goes up to 50,000 tonnes. Only the Company's Blue Marlin can transport in specific cases structures up to 73,000 tonnes, depending on the vertical centre of gravity ("VCG") of the cargo. The Blue Marlin is 225 meters long with a width of 63 meters and maximum water above deck of 13 meter. If the Company can offer a vessel to transport the mentioned offshore structures fully integrated, the building, transport, installation and interest costs, insurances costs and time to production can be reduced significantly for the customer. Experience (based on the Company's experiences following introduction of the Blue Marlin) has also shown that a new vessel with even larger dimensions will trigger new designs by the industry.

The top end of the market is operated by the Blue Marlin and Mighty Servant 1 (Type 1). Only the Mega Passion from Megalines (Daewoo) is comparable with the Mighty Servant 1. To date, no competitor has announced the building of a vessel with a carrying capacity of more than 50,000 tonnes. The growing trend of bigger and heavier offshore production structures can be recognized in the schedule of the Blue Marlin and Mighty Servant 1 over the last two years. Both vessels had an utilization rate of approximately 95% of their capacity in that period.

The Company’s main target markets for the Type 0 Vessel will be offshore structures between 50,000 and 100,000 tonnes. These structures can be categorized in floating production structures for water depths of more than 1,500 feet (tension leg platforms, semi-submersible platforms and spar buoys), gravity based production structures for shallow water depths (less than 300 ft.) in harsh environments, FPSOs, floating liquefied natural gas (FLNG) structures and semi-submersible crane vessels. The Company has recognized 6 to 10 projects per annum between 2012 and 2016 that could require Type 0 transport capabilities if transported on an integrated basis (based on Infield Systems). Examples of these projects are:

*Chevron Jack & St. Malo platform 2012*



*FLNG example*



*Chevron Big Foot 2013*



*Semi-submersible crane vessel example*



Picture 9.2

The Type 0 Vessel that the Company intends to build will be 275 meters long with a deck width of 75 meters and maximum water above deck of 16 meters. The new Type 0 Vessel will have a carrying capacity of structures above 100,000 tonnes and a speed of 13 to 14 knots depending on the type of cargo. The Type 0 Vessel has a unique design, without a bow (picture 9.5). It is a design that uses the deck length in the most optimal way and provides more flexibility. The accommodation is located on the extreme starboard side. The new Type 0 Vessel has a dedicated design for ultra heavy semi-submersible production platforms, which includes optimized deck strength, extreme wind load capabilities and stability characteristics to carry the state of art semi-submersible production structures in line with the latest air gap requirements. There will be two electric main propellers. In addition, there will be two retractable electric thrusters on the ship. At the date of this Prospectus, there are no vessels with this sort of design. The Company has filed a patent application regarding the design of the Type 0 Vessel. An image of the Type 0 Vessel is included in picture 9.3 below.

### ***The new Type 0 Vessel***

The total installed propulsion power for the Type 0 Vessel including two retractable thrusters will be approximately 26 MW. The ballast arrangement of the Type 0 Vessel is to support float-on/float-off, skid-on/skid-off and roll-on/roll-off operation. It consists of a system having a total capacity of 20,000 m<sup>3</sup>/hr. The Type 0 Vessel shall be equipped with medium speed diesel generator sets in line with RP notation requirements. The power supply is to support a variety of operational modes of the vessel, including propulsion and ballasting operations.



Picture 9.3

Number, make and size of individual engines are to be selected based on optimum economical and fuel efficiency. Depending on the ultimate engine number and size selection, the installed power is expected to be in the range of 25 to 32 MW.

In addition, the new Type 0 Vessel can also serve the top end of the current market for structures between 25,000 and 50,000 tonnes and it is better equipped to transport the latest fifth and sixth generation semi-submersible rigs due to its maximum submersible draught. Also, the new Type 0 Vessel will be better suited for structures with a too high VCG for the Blue Marlin.

The Company is currently in the process of tendering with a number of reputable yards globally with a view to select an optimal shipyard in terms of safety, schedule certainty, quality and costs within the first quarter of 2011. Three short listed yards have been visited by representatives of the Company. Budget indications have been given at approximately USD 200 million and schedule indications have been given for before 1 October 2012.

### ***The economics***

To evaluate the financial feasibility of the Type 0 Vessel, the Company has taken into account the unique market potential of the transportation of structures between 50,000 and 100,000 tonnes only. As the fabricators of the offshore structures are located in the Far East and the development areas are spread over the world, the Type 0 Vessel is anticipated to make a return voyage of between 100 and 120 days. As such, the Type 0 Vessel will be able to make approximately 2.5 to 3 voyages per annum (compared to more than 3 for the Blue Marlin). As the opportunities for return cargoes are expected to be limited, no return cargoes have been included in the economics. The pricing regime for the Type 0 Vessel is expected to start at the top end of the current pricing of the Blue Marlin. With the assumption of a minimum price level of USD 30 million per voyage the annual revenue is expected to be at least between USD 60 million and USD 90 million. The Type 0 Vessel associated overhead costs exclusive of capital charges are presumed to be less than USD 5 million per annum. On this basis, and assuming an investment of USD 200 million, a ten year period and a 50% residual value, such vessel would have an internal rate of return of 15%.

## 10 CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the Issuer's cash and consolidated capitalization as of 30 September 2010. In addition, the Issuer's cash and consolidated capitalization is presented as of such date on an as adjusted basis to give effect to the Rights Issue, with estimated net proceeds to the Issuer of USD 103.2 million<sup>2</sup>, after deducting estimated fees and expenses associated with the Rights Issue and assuming that these net proceeds and available cash on the balance sheet of USD 11.0 million, are used to pay down or otherwise reduce the Senior Credit Facilities with USD 110 million. Additionally, the payment of certain waiver and upfront lending fees and hedging costs has been included.

The information presented below should be read in conjunction with "Management's discussion and analysis of financial condition and results of operations", "Use of proceeds", and the consolidated financial statements and the notes related thereto incorporated by reference into this Prospectus.

As of 30 September 2010		
	Actual	As adjusted for the net proceeds of the Rights Issue and available cash on balance sheet
(USD in millions)		
<b>Capitalization and indebtedness</b>		
<b>Current debt:</b>		
– Guaranteed and secured .....	9.4	9.4
– Unguaranteed/unsecured .....	—	—
<b>Total current debt:</b> .....	<b>9.4</b>	<b>9.4</b>
<b>Non-current debt:</b>		
– Guaranteed and secured .....	624.8	516.3
– Unguaranteed/unsecured .....	—	—
<b>Total non-current debt<sup>3</sup>:</b> .....	<b>624.8</b>	<b>516.3</b>
<b>Shareholders' equity:</b>		
Share capital .....	103.2	126.4
Share premium and other legal reserve .....	783.0	863.0
Other reserves .....	(40.9)	(38.9)
Unappropriated profit/(loss) .....	14.6	9.6
<b>Total shareholders' equity</b> .....	<b>859.9</b>	<b>960.1</b>
<b>Total capitalization</b> .....	<b>1,494.1</b>	<b>1,485.8</b>
<b>Net financial indebtedness</b>		
A. Cash .....	40.8	29.8
B. Cash deposits .....	11.0	11.0
C. Trading securities .....	—	—
<b>D. Liquidity (A) + (B) + (C)</b> .....	<b>51.8</b>	<b>40.8</b>
E. Current financial receivable .....	—	—
F. Current bank debt .....	—	—
G. Current portion of non current debt .....	9.4	9.4
H. Other current financial debt .....	—	—
<b>I. Current financial debt (F) + (G) + (H)</b> .....	<b>9.4</b>	<b>9.4</b>
<b>J. Net current financial indebtedness (I) – (E) – (D)</b> .....	<b>(42.4)</b>	<b>(31.4)</b>
K. Non-current bank loans .....	624.8	516.3
L. Bonds issued .....	—	—
M. Other non-current loans .....	—	—
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b> .....	<b>624.8</b>	<b>516.3</b>
<b>O. Net financial indebtedness (J) + (N)</b> .....	<b>582.4</b>	<b>484.9</b>

<sup>2</sup> Based on a currency exchange rate of USD 1.37424 per EUR.

<sup>3</sup> This amount reflects bank borrowings of USD 624.8 million under the Senior Credit Facilities and includes capitalized bank fees of USD 10.5 million. Bank borrowings consist of total bank borrowings of USD 644.7 million minus current financial debt of USD 9.4 million and minus capitalized bank fees of USD 10.5 million. All of the Issuer's debt under the Senior Credit Facilities is secured and guaranteed by certain of the Issuer's subsidiaries.

## **11 AVAILABLE INFORMATION AND ENFORCEMENT OF CIVIL LIABILITIES**

### **11.1 Available Information**

At any time when the Issuer is not subject to the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”), nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) there under, the Issuer will furnish to each holder or beneficial owner of Shares, or any prospective purchaser designated by such holder or beneficial owner, such information as will permit compliance with Rule 144A under the U.S. Securities Act in connection with resales of Shares.

### **11.2 Enforcement of civil liabilities**

The Issuer is an exempted limited liability company organized under the laws of Bermuda and its assets are located primarily outside the United States. In addition, all but one of the Directors are non-residents of the United States and most of their assets are located outside the United States. See “*Management – Board of Directors*”. As a result, it may be difficult or impossible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against them or the Issuer judgments of courts of the United States, whether or not predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any state thereof. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters with Norway, Bermuda or the Netherlands. Therefore, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, may not be enforceable, either in whole or in part, in Norway, Bermuda or the Netherlands. However, if the party in whose favour such final judgment is rendered brings a new suit in a competent court in Norway, Bermuda or the Netherlands, such party may submit to the Norwegian, Bermuda or Dutch court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against the Issuer or such persons will be regarded by a Norwegian, Bermuda or Dutch court only as evidence of the outcome of the dispute to which such judgment relates, and a Norwegian, Bermuda or Dutch court may choose to re-hear the dispute. In addition, awards of punitive damages in actions brought in the United States or elsewhere are unenforceable in Norway, Bermuda and the Netherlands.

## 12 DIVIDENDS AND DIVIDEND POLICY

### 12.1 General

The Issuer may only declare a dividend or distribution to its shareholders from “contributed surplus”, if there are reasonable grounds for believing that (a) the Issuer is not, and would not after the payment be, unable to pay its liabilities as they become due; and (b) the realisable value of the Issuer’s assets would not thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. Section 54(2) of the Bermuda Companies Act indicates that “contributed surplus” includes proceeds from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets of the Issuer. Under the Bye-Laws, the Board of Directors determines which part of any profit will be reserved. The Board of Directors is permitted to declare dividends and distributions without the approval of a general meeting of shareholders.

### 12.2 Dividend history

The Issuer was incorporated on 11 January 2007 and to date has not declared a dividend or made a distribution.

### 12.3 Dividend policy

In the annual general meeting held on 6 May 2010, the following dividend policy was approved by the general meeting of shareholders:

A primary objective for the Company is to optimize the long term return on invested shareholder capital. This return is to be achieved by realizing sustainable growth and by stable dividend payments (total shareholder return).

The Board will apply a dividend policy that is based on a payout ratio of between 35 and 45% of adjusted net profit in any year, whilst enabling the Company’s growth.

The proposal in any year to actually pay out is subject to:

- The Company’s target ratio for net debt over EBITDA of 2.5:1 post dividend payment (i.e. no dividend as long as net debt: EBITDA post such dividend would exceed 2.5:1 or is expected to breach 2.5:1 in the short term);
- The Company generating positive free cash flows, sufficient to meet its obligations under the Senior Credit Facilities;
- Agreement (i.e. no dividend if after the obligations under the Senior Credit Facilities no positive free cash flow is reported); and
- Absence of contractual restrictions limiting the Company’s ability to pay dividends (i.e. no dividends if contractual restrictions of any kind prohibit the Company to pay dividend).

Each year, declaration of dividends will be proposed to the annual general meeting. Dividends can be paid out of earnings, retained and current, as well as from paid in surplus after satisfaction of the legal reserve as referred to hereinafter.

Applicable laws and regulations authorize the payment of stock dividends if sufficient surplus exists to pay for the par value of the shares issued in connection with any stock dividend.

Alternatively, the Company can offer an optional dividend, leaving the choice of cash or stock to the general meeting of shareholders. The choice of dividend proposal (cash, stock, mix or optional) takes into account the Company’s desired balance sheet structure and the interests of shareholders.

In addition, the Company explicitly reserves the right to apply any amount set aside for dividend payments towards share buy-backs insofar as permitted under laws and bye-laws and insofar as deemed fiscally advantageous to shareholders.

On the basis of the above policy, no dividend has been paid with regard to the financial year 2009.

For more information on the Issuer’s ability to pay dividends or make distributions to its shareholders, see “*Description of the Shares, share capital and Bye-Laws*” and “*Risk factors – Risks related to the Rights Issue and the Shares*”.

#### **12.4 Dividend ranking of Offer Shares**

All Shares, including, upon issue, the Offer Shares, rank equally in all respects and will be eligible for any dividend that the Issuer may declare on its Shares.

#### **12.5 Manner of dividend payments**

Payment of any dividend on the Shares in cash will be made in U.S. dollars. Any dividends will be paid to shareholders through the VPS, the Norwegian centralized securities custody and administration system, or through Euroclear Nederland, the Dutch centralized securities custody and administration system, as the case may be. Dividends will be credited automatically to the shareholders' accounts without the need for shareholders to present documentation proving their ownership of the Shares.

#### **12.6 Uncollected dividends**

A claim for any dividend declared lapses six years after the start of the second day on which it becomes due and payable. Any dividend that is not collected within this period reverts to the Issuer and is allocated to its general reserves.

#### **12.7 Taxation on dividends**

Dividend and distribution payments are subject to Dutch dividend withholding tax currently at a rate of 15% (based on the EUR amount). For more information on taxation of dividend and distribution payments see "*Tax considerations – The Netherlands taxation*".

## 13 SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following selected historical consolidated financial information has been extracted from and should be read together with (a) the audited consolidated financial statements (including the notes thereto) of the Company for the years ended 31 December 2007, 2008 and 2009, including the auditor's reports thereon, prepared in accordance with IFRS, and (b) the unaudited condensed consolidated interim financial statements (including the notes thereto) of the Company for the nine months ended 30 September 2010, including the auditor's review report and the unaudited comparative financial information for the nine months ended 30 September 2009, prepared in accordance with IFRS, and (c) the unaudited condensed consolidated interim financial information of the Company for the three months ended 30 September 2010 with unaudited comparative financial information for the three months ended 30 September 2009, all of which are incorporated by reference into this Prospectus. See "Documents on display and incorporation by reference". For information regarding the presentation of the Company's historical financials please see "Presentation of financial and other information".

### 13.1 Consolidated income statement

The following table sets forth the Company's results of operations for the periods indicated.

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
	<i>(USD in millions)</i>			<i>(USD in millions)</i>		<i>(USD in millions)</i>	
<b>Revenue</b> .....	<b>290.1</b>	<b>456.6</b>	<b>478.0</b>	<b>359.8</b>	<b>316.2</b>	<b>113.9</b>	<b>108.9</b>
Direct costs.....	(214.7)	(281.5)	(315.1)	(217.6)	(231.9)	(76.5)	(73.4)
<b>Gross profit</b> .....	<b>75.5</b>	<b>175.1</b>	<b>162.9</b>	<b>142.1</b>	<b>84.3</b>	<b>37.3</b>	<b>35.5</b>
Other income.....	—	4.8	3.4	3.3	—	0.3	—
Administrative expenses.....	(54.0)	(50.3)	(53.9)	(37.4)	(34.3)	(10.9)	(11.6)
<b>Profit/(loss) from operations</b> ...	<b>21.5</b>	<b>129.6</b>	<b>112.4</b>	<b>107.9</b>	<b>50.0</b>	<b>26.7</b>	<b>23.9</b>
Financial income.....	5.6	2.7	2.6	1.2	0.9	0.0	0.2
Financial expenses.....	(102.0)	(85.4)	(77.0)	(55.3)	(35.9)	(18.1)	(10.9)
<b>Net financing costs</b> .....	<b>(96.4)</b>	<b>(82.8)</b>	<b>(74.4)</b>	<b>(54.1)</b>	<b>(35.0)</b>	<b>(18.1)</b>	<b>(10.7)</b>
<b>Profit/(loss) before income tax</b> ..	<b>(74.9)</b>	<b>46.8</b>	<b>38.1</b>	<b>53.8</b>	<b>15.0</b>	<b>8.7</b>	<b>13.2</b>
Income tax credit/(expense).....	(0.9)	0.2	(1.5)	(1.4)	(0.4)	(0.6)	(0.1)
<b>Net profit/(loss) for the period</b> ..	<b>(75.8)</b>	<b>47.0</b>	<b>36.6</b>	<b>52.4</b>	<b>14.6</b>	<b>8.1</b>	<b>13.1</b>
<b>Attributable to:</b>							
Equity holders of the Issuer.....	(75.8)	47.0	36.6	52.4	14.6	8.1	13.1

### 13.2 Consolidated balance sheet

The following table sets forth the Company's balance sheet as of the dates indicated.

	As of 31 December			As of 30 September	
	2007	2008	2009	2009	2010
	<i>(USD in millions)</i>			<i>(USD in millions)</i>	
Total non-current assets.....	1,453.4	1,624.5	1,544.2	1,567.6	1,496.9
Total current assets.....	149.8	129.2	142.7	103.8	174.6
<b>Total assets</b> .....	<b>1,603.2</b>	<b>1,753.7</b>	<b>1,686.9</b>	<b>1,671.3</b>	<b>1,671.5</b>
Total non-current liabilities.....	917.8	991.3	670.3	900.5	624.8
Total current liabilities.....	131.4	186.1	158.4	138.9	186.8
<b>Total liabilities</b> .....	<b>1,049.2</b>	<b>1,177.5</b>	<b>828.6</b>	<b>1,039.4</b>	<b>811.6</b>
<b>Total equity</b> .....	<b>554.0</b>	<b>576.2</b>	<b>858.3</b>	<b>631.9</b>	<b>859.9</b>
<b>Total equity and liabilities</b> .....	<b>1,603.2</b>	<b>1,753.7</b>	<b>1,686.9</b>	<b>1,671.3</b>	<b>1,671.5</b>

### 13.3 Consolidated statements of cash flows

The following table sets forth the Company's cash flows for the periods indicated.

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
	<i>(USD in millions)</i>			<i>(USD in millions)</i>		<i>(USD in millions)</i>	
Net cash from/ (used in) operating activities .....	19.1	156.0	131.7	102.2	72.6	14.6	31.1
Net cash from/(used in) investing activities .....	(786.1)	(209.4)	(11.4)	(2.3)	(26.2)	(5.2)	(6.8)
Net cash from/(used in) financing activities .....	782.4	59.3	(89.8)	(94.6)	(46.4)	(35.0)	(11.9)
<b>Net increase/ (decrease) in cash and cash equivalents ...</b>	<b>15.5</b>	<b>5.9</b>	<b>30.5</b>	<b>5.4</b>	<b>(0.1)</b>	<b>(25.7)</b>	<b>12.4</b>
<b>Cash and cash equivalents at the end of the period .....</b>	<b>15.5</b>	<b>21.4</b>	<b>51.9</b>	<b>26.8</b>	<b>51.8</b>	<b>26.8</b>	<b>51.8</b>

### 13.4 Other financial data

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
	<i>(USD in millions)</i>			<i>(USD in millions)</i>		<i>(USD in millions)</i>	
EBITDA .....	104.5	201.1	208.9	172.5	125.2	48.4	46.1
Adjusted EBITDA .....	141.0	226.4	222.8	180.7	125.2	48.4	46.1

**EBITDA.** EBITDA is profit/(loss) for the period before interest, tax, depreciation and amortization. EBITDA is presented because the Company believes that it is frequently used by security analysts, investors and other interested parties in evaluating companies in the Company's industry. However, other companies may calculate EBITDA in a different manner than the Company does. EBITDA is not a measurement of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or profit on ordinary activities as indicators of the Company's operating performance or any other measures of performance derived in accordance IFRS. For a discussion of other limitations with respect to the use of EBITDA see "Presentation of financial and other information – Gross margin, EBITDA, adjusted EBITDA and adjusted revenue". The reconciliation of net profit/(loss) for the period to EBITDA is as follows:

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
	<i>(USD in millions)</i>			<i>(USD in millions)</i>		<i>(USD in millions)</i>	
Net profit/(loss) for the period .....	(75.8)	47.0	36.6	52.4	14.6	8.1	13.1
Add back net financing costs .....	96.4	82.8	74.4	54.1	35.0	18.1	10.7
Add back income tax (credit) expense .....	0.9	(0.2)	1.5	1.4	0.4	0.6	0.1
Add back depreciation and amortization .....	83.0	71.5	96.4	64.6	75.2	21.7	22.2
<b>EBITDA .....</b>	<b>104.5</b>	<b>201.1</b>	<b>208.9</b>	<b>172.5</b>	<b>125.2</b>	<b>48.4</b>	<b>46.1</b>

**Adjusted EBITDA.** Adjusted EBITDA is EBITDA plus the cash amount received during the relevant period in connection with compensating the Company for the loss of gross margin related to the sinking of the Mighty Servant 3 (USD 8.2 million for 2009; USD 25.3 million for 2008; and USD 25.9 million for 2007) and includes the profit on the sale of two vessels in 2009 and two ship-mid-sections in 2008 (USD 3.4 million for 2009; USD 4.8 million for 2008; and nil for 2007) and excludes non-recurring administrative expenses (USD 5.7 million in 2009; nil for 2008 and USD 10.6 million in 2007). The 2010 vessel sale of the Enterprise for a cash consideration of USD 2 million following its downward revaluation in Q2 with approximately USD 6 million did not affect (adjusted) EBITDA. Presentation of adjusted EBITDA allows analysis of comparable annual results without exceptional, non-recurring items. Adjusted EBITDA is not a measurement of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or profit on ordinary activities as indicators of the Company's operating performance or any other measures of performance derived in accordance with IFRS.

For a discussion of other limitations with respect to the use of adjusted EBITDA see "*Presentation of financial and other information – Gross margin, EBITDA, adjusted EBITDA and adjusted revenue*". The reconciliation of EBITDA to adjusted EBITDA is as follows:

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
	<i>(USD in millions)</i>			<i>(USD in millions)</i>		<i>(USD in millions)</i>	
EBITDA.....	104.5	201.1	208.9	172.5	125.2	48.4	46.1
Non recurring administrative expenses.....	10.6	—	5.7	—	—	—	—
Mighty Servant 3 net compensation.....	25.9	25.3	8.2	8.2	—	—	—
<b>Adjusted EBITDA.....</b>	<b>141.0</b>	<b>226.4</b>	<b>222.8</b>	<b>180.7</b>	<b>125.2</b>	<b>48.4</b>	<b>46.1</b>

The reconciliation of revenue and adjusted revenue is as follows:

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
	<i>(USD in millions)</i>			<i>(USD in millions)</i>		<i>(USD in millions)</i>	
Revenue.....	290.1	456.6	478.0	359.8	316.2	113.9	108.9
Mighty Servant 3 gross compensation.....	39.8	38.8	12.7	12.7	—	—	—
<b>Adjusted revenue.....</b>	<b>330.0</b>	<b>495.4</b>	<b>490.7</b>	<b>372.5</b>	<b>316.2</b>	<b>113.9</b>	<b>108.9</b>

**Adjusted revenue.** Adjusted revenue is revenue plus the gross compensation for the Mighty Servant 3. For a discussion of other limitations with respect to the use of adjusted revenue see "*Presentation of financial and other information – Gross margin, EBITDA, adjusted EBITDA and adjusted revenue*".

## 14 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Company's consolidated results of operations and financial condition should be read in conjunction with the whole of this Prospectus, including the Company's audited consolidated financial statements (including the notes thereto) for the years ended 31 December 2007, 2008 and 2009, including the auditor's reports, and the Company's unaudited condensed consolidated interim financial statements (including the notes thereto) for the nine months ended 30 September 2010, including the auditor's review report and the unaudited comparative financial information for the nine months ended 30 September 2009, prepared in accordance with IFRS, and the unaudited condensed consolidated interim financial information of the Company for the three months ended 30 September 2010 with unaudited comparative financial information for the three months ended 30 September 2009, all of which are incorporated by reference into this Prospectus.

Some of the statements contained below, including those concerning future revenues, costs, capital expenditures, vessel fleet growth and financial condition, are forward-looking statements. Because such statements are based on assumptions and estimates regarding future events that are subject to risks and uncertainties, actual results may differ materially from the results that the forward-looking statements express or imply. Potential investors can find a discussion of certain of these risks and uncertainties in "Risk factors" and "Cautionary note regarding forward-looking statements". The Company does not undertake to revise, or publicly release the results of any revision to, these forward-looking statements.

### 14.1 Overview

The Company conducts business within ocean transport, logistics management, procurement and engineering services for heavy marine transport and installation projects, for some of the largest offshore structures in some of the most challenging environments in the world. The Company operates the world's largest fleet, consisting of 19 versatile semi-submersible vessels, and offers consistent, high quality, reliable and safe execution of innovative projects for its customers. The Company's customers operate in a broad range of industries, including oil and gas, power, other energy and resources, P&M, the military and the yacht industry.

The Company has a global presence through offices or local representatives in the Netherlands, Bermuda, the United States, China, Italy, Korea, Australia, Brazil, Singapore, Russia, Nigeria, Malaysia and Mexico, and is in the process of setting up a joint venture company in Saudi Arabia.

The Issuer was incorporated on 11 January 2007. On 4 May 2007, the Issuer acquired Delphi, the then parent of DTNV. From an accounting perspective, this takeover constitutes a "reverse acquisition" under IFRS. Since this transaction, the Issuer has had no commercial operations of its own except those undertaken by its subsidiaries. The Shares have been admitted to trading and listed on Oslo Børs since 2 October 2007 and on Euronext Amsterdam since 3 December 2009.

The following table shows selected financial information from the Company's consolidated income statement for the periods indicated:

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
	<i>(USD in millions)</i>			<i>(USD in millions)</i>		<i>(USD in millions)</i>	
<b>Revenue</b> .....	<b>290.1</b>	<b>456.6</b>	<b>478.0</b>	<b>359.8</b>	<b>316.2</b>	<b>113.9</b>	<b>108.9</b>
Profit from operations .....	21.5	129.6	112.4	107.9	50.0	26.7	23.9
Profit /(loss) before income tax....	(74.9)	46.8	38.1	53.8	15.0	8.7	13.2
<b>Net profit/(loss) for the period..</b>	<b>(75.8)</b>	<b>47.0</b>	<b>36.6</b>	<b>52.4</b>	<b>14.6</b>	<b>8.1</b>	<b>13.1</b>
<b>Other financial data</b>							
<b>EBITDA</b> <sup>4</sup> .....	<b>104.5</b>	<b>201.1</b>	<b>208.9</b>	<b>172.5</b>	<b>125.2</b>	<b>48.4</b>	<b>46.1</b>
<b>Adjusted EBITDA</b> <sup>5</sup> .....	<b>141.0</b>	<b>226.4</b>	<b>222.8</b>	<b>180.7</b>	<b>125.2</b>	<b>48.4</b>	<b>46.1</b>

4 For discussion of EBITDA see "Selected historical consolidated financial information – Other financial data".

5 For discussion of adjusted EBITDA see "Selected historical consolidated financial information – Other financial data".

Commencing in 2009, the Company revised its methodology for segmenting for its Dockwise heavy lift business in order to better allocate between the long term offshore/onshore industrial transportation and installation contracts and the more short term heavy marine transport contracts. The table below shows an overview of the revenue segmentation according to the current segmentation.

	Year ended 31 December 2007	As percentage of revenue	Year ended 31 December 2008	As percentage of revenue	Year ended 31 December 2009	As percentage of revenue
<i>(USD in millions)</i>						
<b>Dockwise Heavy Lift</b>						
<b>(DHL)</b> .....	248.9	85.8	403.6	88.4	434.2	90.8
Heavy marine transport.....	237.6	81.9	363.1	79.5	373.5	78.1
Offshore/onshore projects.	11.3	3.9	40.5	8.9	60.7	12.7
<b>Dockwise Yacht</b>						
<b>Transport (DYT)</b> .....	41.2	14.2	53.0	11.6	43.8	9.2
<b>Total</b> .....	<b>290.1</b>	<b>100.0</b>	<b>456.6</b>	<b>100.0</b>	<b>478.0</b>	<b>100.0</b>

The following table sets forth the key performance indicators (“KPIs”) for the Company and the market it operates in during the periods indicated.

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
<b>Early warning indicators</b>							
<b>market</b>							
Oil price WTI (USD) <sup>6</sup> .....	72	100	79	57	75	57	75
Worldwide oil demand (barrels per day in millions) <sup>7</sup> .....	86	86	84	84	86	84	86
<b>KPIs for the Company</b>							
Revenues (USD in millions).....	290.1	456.6	478.0	359.8	316.2	113.9	108.9
Backlog as at end of period (USD in millions).....	233	388	324	339	400	339	400
Lost time injuries.....	10	6	3	3	4	2	3
FTEs <sup>8</sup> .....	224	296	315	313	315	315	303

6 Average oil price per barrel. Source: West Texas Intermediate (WTI).

7 Source: Energy Information Administration/Short-Term Energy Outlook – January 2009.

8 Average figures through the periods indicated. An FTE (Full-time equivalent) of 1.0 means that an employee is equivalent to a full-time worker.

The following table sets forth the (adjusted) revenue development per market, the (adjusted) cost development and the (adjusted) EBITDA development for the Company for the periods indicated.

	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3
	<i>(USD in millions)</i>						
<b>Total adjusted revenue</b> .....	<b>136.7</b>	<b>121.9</b>	<b>113.9</b>	<b>118.2</b>	<b>95.2</b>	<b>112.1</b>	<b>108.9</b>
Heavy marine transport (adjusted)	121.9	91.8	82.3	90.2	72.0	61.2	69.2
Offshore/onshore projects.....	4.4	16.3	24.2	15.8	15.6	37.4	36.3
Dockwise Yacht Transport.....	10.4	13.8	7.4	12.2	7.6	13.5	3.4
<b>Adjusted total costs<sup>9</sup></b> .....	<b>64.5</b>	<b>61.8</b>	<b>65.5</b>	<b>82.2</b>	<b>75.4</b>	<b>83.1</b>	<b>73.4</b>
Adjusted Contract related expenses Dockwise Heavy Lift	31.9	30.5	37.6	47.9	36.5	34.8	36.0
Contract related expenses							
Dockwise Yacht Transport.....	5.7	5.0	4.6	6.8	4.6	6.4	2.8
Vessel operating costs.....	13.7	12.9	12.5	11.0	12.0	11.2	12.4
Selling, general and administrative expenses.....	13.2	13.4	10.8	16.5	10.8	11.9	11.6
<b>Costs as percentage of adjusted revenue</b> .....	<b>47.2%</b>	<b>50.7%</b>	<b>57.5%</b>	<b>69.5%</b>	<b>79.2%</b>	<b>74.1%</b>	<b>67.4%</b>
Adjusted EBITDA.....	72.2	60.1	48.4	42.1	31.4	47.7	46.1
<b>Adjusted EBITDA margin (%)</b> ...	<b>52.8%</b>	<b>49.3%</b>	<b>42.5%</b>	<b>35.5%</b>	<b>33.0%</b>	<b>42.6%</b>	<b>42.3%</b>

## 14.2 Significant developments since 30 September 2010

There have been no significant changes in the financial or trading position of the Dockwise group since 30 September 2010, the date to which the nine month financial information in this Prospectus has been prepared, except for the following:

### ***Mighty Servant 3 settlement***

The Company has settled its dispute with its former shareholders related to the reinstatement of the Mighty Servant 3. As a result, the Company will, in the event of an award, be entitled to the full proceeds of the arbitration it has initiated against its hull and machinery underwriters at the time of the sinking of the Mighty Servant 3, which occurred prior to the change in ownership of the Company in 2006. As a consequence, the Company will no longer pursue its claim in this respect against its former shareholders.

The said arbitration proceedings are related to the costs of the salvaging of the Mighty Servant 3 in the port of Luanda, Angola, and the subsequent costs of repairs and towing the vessel to Cape Town, South Africa, in the summer of 2007. The amount for which the arbitration has been initiated is USD 9.5 million plus interest and costs. No assurance can be given as to the outcome of these arbitration proceedings.

As the requirements for recognizing an asset from a claim on insurers (being that payment should be virtually certain) differ from the requirements for recognizing an asset based on a receivable from a contract party such as the former shareholders (being that payment of such a receivable should be probable), the Company will derecognize in the fourth quarter of 2010 through profit and loss the USD 8.7 million receivable on the former shareholders it had recorded on its balance sheet as at 30 September 2010. Any proceeds from the arbitration process will be recognized as income through profit and loss if and when these are awarded.

### ***Receivables***

Following discussions regarding a transport and installation contract held with a customer and with the ultimate owner of the asset transported, the Company has recently entered into an agreement with the customer that grants the customer extended payment terms of up to 60 days, ending in the end of December 2010, for the remaining amount of USD 15,723,000 out of a total contract value exceeding USD 100,000,000.

## 14.3 Key factors affecting the results of operations and financial condition

### ***Industry trends affecting revenue***

The activity levels of oil and gas companies drive, in part, the demand for heavy marine transport services and installation projects for offshore and onshore modules. The Company believes that the

<sup>9</sup> Adjusted total costs is the direct costs plus the gross cost correction for the Mighty Servant 3.

combination of a high oil price environment, increasing global demand for hydrocarbon and a drive to replace reserves since 2003, has positively impacted the Company's results of operations, cash flows and financial condition. Although there was a significant drop in oil prices in 2009, and the Company experienced a decreased demand, as well as a decrease in unit pricing for its services in the oil and gas industry in 2010, and these circumstances may continue in 2011. However, the Company believes that the business should in the medium term benefit from the following dynamics:

- an overall expectation that there will be an upward trend in the demand for hydrocarbons, contributing to relatively high oil prices (in nominal terms);
- restored high capital spending levels by oil and gas companies, driven by a continuous need to replace reserves;
- the increasing size of offshore and onshore modules;
- sustained expenditures on offshore exploration and development, particularly in deepwater areas, and the use of larger rigs and other offshore structures;
- increased number of oilfields, especially in deep water areas such as Brazil and Russia;
- increased expenditures on onshore projects such as LNG plants, petrochemical plants and desalination plants; and
- increased use of the concept of modular/whole building of facilities.

#### ***Relationships with customers and ability to win new business from existing customers***

The Company's relationships with its customers and its ability to win heavy lift contracts from new customers, and secure additional contracts from existing customers, are critical to the Company's results of operations and financial condition. The Company has established and developed relationships with a range of large customers that have resulted in significant repeat business and revenue. For each of the periods under review, the majority of revenue came from repeat customers. The Company expects these relationships will continue to have a positive impact on the Company's results of operations, cash flows and financial condition in the future.

#### ***Revenue backlog***

Revenue backlog represents the aggregate value of the Company's signed contracts and letters of award or intent for transport and installation projects less revenue recognized from those contracts. References to the Company's revenue backlog in this Prospectus do not include any revenue backlog for its yacht transportation business.

As at 30 September 2010, the Company had a revenue backlog of USD 400 million (USD 339 million at the same date in 2009) in contracts to be executed during the years 2010 until 2015. The total revenue backlog of the Company as at 30 September 2010 can be allocated over the next few years as follows: 2010: USD 87 million, 2011: USD 125 million, 2012: USD 124 million and after 2012: USD 64 million. The total revenue backlog of the Company as at 30 September 2010 can be allocated over the relevant market segments as follows: heavy marine transport: USD 215 million and offshore/onshore projects: USD 185 million. Over the last five quarters, the Company has had revenue backlogs of USD 400 million as at 30 September 2010, USD 389 million as at 30 June 2010, USD 366 million as at 31 March 2010, USD 324 million as at 31 December 2009 and USD 339 million as at 30 September 2009. The Company's revenue backlog helps to provide the Company with visibility with respect to possible future earnings.

#### ***Improved heavy marine transportation fleet leverage***

The size and flexibility of the Company's heavy marine transportation fleet enables the Company to minimize the number of days during which a vessel must operate on an unpaid basis between contracts. As of 1 January 2008, the average annual utilization rate for the Company's heavy marine transportation vessels, which is the number of paid days divided by days based on 320 sellable days in the year, has always been higher than 77%. The relatively high demand for heavy marine transportation services during this period has also in part improved the ability of the Company to transport cargo for one customer while mobilizing for another. For a discussion of how the Company calculates the utilization rate see "*Presentation of financial and other information – Utilization rate*".

### ***Delays and variation orders***

Because of the nature of the Company's business, delays in the readiness of cargoes and variation orders can have a significant impact on the Company's results of operations and financial condition. Periodically, a customer will not be able to deliver its cargo within the agreed upon period of time. Similarly, for some of the heavy marine transport contracts, customers have sought to vary the timing of loading or unloading of their cargo, or otherwise vary the terms of their contract after the contract has been signed. These delays and variation orders can have a significant impact on the profitability of particular contracts. The impact of delays and variation orders has historically been generally positive, in part because of the scheduling flexibility provided by the Company's large heavy marine transport fleet.

### ***Adverse weather conditions***

Adverse weather conditions can prevent the loading or unloading of cargo, primarily because of an inability to load or unload cargo (particularly for float-overs) and can create logistical disruptions within the Company's heavy marine transport fleet and may prevent the Company from performing a contract. The Company expects such factors will continue to have an impact on the Company's results of operations, cash flows and financial condition in the future.

### ***Seasonal fluctuations***

The Company's revenue from its yacht business was USD 44 million, or 9% of revenue, in 2009 and USD 53 million, or 12% of revenue, in 2008 and USD 41 million, or 14% of revenue, in 2007. The yacht transportation business is seasonal. The Company's yacht business experiences significantly greater activity in spring and fall than at other times in the year, principally because yacht owners tend to move their yachts from the Caribbean to the Mediterranean in the spring and back in the fall. As a result of these seasonal fluctuations, the Company's revenue is not evenly distributed throughout the year.

### ***Contract mix***

The Company manages its heavy marine transport business on a contract-by-contract basis and seeks to achieve high net charter income (representing the difference between contract revenues and contract-related expenses) and EBITDA, while simultaneously seeking to maximize its overall utilization rate for each vessel by, for example, scheduling contracts and managing its contract mix in order to minimize downtime for its vessels. Furthermore, the Company has entered into the businesses of not only transporting, but also installing offshore structures and onshore modules. The revenue of projects that involve an installation as well as transportation component can be significantly greater than pure transportation contracts. In any given period, the proportion of business realized from installation contracts, either offshore or onshore, compared to transportation only contracts, can have a significant impact on the Company's results of operations, cash flows and financial condition.

### ***Tax residency***

As a consequence of its management being conducted in Breda, the Netherlands, the Issuer has been considered a tax resident of the Netherlands as of 1 October 2009 and is as such subject to Dutch taxes. Prior to that time, the Issuer was considered a tax resident of Bermuda. Confirmation of the Dutch tax treatment relating to this change in residency has been received from the Dutch tax authorities. As a result of its Dutch tax residency, dividend distributions by the Issuer will be subject to Dutch dividend withholding tax currently at a rate of 15%.

### ***Tonnage tax regime***

The Company pays tax on most of its heavy marine transportation services at rates prescribed by the Dutch tonnage tax regime, which assesses tax on a dead weight tonnage capacity of the Company's fleet and not on the Company's revenue. This tonnage tax regime does not apply to a portion of the operating results generated by providing services that fall outside the scope of heavy marine transportation services. In addition, the transport and installation services may be subject to tax in the jurisdictions in which those services are provided.

### ***Implementation of environmental taxes or regulations may increase the Company's taxation or other costs or ability to operate***

The Company is active worldwide and its vessels enter various different territorial waters as well as international ports to either bunker, load or discharge cargoes and it cannot rule out the possibility

that new environmental related tax and regulatory obligations, such as but not limited to CO<sub>2</sub> emission or new ballast water regulations may be implemented in some or all of the jurisdictions in which it operates.

#### 14.4 Results of operations

The following table sets forth the Company's results of operations for the periods indicated:

	Year ended 31 December			Nine months ended 30 September		Three months ended 30 September	
	2007	2008	2009	2009	2010	2009	2010
	<i>(USD in millions)</i>			<i>(USD in millions)</i>		<i>(USD in millions)</i>	
<b>Revenue</b> .....	<b>290.1</b>	<b>456.6</b>	<b>478.0</b>	<b>359.8</b>	<b>316.2</b>	<b>113.9</b>	<b>108.9</b>
Direct costs.....	(214.7)	(281.5)	(315.1)	(217.6)	(231.9)	(76.5)	(73.4)
<b>Gross profit</b> .....	<b>75.5</b>	<b>175.1</b>	<b>162.9</b>	<b>142.1</b>	<b>84.3</b>	<b>37.3</b>	<b>35.5</b>
Other income.....	—	4.8	3.4	3.3	—	0.3	—
Administrative expenses.....	(54.0)	(50.3)	(53.9)	(37.4)	(34.3)	(10.9)	(11.6)
<b>Profit from operations</b> .....	<b>21.5</b>	<b>129.6</b>	<b>112.4</b>	<b>107.9</b>	<b>50.0</b>	<b>26.7</b>	<b>23.9</b>
Financial income.....	5.6	2.7	2.6	1.2	0.9	0.0	0.2
Financial expenses.....	(102.0)	(85.4)	(77.0)	(55.3)	(35.9)	(18.1)	(10.9)
<b>Net financing costs</b> .....	<b>(96.4)</b>	<b>(82.8)</b>	<b>(74.4)</b>	<b>(54.1)</b>	<b>(35.0)</b>	<b>(18.1)</b>	<b>(10.7)</b>
<b>Profit/(loss) before income tax</b>	<b>(74.9)</b>	<b>46.8</b>	<b>38.1</b>	<b>53.8</b>	<b>15.0</b>	<b>8.7</b>	<b>13.2</b>
Income tax credit/(expense).....	(0.9)	0.2	(1.5)	(1.4)	(0.4)	(0.6)	(0.1)
<b>Net Profit/(loss) for the period</b>	<b>(75.8)</b>	<b>47.0</b>	<b>36.6</b>	<b>52.4</b>	<b>14.6</b>	<b>8.1</b>	<b>13.1</b>

#### ***The three months ended 30 September 2010 compared to the three months ended 30 September 2009***

##### *Revenue*

Revenue decreased by 4.4% to USD 108.9 million in the three months ended 30 September 2010 from USD 113.9 million in the three months ended 30 September 2009. The decrease in revenue was due to lower utilization levels and lower prices given market conditions.

The following table sets forth a breakdown of revenue between Dockwise Heavy Lift and yacht transport as well as each category's percentage of revenue for the three months ended 30 September 2010 and for the three months ended 30 September 2009:

	Three months ended 30 September 2009	As percentage of revenue	Three months ended 30 September 2010	As percentage of revenue
		<i>(USD in millions)</i>		
<b>Dockwise Heavy Lift (DHL)</b> .....	<b>106.5</b>	<b>93.5</b>	<b>105.5</b>	<b>96.9</b>
Heavy marine transport.....	82.3	72.3	69.2	63.5
Offshore/onshore projects.....	24.2	21.2	36.3	33.4
<b>Dockwise Yacht Transport (DYT)</b> .....	<b>7.4</b>	<b>6.5</b>	<b>3.4</b>	<b>3.1</b>
<b>Total</b> .....	<b>113.9</b>	<b>100.0</b>	<b>108.9</b>	<b>100.0</b>

*Dockwise Heavy Lift (DHL)*. Revenue from heavy marine transport decreased by 15.9%, to USD 69.2 million in the three months ended 30 September 2010 from USD 82.3 million in the three months ended 30 September 2009, mainly as a result of pressure on prices and lower utilization levels. Revenue from offshore/onshore contracts increased by 50.0%, to USD 36.3 million in the three months ended 30 September 2010 from USD 24.2 million in the three months ended 30 September 2009, following the completion of the Vyborg contract (the recent major offshore float-over performed for Vyborg shipyard).

*Dockwise Yacht Transport (DYT).* Revenue from the yacht transport business decreased by 54.0%, to USD 3.4 million in the three months ended 30 September 2010 from USD 7.4 million in the three months ended 30 September 2009, as a result of general economic downturn and lower fuel prices that were charged on to customers.

#### *Direct costs*

Direct costs are composed of contract-related expenses, vessel operating expenses, depreciation and amortization. Direct costs decreased by 3.9%, to USD 73.4 million in the three months ended 30 September 2010 from USD 76.4 million in the three months ended 30 September 2009. The decrease in direct costs was primarily due to the docking in Q3 2010 of the Super Servant 3 and 4.

*Contract-related expenses.* The Company's contract-related expenses decreased by 8.1%, to USD 38.8 million in the three months ended 30 September 2010 from USD 42.2 million in the three months ended 30 September 2009. The decrease in contract-related expenses was primarily due to the docking in Q3 2010 of the Super Servant 3 and 4.

*Vessel operating expenses.* Vessel operating expenses decreased by 0.8%, to USD 12.4 million in the three months ended 30 September 2010 from USD 12.5 million in the three months ended 30 September 2009, mainly as a result of lower maintenance costs.

*Depreciation.* Depreciation decreased by 1.0%, to USD 20.8 million in the three months ended 30 September 2010 from USD 20.6 million in the three months ended 30 September 2009.

*Amortization.* Amortization increased by 27.3%, to USD 1.4 million in the three months ended 30 September 2010 from USD 1.1 million in the three months ended 30 September 2009.

#### *Gross profit*

Gross profit represents revenue less direct costs. Gross profit decreased by 4.8%, to USD 35.5 million for the three months ended 30 September 2010 from USD 37.3 million for the three months ended 30 September 2009 and, as a percentage of revenue, decreased by 0.2 percentage points to 32.6% for the three months ended 30 September 2010 from 32.8% for the three months ended 30 September 2009.

#### *Administrative expenses*

Administrative expenses include the personnel expenses of management and office staff and other general expenses. Administrative expenses increased by 6.4% to USD 11.6 million for the three months ended 30 September 2010 from USD 10.9 million for the three months ended 30 September 2009. The increase in administrative expenses was primarily due to relatively high consultancy expenses relating to the feasibility study of the new vessel. As a percentage of revenue, administrative expenses represented 10.7% of revenue for the three months ended 30 September 2010 and 9.6% of revenue for the three months ended 30 September 2009.

#### *Profit/(loss) from operations*

Profit from operations decreased by 10.5%, to USD 23.9 million for the three months ended 30 September 2010 from USD 26.7 million for the three months ended 30 September 2009. This was primarily due to decreased revenue and higher administrative expenses.

#### *Financial income*

Financial income comprises interest income from debt buy back transactions and cash deposits. Financial income increased to USD 0.2 million for the three months ended 30 September 2010 from USD 0.1 million for the three months ended 30 September 2009.

#### *Financial expenses*

Financial expenses principally comprise interest expenses and financial charges on the indebtedness incurred during the periods. Financial expenses decreased to USD 10.9 million in the three months ended 30 September 2010 from USD 18.1 million in the three months ended 30 September 2009, primarily because of lower outstanding debt.

#### *Net financing costs*

Net financing costs represent the difference between financial income and financial costs. Net financing costs decreased to USD 10.6 million in the three months ended 30 September 2010 from USD 18.1 million in the three months ended 30 September 2009, mainly because of lower financial expenses.



*Depreciation.* Depreciation increased by 16.2%, to USD 71.1 million in the nine months ended 30 September 2010 from USD 61.2 million in the nine months ended 30 September 2009, mainly as a result of an impairment of the divested Enterprise of USD 6.2 million and depreciation on project related equipment.

*Amortization.* Amortization increased by 20.6%, to USD 4.1 million in the nine months ended 30 September 2010 from USD 3.4 million in the nine months ended 30 September 2009.

#### *Gross profit*

Gross profit represents revenue less direct costs. Gross profit decreased by 40.7%, to USD 84.3 million for the nine months ended 30 September 2010 from USD 142.1 million for the nine months ended 30 September 2009 and, as a percentage of revenue, decreased by 12.8 percentage points to 26.7% for the nine months ended 30 September 2010 from 39.5% for the nine months ended 30 September 2009. The decrease in gross profit was primarily a result of lower revenues, higher contract related costs and higher depreciation.

#### *Administrative expenses*

Administrative expenses include the personnel expenses of management and office staff and other general expenses. Administrative expenses decreased by 8.3%, to USD 34.3 million for the nine months ended 30 September 2010 from USD 37.4 million for the nine months ended 30 September 2009. The decrease in administrative expenses was primarily due to strong cost control. As a percentage of revenue, administrative expenses represented 10.8% of revenue for the nine months ended 30 September 2010 and 10.4% of revenue for the nine months ended 30 September 2009.

#### *Profit/(loss) from operations*

Profit from operations decreased by 53.7%, to USD 50.0 million for the nine months ended 30 September 2010 from USD 107.9 million for the nine months ended 30 September 2009. This was primarily due to decreased revenue, higher contract related expenses and higher depreciation.

#### *Financial income*

Financial income comprises interest income from debt buy back transactions and cash deposits. Financial income decreased to USD 0.9 million for the nine months ended 30 September 2010 from USD 1.2 million for the nine months ended 30 September 2009.

#### *Financial expenses*

Financial expenses principally comprise interest expenses and financial charges on the indebtedness incurred during the periods. Financial expenses decreased to USD 35.9 million in the nine months ended 30 September 2010 from USD 55.3 million in the nine months ended 30 September 2009, primarily because of lower outstanding debt.

#### *Net financing costs*

Net financing costs represent the difference between financial income and financial costs. Net financing costs decreased to USD 35.0 million in the nine months ended 30 September 2010 from USD 54.1 million in the nine months ended 30 September 2009, mainly because of lower financial expenses.

#### *Profit/(loss) before income tax*

Profit before income tax is profit from operations less net financing costs. Profit before tax decreased to USD 15.0 million for the nine months ended 30 September 2010 from a profit before tax of USD 53.8 million for the nine months ended 30 September 2009, because of the items discussed above.

#### *Income tax expense*

The Company pays only minimal tax because most of its revenue is subject only to the rates prescribed by the Dutch tonnage tax regime. Income tax expense decreased to USD 0.4 million in the nine months ended 30 September 2010 from USD 1.4 million in the nine months ended 30 September 2009, primarily because of lower taxable income in the nine months ended 30 September 2010.

## Year ended 31 December 2009 compared to the year ended 31 December 2008

### Revenue

Revenue increased by 4.7% to USD 478.0 million in 2009 from USD 456.6 million in 2008. The increase in revenue was due to higher revenue from both offshore/onshore projects as well as from heavy marine transport as a result of the additional capacity added to the fleet. The following table sets forth a breakdown of revenue between Dockwise Heavy Lift and yacht transport as well as each category's percentage of revenue for 2009 and 2008:

	Year ended 31 December 2009	As percentage of revenue	Year ended 31 December 2008	As percentage of revenue
<i>(USD in millions)</i>				
<b>Dockwise Heavy Lift (DHL)</b> .....	<b>434.2</b>	<b>90.8</b>	<b>403.6</b>	<b>88.4</b>
Heavy marine transport.....	373.5	78.1	363.1	79.5
Offshore/onshore projects .....	60.7	12.7	40.5	8.9
<b>Dockwise Yacht Transport (DYT)</b> .....	<b>43.8</b>	<b>9.2</b>	<b>53.0</b>	<b>11.6</b>
<b>Total</b> .....	<b>478.0</b>	<b>100.0</b>	<b>456.6</b>	<b>100.0</b>

*Dockwise Heavy Lift (DHL).* Revenue from heavy marine transport represented 79.5% and 78.1% of the Company's revenue for 2008 and 2009, respectively, and increased by 2.8%, to USD 373.5 million for 2009 from USD 363.1 million for 2008. Revenue from offshore/onshore projects represented 8.9% and 12.7% of the Company's revenue for 2008 and 2009, respectively, and increased by 48.8% to USD 60.7 million for 2009 from USD 40.5 million for 2008.

*Dockwise Yacht Transport (DYT).* Revenue from the yacht transport business represented 11.6% and 9.2% of the Company's revenue for 2008 and 2009, respectively, and decreased by 17.4% to USD 43.8 million for 2009 from USD 53.0 million for 2008.

### Direct costs

Direct costs increased by 11.9%, to USD 315.1 million for 2009 from USD 281.5 million for 2008.

*Contract-related expenses.* The Company's contract-related expenses increased by 3.4%, to USD 168.6 million in 2009 from USD 163.1 million in 2008, mainly as a result of experiencing difficulties to pass on costs to the client.

*Vessel operating expenses.* Vessel operating expenses increased by 7.1% to USD 50.1 million in 2009 from USD 46.8 million in 2008 mainly as a result of the increased fleet size.

*Depreciation and amortization.* Depreciation and amortization increased by 34.6%, to USD 96.4 million in 2009 from USD 71.6 million in 2008, mainly as a result of the increased fleet size following the Sealift acquisition and the related vessel conversions in 2007 and 2008. Of a non-recurring nature are the derecognition of information systems with a book loss of USD 2 million, an impairment loss of USD 4 million on DYT customer relationships following a re-examination of the future opportunities for the DYT business and a book loss on the derecognition of one of the thrusters of the Yacht Express of USD 3 million.

### Gross profit

Gross profit represents revenue less direct costs. Gross profit decreased by 7.0%, to USD 162.9 million for 2009 from USD 175.1 million for 2008. As a percentage of revenue, gross margin decreased to 34% from 38% in 2008. The decrease in gross profit was primarily a result of the increase in contract-related expenses and depreciation and amortization.

### Administrative expenses

Administrative expenses increased by 7.2%, to USD 53.9 million for 2009 from USD 50.3 million for 2008. The increase in administrative expenses was primarily due to an increase in the fourth quarter of 2009 where non-recurring costs of USD 5.7 million were booked related to the listing at Euronext Amsterdam and pre-acquisition costs. Adjusted for this, administrative expenses for 2009 are below 2008.



represented 3.9% and 8.9% of the Company's revenue for 2007 and 2008, respectively, and increased by 258.4% to USD 40.5 million for 2008 from USD 11.3 million for 2007.

*Dockwise Yacht Transport (DYT).* Revenue from the yacht transport business represented 14.2% and 11.6% of the Company's revenue for 2007 and 2008, respectively, and increased by 28.6% to USD 53.0 million for 2008 from USD 41.2 million for 2007.

#### *Direct costs*

Direct costs increased by 31.1% to USD 281.5 million for 2008 from USD 214.7 million for 2007. The increase in direct costs was primarily due to the increased fleet size and increased commercial activity which resulted in higher fuel costs.

*Contract-related expenses.* The Company's contract-related expenses increased by 79.5%, to USD 163.2 million in 2008 from USD 90.9 million in 2007. The increase in contract-related expenses was primarily due to the increased fleet size and the increase in fuel costs.

*Vessel operating expenses.* Vessel operating expenses increased by 14.7% to USD 46.8 million in 2008 from USD 40.8 million in 2007, mainly as a result of the increased fleet size.

*Depreciation.* Depreciation increased by 43.1%, to USD 66.4 million in 2008 from USD 46.4 million in 2007, mainly as a result of the increased fleet size following the Sealift acquisition and the related vessel conversions in 2007 and 2008.

*Amortization.* Amortization decreased by 85.8%, to USD 5.2 million in 2008 from USD 36.7 million in 2007 mainly as a result of significant non-recurring amortization costs in 2007 related to the acquisition of DTNV by Delphi.

#### *Gross profit*

Gross profit represents revenue less direct costs. Gross profit increased by 131.9%, to USD 175.1 million for 2008 from USD 75.5 million for 2007 and, as a percentage of revenue, increased by 12.3 percentage points to 38.3% for 2008 from 26.0% for 2007. The increase in gross profit was the result of the increased fleet size, higher contract values and lower amortization costs.

#### *Administrative expenses*

Administrative expenses decreased by 6.9%, to USD 50.3 million for 2008 from USD 54.0 million for 2007. The decrease in administrative expenses was primarily due to non-recurring expenses relating to the stock exchange listing in 2007. As a percentage of revenue, the Company's administrative expenses represented 11.0% of revenue for 2008 and 18.6% of revenue for 2007.

#### *Profit/(loss) from operations*

Profit from operations increased to USD 129.6 million for 2008 from USD 21.5 million for 2007. This was primarily due to an increase in the Company's gross profit (which was largely due to the factors discussed above), and a decrease in administrative expenses as discussed above.

#### *Financial income*

Financial income comprises interest income from the outstanding amount in the Mighty Servant 3 escrow account and cash deposits. Financial income decreased to USD 2.7 million for 2008 from USD 5.6 million for 2007 primarily as a result of the balance held in the escrow account related to the sinking and repairs of the Mighty Servant 3.

#### *Financial expenses*

Financial expenses principally comprise interest expenses and financial charges on the indebtedness incurred by the Company under the Senior Credit Facilities, totalling in aggregate USD 1,001.3 million and USD 937.8 million as at 31 December 2008 and 2007, respectively. Financial expenses decreased by 16.3%, to USD 85.4 million in 2008 from USD 102 million in 2007, primarily because of the write-off of capitalized loan fees related to the refinancing in 2007.

#### *Net financing costs*

Net financing costs comprise financial income and financial expense. Net financing costs decreased by 14.1% to USD 82.8 million in 2008 from USD 96.4 million in 2007. The decrease was largely due to the factors discussed above.

#### *Profit/(loss) before income tax*

Profit before income tax increased by USD 121.7 million, to USD 46.8 million for 2008 from a loss before tax of USD 74.9 million for 2007, primarily because of the improved operational profit as described above and the decreased net financing costs.

#### *Income tax expense/(credit)*

Income tax expense decreased to a credit of USD 0.2 million in 2008 from an expense of USD 0.9 million in 2007, primarily because of net operating losses (after interest on group loans) from OKI and ODL.

#### *Net profit/(loss) for the year*

Profit for the year increased by USD 122.8 million, to USD 47.0 million for 2008 from a loss of USD 75.8 million for 2007. This improvement was the result of the changes discussed above.

### **14.5 Financial condition**

The following table sets forth a summary of the Company's balance sheet for the periods indicated:

	As of 31 December			As of 30 September	
	2007	2008	2009	2009	2010
	<i>(USD in millions)</i>			<i>(USD in millions)</i>	
Total non-current assets .....	1,453.4	1,624.5	1,544.2	1,567.6	1,496.9
Total current assets .....	149.8	129.2	142.7	103.8	174.6
<b>Total assets</b> .....	<b>1,603.2</b>	<b>1,753.7</b>	<b>1,686.9</b>	<b>1,671.3</b>	<b>1,671.5</b>
Total non-current liabilities .....	917.8	991.3	670.3	900.5	624.8
Total current liabilities .....	131.4	186.1	158.4	138.9	186.8
<b>Total liabilities</b> .....	<b>1,049.2</b>	<b>1,177.5</b>	<b>828.6</b>	<b>1,039.4</b>	<b>811.6</b>
<b>Total equity</b> .....	<b>554.0</b>	<b>576.2</b>	<b>858.3</b>	<b>631.9</b>	<b>859.9</b>
<b>Total equity and liabilities</b> .....	<b>1,603.2</b>	<b>1,753.7</b>	<b>1,686.9</b>	<b>1,671.3</b>	<b>1,671.5</b>

#### ***The three months ended 30 September 2010 compared to the three months ended 30 September 2009***

Total assets stayed at USD 1,671.5 million in the three months ended 30 September 2010 (USD 1,671.3 million in the three months ended 30 September 2009). Depreciation on non-current assets was compensated by mainly an increase in receivables and cash.

Total equity increased by 36.1% to USD 859.9 million in the three months ended 30 September 2010 from USD 631.9 million in the three months ended 30 September 2009. The increase in total equity was primarily due to the issue of new shares in Q4 2009.

#### ***The nine months ended 30 September 2010 compared to the nine months ended 30 September 2009***

Total assets stayed at USD 1,671.5 million in the nine months ended 30 September 2010 (USD 1,671.3 million in the nine months ended 30 September 2009). Depreciation on non-current assets was compensated by mainly an increase in receivables and cash.

Total equity increased by 36.1% to USD 859.9 million in the nine months ended 30 September 2010 from USD 631.9 million in the nine months ended 30 September 2009. The increase in total equity was primarily due to the issue of new shares in Q4 2009.

#### ***Year ended 31 December 2009 compared to the year ended 31 December 2008***

Total assets decreased by 3.8%, to USD 1,686.9 million in 2009 from USD 1,753.7 million in 2008. The decrease in total assets was mainly due to depreciation of property plant and equipment.

Total equity increased by 49.0% to USD 858.3 million in 2009 from USD 576.2 million in 2008. The increase in total equity was mainly due to the issue of new equity and retention of earnings.

### ***Year ended 31 December 2008 compared to the year ended 31 December 2007***

Total assets increased by 9.4%, to USD 1,753.7 million in 2008 from USD 1,603.2 million in 2007. The increase in total assets was due to delivery of new vessels.

Total equity increased by 4.0% to USD 576.2 million in 2008 from USD 554.0 million in 2007. The increase in total equity was due to retention of earnings.

### **14.6 Liquidity and cash resources**

The Company's liquidity needs are principally related to financing the Company's existing operations, survey and docking and lifetime extension programs for the Company's vessels and will include the requirement to pay the capital expenditure for the new vessel. The Company's principal sources of funding have been cash from the Company's operations, bank borrowings and proceeds from a capital raise in the second half of 2009.

### **14.7 Senior Credit Facilities**

#### ***Overview***

On 4 May 2007, Delphi Acquisition Holding I B.V., DTNV and Dockwise Transport B.V., as borrowers, and certain subsidiaries, as guarantors, entered into the Senior Credit Facilities.

The Senior Credit Facilities are secured through the vesting of security interests on the majority of the Company's material assets. The charged assets include the vessels of the Company, bank accounts, other fixed assets, insurance policies, intercompany receivables and shares in its consolidated companies. The pledges on each vessel correspond with the total amount outstanding under the Senior Credit Facilities (USD 644.7 million as at 30 September 2010). The Senior Credit Facilities provide for a USD 60 million revolving credit facility available for bank guarantees and revolving credit borrowings, and four term loan facilities, referred to as facilities A, B, C and D respectively. Borrowings under the Senior Credit Facilities bear interest at a rate of LIBOR plus a margin of between 1.25% and 4.50% per annum depending on the specific tranche of loans the facility is drawn under. The margin payable for certain tranches of loans decreases as the Company's leverage ratio (as described below) decreases. The total amount outstanding under the Senior Credit Facilities as of 30 September 2010 was USD 644.7 million. As of 30 September 2010, no funds were drawn on the USD 60 million revolving credit facility and this facility is expected to be increased by USD 110 million to an aggregate of USD 170 million in relation to the financing of the Type 0 Vessel, see "*Use of proceeds and the Type 0 Vessel – Use of proceeds*" above.

#### ***Required repayments and prepayment***

One tranche of the Senior Credit Facilities (facility A) requires repayment in semi-annual amounts which started on 30 June 2009 with a remaining amount being due 31 December 2012. The other tranches mature in 2015 and 2016. The outstanding amounts under the Senior Credit Facilities as of 30 September 2010 are as follows: facility A USD 60.8 million, facility B (including a USD 12.1 million capital expenditure facility) USD 265.1 million, facility C (including a USD 12.1 million capital expenditure facility) USD 252.3 million, facility D USD 66.5 million, , i.e. in aggregate USD 644.7 million.

In addition to this fixed repayment schedule, the Company is required to make annual prepayments based on the Company's excess cash flow (as defined under the Senior Credit Facilities) for the prior year and the Company's leverage ratio at the time. The percentage of this annual prepayment is 75% if the leverage ratio exceeds 4.25, 50% if the leverage ratio exceeds 3.5 but is lower than or equals 4.25, 25% if the leverage ratio exceeds 2.5 but is lower than or equals 3.5 and 0% if the leverage ratio is lower than or equals 2.5. Payments under this so called cash sweep clause will be deducted from the fixed repayment schedule.

The Senior Credit Facilities also contain a change of control provision pursuant to which a shareholder (either alone or acting in concert) gaining control over more than one half of the maximum number of votes that might be cast at the general meeting of the Issuer (or having the right to appoint or remove all or a majority of the Directors) will trigger a mandatory prepayment of the Senior Credit Facilities. In addition, the Issuer is, pursuant to the terms of the Senior Credit Facilities, required to ensure that proceeds of the Rights Issue are used to repay the Senior Credit Facilities as follows:

- if the leverage ratio in the preceding quarter exceeds 4:1, the entirety of the net proceeds of the Rights Issue needs to be used to repay the Senior Credit Facilities;
- if the leverage ratio in the preceding quarter exceeds 3:1 but is lower than or equals 4:1, 50% of the net proceeds of the Rights Issue needs to be used to repay the Senior Credit Facilities; and
- if the leverage ratio in the preceding quarter is lower than or equals 3:1, none of the net proceeds of the Rights Issue needs to be used to repay the Senior Credit Facilities.

Based on the Company's leverage ratio for the quarter ending 30 September 2010, the Company will be required to use 50% of the net equity proceeds of the Rights Issue to repay the Senior Credit Facilities.

### ***Waiver consent***

On 1 October 2010, consent was requested from the lending syndicate in respect of the following matters:

- (i) The increase of the revolving facility with USD 110 million, from USD 60 million to USD 170 million;
- (ii) The adjustment of the leverage ratio as follows:
  - Q3 2011 – Q4 2011: Leverage ratio adjusted to 3.75:1 (from 3.50:1);
  - Q1 2012 – Q2 2012: Leverage ratio adjusted to 3.50:1 (from 3.25:1);
  - Q3 2012 – Q4 2012: Leverage ratio adjusted to 3.50:1 (from 3.00:1); and
  - Q1 2013: Leverage ratio adjusted to 3.25:1 (from 3.00:1).
- (iii) The change of definition in the cash flow cover and cash sweep so that capital expenditure that is funded from utilization of the revolving facility does not have to be deducted from the cash flow. Capital expenditure that is funded from retained cash was already exempted from this calculation under the terms of the Senior Credit Facilities. The cash sweep requirement has been adjusted so that adjustments in the cash flow related capital expenditure for the Type 0 Vessel will not impact the cash sweep requirement for the Company negatively; and
- (iv) Certain other waivers to increase the Company's operational flexibility in addition to those relating to the financing of the Type 0 Vessel.

The consent of the lending syndicate was received on 27 October 2010, and in accordance therewith, the Company will apply the net proceeds of the Rights Issue to reduce debt. Following such repayment, the revolving facility will be increased by USD 110 million from new lenders to the finance agreement. For this, four banks (ABN AMRO Bank, Deutsche Bank, Rabobank and The Royal Bank of Scotland) have, subject to documentation and completion of the Rights Issue, committed funds at an identical margin (i.e. 1.25% margin and 0.625% commitment fee) and also otherwise in line with the terms and conditions of the Company's existing revolving facilities.

### ***Covenants***

The borrowers have undertaken to meet certain financial covenants set forth in the Senior Credit Facilities. These financial covenants relate to the total level of leverage allowed, the level of interest cover, the level of cash flows generated and the total amount of capital expenditures permitted on an annual basis. Certain of these financial covenants are described in greater detail below. If these financial covenants are not met, this would trigger an event of default, allowing the lenders to take certain actions including demanding early repayment of the amounts outstanding under the facilities.

Pursuant to the terms of the Senior Credit Facilities, no dividends are allowed to be distributed from Delphi Acquisition Holding 1 B.V. to its shareholder as long as the Leverage Ratio is higher than 3.5.

In addition, there are customary credit protection and cross default provisions applicable between the respective tranches of the Senior Credit Facilities.

### ***Financial ratios***

As noted above, the Company must comply with three principal financial ratio maintenance covenants under the Senior Credit Facilities. The Company must maintain a ratio of consolidated cash flow to consolidated net debt service (each as defined in the Senior Credit Facilities) equal to

or greater than a specified level, as described below. This is referred to as the “cash flow cover ratio”. The Company must also maintain a ratio of consolidated normalized EBITDA to consolidated net debt service (each as defined in the Senior Credit Facilities) equal to or greater than a specified level, as described below. This is referred to as the “interest coverage ratio”. Finally, the Company must maintain a ratio of consolidated net debt to consolidated normalized EBITDA (each as defined in the Senior Credit Facilities) equal to or less than a specified level, as described below. This is referred to as the “leverage ratio”. Following the granted waiver request of 1 October 2010, capital expenditure related to the Type 0 Vessel will be excluded from this calculation. Furthermore, covenant ratios for leverage in the years 2011, 2012 and 2013 have been relaxed. Set forth below is a summary of these requirements.

	Bank covenant ratios					
	2010 Q4	2011 Q2	2011 Q4	2012 Q2	2012 Q4	2013 Q2
Cash flow cover $\geq$ .....	1.00	1.00	1.00	1.00	1.00	1.00
Interest rate cover $\geq$ .....	2.25	2.25	2.25	2.25	2.25	2.25
Leverage ratio $\leq$ .....	4.00	3.75	3.75	3.50	3.25	3.0

Each of these financial ratio covenants is tested on a quarterly basis based on results of operations for the prior 12 months. In addition, the components of these ratios are based on the definitions in the Senior Credit Facilities, and in particular the definition of normalized EBITDA used in the Senior Credit Facilities is different from EBITDA and adjusted EBITDA presented elsewhere in this Prospectus. At 30 September 2010, the Company’s interest cover ratio was 3.67 to 1; the Company’s cash flow cover ratio was 6.56 to 1; and the Company’s leverage ratio was 3.47 to 1.

### **Maturity**

The table below sets forth the maturity dates for the Senior Credit Facilities:

	Outstanding 30 Sept 2010	2010	2011	2012	2013	2014	2015	2016
				<i>(USD in millions)</i>				
Facility A .....	61	5	12	44				
Facility B .....	265	265						
Facility C .....	253	253						
Facility D .....	66	66						
<b>Total</b> .....	<b>645</b>	<b>5</b>	<b>12</b>	<b>44</b>	<b>—</b>	<b>—</b>	<b>265</b>	<b>319</b>
Outstanding .....	645	640	628	584	584	584	319	—

### **14.8 Working capital**

In 2008, 2009 and in 2010 to the date of this Prospectus, the Company’s principal source of liquidity has been cash flows from operating activities and from an equity raise in 2009. In the opinion of the Company, the Company has sufficient working capital for the next 12 months following the date of this Prospectus.

## 14.9 Cash flows

### ***The three months ended 30 September 2010 compared to the three months ended 30 September 2009***

The following table sets forth a summary of the Company's cash flows for the three months ended 30 September 2010 and 30 September 2009. For further information on the Company's capital resources, reference is made to the consolidated statement of changes in equity and note 20 and 22 of the Company's audited consolidated financial statements for the year ended 31 December 2009, which are incorporated into this Prospectus by reference.

	<b>Three months ended 30 September</b>	
	<b>2009</b>	<b>2010</b>
	<i>(USD in millions)</i>	
Net cash from operating activities.....	14.6	31.1
Net cash used in investing activities.....	(5.2)	(6.8)
Net cash from/(used in) financing activities.....	(35.0)	(11.9)
<b>Net increase/(decrease) in cash and cash equivalents.....</b>	<b>(25.6)</b>	<b>12.4</b>

#### *Net cash from operating activities*

The Company recorded net cash from operating activities of USD 31.1 million for the three months ended 30 September 2010, an increase of USD 16.5 million compared to net cash generated from operating activities of USD 14.6 million for the three months ended 30 September 2009. The change was primarily due to higher increase of current liabilities and lower interest paid.

#### *Net cash used in investing activities*

The Company's net cash from investing activities for the three months ended 30 September 2010 was a (negative) USD 6.8 million, an increase of USD 1.6 million as compared with the negative USD 5.2 million for the same period in 2009. This increase was primarily attributable to higher capital expenditures.

#### *Net cash from/(used in) financing activities*

Net cash used in financing activities was USD 11.9 million in the three months ended 30 September 2010, a decrease of USD 23.1 million as compared with net cash used in financing activities of USD 35.0 million for the same period in 2009. The decrease in net cash used in financing activities was primarily due to higher repayments under the Senior Credit Facilities in 2009.

### ***The nine months ended 30 September 2010 compared to the nine months ended 30 September 2009***

The following table sets forth a summary of the Company's cash flows for the nine months ended 30 September 2010 and 30 September 2009. For further information on the Company's capital resources, reference is made to the consolidated statement of changes in equity and in note 20 and 22 of the Company's audited consolidated financial statements for the year ended 31 December 2009, which are incorporated into this Prospectus by reference.

	<b>Nine months ended 30 September</b>	
	<b>2009</b>	<b>2010</b>
	<i>(USD in millions)</i>	
Net cash from operating activities.....	102.2	72.6
Net cash used in investing activities.....	(2.3)	(26.2)
Net cash from/(used in) financing activities.....	(94.6)	(46.4)
<b>Net increase/(decrease) in cash and cash equivalents.....</b>	<b>5.4</b>	<b>(0.1)</b>

#### *Net cash from operating activities*

The Company recorded net cash from operating activities of USD 72.6 million for the nine months ended 30 September 2010, a decrease of USD 29.6 million compared to net cash generated from operating activities of USD 102.2 million for the nine months ended 30 September 2009. The change was primarily due to lower activity levels and lower margins realized partly compensated by lower interest paid.

#### *Net cash used in investing activities*

The Company's net cash from investing activities for the nine months ended 30 September 2010 was a (negative) USD 26.3 million, an increase of USD 24.0 million as compared with the negative USD 2.3 million for the same period in 2009. This increase was primarily attributable to lower proceeds from disposals, no releases from the Mighty Servant 3 escrow account and higher capital expenditures.

#### *Net cash from/(used in) financing activities*

Net cash used in financing activities was USD 46.4 million in the nine months ended 30 September 2010, a decrease of USD 48.2 million as compared with net cash used in financing activities of USD 94.6 million for the same period in 2009. The decrease in net cash used in financing activities was primarily due to higher repayments under the Senior Credit Facilities in 2009.

#### **Year ended 31 December 2009 compared to the year ended 31 December 2008**

The following table sets forth a summary of the Company's cash flows for 2009 and 2008:

	<b>Year ended 31 December</b>	
	<b>2009</b>	<b>2010</b>
	<i>(USD in millions)</i>	
Net cash from operating activities.....	131.7	156.0
Net cash used in investing activities.....	(11.4)	(209.4)
Net cash from/(used in) financing activities.....	(89.8)	59.3
<b>Net increase/(decrease) in cash and cash equivalents.....</b>	<b>30.5</b>	<b>5.9</b>

#### *Net cash from operating activities*

The Company recorded net cash from operating activities of USD 131.7 million for 2009, a decrease of USD 24.3 million compared to net cash from operating activities of USD 156.0 million for 2008. The change was primarily due to less profit from operations before tax.

#### *Net cash used in investing activities*

The Company's net cash used in investing activities for 2009 was negative USD 11.4 million, a decrease of USD 198.0 million as compared with negative USD 209.4 million for 2008. This decrease was primarily attributable to the finalization of the investment program following the Issuer's acquisition of Delphi.

#### *Net cash from/(used in) financing activities*

Net cash from financing activities was negative USD 89.8 million in 2009, an increase of USD 149.1 million as compared with net cash from financing activities of USD 59.3 million for 2008. The increase in net cash from financing activities was primarily due to the issue of new shares in 2009.

**Year ended 31 December 2008 compared to the year ended 31 December 2007**

The following table sets forth a summary of the Company's cash flows for 2008 and 2007:

	Year ended 31 December	
	2008	2007
	<i>(USD in millions)</i>	
Net cash from operating activities.....	156.0	19.1
Net cash used in investing activities.....	(209.4)	(786.1)
Net cash from/(used in) financing activities.....	59.3	782.4
<b>Net increase/(decrease) in cash and cash equivalents.....</b>	<b>5.9</b>	<b>15.5</b>

*Net cash from operating activities*

The Company recorded net cash from operating activities of USD 156.0 million for 2008, an increase of USD 136.9 million compared to net cash from operating activities of USD 19.1 million for 2007. The change was primarily due to an improved profit from operations before tax.

*Net cash used in investing activities*

The Company's net cash used in investing activities for 2008 was USD 209.4 million, a decrease of USD 576.7 million as compared with USD 786.1 million for 2007. This decrease was primarily attributable to the payment of USD 691.7 million by Delphi in 2007 in connection with the acquisition by Delphi of DTNV.

*Net cash from/(used in) financing activities*

Net cash from financing activities was USD 59.3 million in 2008, a decrease of USD 723.1 million as compared with net cash from financing activities of USD 782.4 million for 2007. The decrease in net cash from financing activities was primarily due to the refinancing of the Company in 2007.

**14.10 Capital expenditure**

The following table sets forth the Company's capital expenditures relating to property, plant and equipment incurred during the periods indicated:

	Nine months ended 30 September	
	2009	2010
	<i>(USD in millions)</i>	
Lifetime extension program.....	(1) <sup>10</sup>	5
Investments in new vessels and conversion.....	(2)	—
Survey and docking.....	13	19
Non-vessel related investments.....	8	3
<b>Total.....</b>	<b>17</b>	<b>27</b>

The Company expects to make capital expenditures (excluding intangibles) of just below USD 40 million in total for 2010, primarily related to survey and docking of current vessels. The Company intends to finance this capital expenditure primarily through the proceeds from cash flow generated from operations and borrowings under the Senior Credit Facilities.

<sup>10</sup> The T-Class vessels and Mighty Servant 1 were capitalized at year-end 2008 at conservative (high) rates. As a result of negotiations, the actual acquisition costs (and outgoing payments) were lower, which resulted in a release of accrued expenses, hence the negative amounts in this table.

### **Year ended 31 December 2009 compared to the year ended 31 December 2008**

The following table sets forth the Company's capital expenditures relating to property, plant and equipment incurred during the periods indicated:

	Year ended 31 December	
	2009	2008
	<i>(USD in millions)</i>	
Lifetime extension program.....	(1)	16
Investments in new vessels and conversion.....	(2)	176
Survey and docking .....	17	20
Non-vessel related investments .....	11	7
<b>Total .....</b>	<b>25</b>	<b>219</b>

### **Year ended 31 December 2008 compared to the year ended 31 December 2007**

The following table sets forth the Company's capital expenditures relating to property, plant and equipment incurred during the periods indicated:

	Year ended 31 December	
	2008	2007
	<i>(USD in millions)</i>	
Lifetime extension program.....	16	7
Investments in new vessels and conversion.....	176	53
Survey and docking .....	20	20
Non-vessel related investments .....	7	7
<b>Total .....</b>	<b>219</b>	<b>87</b>

#### **Off-balance sheet arrangements**

The Company has not entered into or is a party to any off-balance sheet arrangements except that the Company has entered into such arrangements with respect to letters of credit, guarantees and performance bonds that the Company extends to third parties, mostly on behalf of the Company's primary contracting subsidiary, Dockwise Shipping B.V., and mostly for customers. These obligations as at 30 September 2010 and at 30 September 2009 are as described below.

#### **14.11 Operating leases**

The contractual operating leases at 30 September 2010 and 30 September 2009 are as indicated in the table below:

	As at 30 September	
	2009	2010
	<i>(USD in millions)</i>	
<b>Operating leases</b>		
Less than one year .....	3.6	3.1
Between one and five years .....	9.2	17.7
More than five years .....	5.1	2.4
<b>Total lease obligations .....</b>	<b>17.9</b>	<b>23.2</b>

#### **14.12 Bank guarantees**

At 30 September 2010, the Company has bank guarantees with a total amount of USD 27.1 million (31 December 2009: USD 28.1 million), of which USD 4.0 million were provided outside the Senior Credit Facilities (31 December 2009: USD 9.4 million).

## 14.13 Investments

### Ongoing investments

As of 30 September 2010, the Company is carrying out three vessel dockings:

- USD 2.6 million for the dry docking of the Swan in China;
- USD 3.3 million for the Super Servant 3 in Turkey; and
- USD 3.0 million for the Super Servant 4 in Turkey.

As well as certain minor ongoing investments in the aggregate amount of USD 0.5 million in connection with a feasibility study. All ongoing investments are financed internally through available funds.

### Principal investments in 2009

In 2009, the Company carried out investments in the aggregate amount of USD 27.6 million. USD 4.9 million was invested in OKI Test Press and USD 3.8 million in grillage/skid beams. Further, the Company invested USD 3.4 million in the vessel Mighty Servant 3, USD 2.1 million in the Blue Marlin and USD 2.6 million in the Enterprise. In addition the Company invested USD 2.7 million in software and USD 8.1 million were invested in several other assets of the Company.

### Principal investments in 2008

In 2008, the Company carried out investments in the aggregate amount of USD 223.3 million. USD 4.1 million was invested in sea fastening. Further, the Company invested USD 42.3 million in the vessel Trustee, USD 42.4 million in the Triumph, USD 41.2 million in the Treasure, USD 40.9 million in the Talisman, USD 16.2 million in the Mighty Servant 1, USD 9.3 million in the Mighty Servant 3 and USD 4.2 million in the Explorer. In addition the Company invested USD 4.0 million in software and USD 18.7 million were invested in several other assets of the Company.

### Principal investments in 2007

In 2007, the Company carried out investments in the aggregate amount of USD 1,252.4 million. USD 24.4 million was invested in the vessel Yacht Express, USD 13.8 million in the Triumph, USD 13.9 million in the Trustee, USD 6.9 million in the Transshelf, USD 3.4 million in the Super Servant 4 and USD 3.1 million in the Mighty Servant 1. Furthermore, the Company carried out the acquisition of Dockwise Transport N.V. for a consideration of USD 673.3 million, the reverse acquisition of Dockwise for a consideration of USD 444.3 million and the acquisition of OKI and ODL for a consideration of USD 47.7 million. In addition the Company invested USD 0.5 million in software and USD 21.1 million were invested in several other minor assets of the Company.

## 14.14 Capital commitments

As at 30 September 2010, the Company has remaining investment commitments of approximately USD 2.7 million, which relates to the docking of the Swan and the feasibility study. The investment in the new Type 0 Vessel is not committed, see “*The Type 0 Vessel and use of Proceeds*” for further information of the financing of the said investment.

The following table sets forth the maturity profile of the Company’s contractual obligations, commercial commitments and principal payments under the Company’s debt instruments as at 30 September 2010:

	Payments due by period			
	Total as at 30 September 2010	In the last three months of 2010	In 2011	In 2012 and after
		<i>(USD in millions)</i>		
Senior Credit Facilities .....	644.7	4.7	11.7	628.3
Capital commitments .....	2.7	2.7	—	—

#### **14.15 Disclosures about market risk**

##### ***Interest rate risk***

The Company is exposed to interest rate risk on its USD-denominated loans borrowed under the Senior Credit Facilities, which bear cash interest at floating rates of LIBOR plus margins ranging from 1.25% to 4.50% per annum. The Company has a hedging policy as described in “*Treasury and financing policy*” below. As of 30 September 2010, the amount outstanding under the Senior Credit Facilities was USD 644.7 million. Interest rate swaps were entered into that fixed the interest rate on a portion of the Company’s floating rate loans until December 2014 from 1.875% to 5.41% respectively.

##### ***Foreign currency risk***

The Company conducts its business primarily in U.S. dollars, but a portion of the Company’s business (such as general and administrative costs) is conducting in other currencies, including in Euro.

The Company’s principal currency transaction risk arises from fluctuations in the value of currencies that could increase or decrease administrative costs, redundancy costs and costs associated with vessel docking in Europe, most of which are denominated in Euro. In 2009, the total amount of Euro-denominated expenses was USD 45 million. The Company attempts to manage these currency transaction risks by monitoring the main currency exposures from ordinary activities and sometimes hedge these exposures for a certain period of months.

The Company has option and forward contracts in place and may continue to use foreign currency contracts, options and swap agreements to attempt to mitigate the import of foreign currency risk.

##### ***Credit risk***

The Company is exposed to credit risk through entering into delivery obligations with its customers and the commencement of services prior to receipt of full payment. The Company seeks to manage this risk through contractual phased payment schedules from the majority of its customers. Under such contracts, the Company recovers substantially all of its costs before completion of the contract and also obtains bank guarantees in certain circumstances.

#### **14.16 Treasury and financing policy**

The treasury and financing policy for the Company is outlined in a separate treasury policy document, which is updated regularly and presented for formal review and approval by the Board on an annual basis. Key elements of the policy are to secure a long term capital structure, to have several sources of long term capital and to have an active management of financial risk.

The Company’s overall policy for the management of financial risk is that it should be consistent with the corporate objective, be risk averse and reduce earnings volatility in a cost-effective manner.

The Company’s interest rate exposure policy is to have a predominantly fixed interest rate to protect the Issuer from material volatility in its cash flows as a consequence of interest rate fluctuations. The Company has swapping agreements that ensures that floating interest rates will be swapped to fixed interest rates for between 80 and 100% of the floating interest rate exposure for a three to five year window.

The Company’s policy is that all external long-term funding shall be raised by the Issuer. The Company manages its liquidity at the corporate level, ensuring sufficient liquidity to cover the subsidiaries operational requirements. The Company’s main strategy for mitigating risk related to volatility in cash flow is to maintain a solid financial position and strong credit worthiness.

#### **14.17 Accounting policies**

Please see the annual report for 2009 as incorporated by reference into this Prospectus for a full summary of the Company’s accounting policies.

## 15 INDUSTRY

### 15.1 Overview

The Company offers a range of marine transportation and related services. The Company is a global leader in the transport and installation of extremely large and heavy structures and equipment, primarily in the oil and gas industry. The oil and gas industry has three principal segments: exploration, production and processing.

The Company also provides marine transportation and related services in other resources, the military transport, P&M, and yacht transport areas.

### 15.2 Industry developments

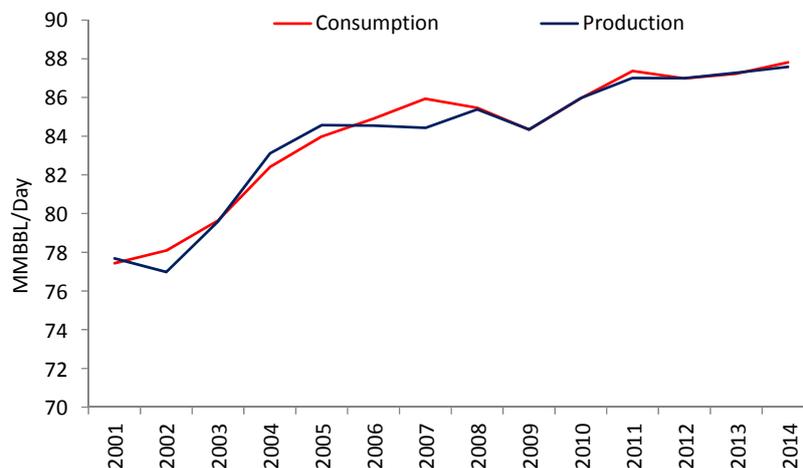
Within each of the oil and gas industry's market segments, the Company's clients require heavy marine transportation, installation and logistics management services for different types of equipment and structures.

The Company's clients engage in the following activities:

- Exploration segment: operating offshore jack-up and semi-submersible drilling rigs that locate and develop new oil and gas sources;
- Production segment: operating various types of offshore production structures, which can be fixed, floating or gravity-based, that extract oil and gas; and
- Processing segment: operating various onshore and offshore industrial projects using oil and gas feedstock, such as LNG terminals, refineries and chemical plants.

#### ***Oil and gas related demand dynamics***

Although the economic downturn has resulted in decreased demand for oil, the Company believes the long-term fundamentals for the oil and gas industry are robust. This belief is consistent with – among other things – the expectations of the International Energy Agency, which projects oil prices averaging around USD 85 a barrel the coming years. This anticipated price increase is conservatively based on projected changes in demand and supplies of oil, with demand for crude oil expected to grow by an annual average of approximately 1.4% until 2015 and existing oil field output estimated to decrease at between 5% and 7.5% per year.



Source: Infield Systems Ltd

Picture 15.1

#### ***Oil and gas – exploration and development***

Transport requirements for offshore drilling rigs consist primarily of (i) delivery from the construction shipyard to the initial exploration or production location (referred to as “new builds”), (ii) movements of existing offshore drilling rigs between different exploration basins (referred to as “inter-basin moves”), and (iii) intra-basin movements, which are generally carried out over short distances. Historically, approximately 7.5% of the offshore drilling rigs in any given basin will move

over 1,000 nautical miles to a new location in any given year. In general, these movements over 1,000 miles represent a better target market for the Company's heavy marine transport services than shorter movements of less than 1,000 miles.

There are two types of drilling rigs in general use today, jack-up rigs and semi-submersible rigs.

**Jack-up rigs:** Jack-up rigs are drilling platforms typically used in water depths up to 500 feet which are carried out to sea and then jacked up on three or four hydraulic legs attached to the platform. According to ODS-Petrodata, there were approximately 50 jack-up drilling rigs under construction as of November 2010 with scheduled delivery from 2010 to 2014, which will need to be transported from the construction site to oil fields. In addition, the percentage of existing jack-up rigs projected to be moved inter-basin is expected to remain fairly stable between 2008 and 2015 at 7.0% to 7.5% with only a temporary decrease in 2010 to 6.5%.<sup>11</sup>

During the recession, many of the global oil companies have reduced or delayed their investment in exploration of new oil fields. Consequently, there is less movement of jack-up rigs for distances in excess of 1,000 nautical miles in certain geographical areas, including China, the Middle East, India and the Persian Gulf. In addition, the typical time between customer enquiry and contract award has been significantly reduced, with the contract award occurring only shortly before the commencement of drilling operations. As a result of this compression in the contracting process, the time between the tender for a new transport and the loading of the offshore drilling rig has decreased significantly, which has made it increasingly important to have adequate available shipping capacity and also resulted in less visibility on future contract awards.

**Semi-submersible rigs:** Semi-submersible rigs are floating drilling rigs used in water depths up to 10,000 feet. Six generations of semi-submersible rigs have been developed by the oil and gas industry to date, each with higher degrees of sophistication and greater size than the previous generation. All six generations remain in use. Most of the recently built semi-submersible rigs are self-propelled and can travel at a speed of six to eight knots. However, this is still significantly slower than heavy marine transportation vessels, which have average speeds of approximately 10 to 12 knots.

According to ODS-Petrodata, there were approximately 30 semi-submersible drilling rigs under construction as of November 2010 with scheduled delivery in from 2010 to 2014. These offshore drilling rigs are primarily constructed in Southeast Asia for operation in the deep waters near Brazil. Operators of these drilling rigs are typically paid based on a daily rate, and because of the high drilling day rates paid in these oil fields, the Company expects that many of these offshore drilling rigs, when completed, will need to be transported by the fastest available transportation method. Furthermore, the percentage of existing semi-submersible rigs projected to be moved inter-basin is expected to be relatively stable between 2008 and 2014 at 25.0% with only a relatively minor decrease in 2010 and 2011 to 22.5%.<sup>12</sup>

### **Oil and gas – production**

Offshore production structures include fixed platforms, floating platforms and gravity based structures. Examples of floating platforms are semi-submersible production structures, stabilized spar buoy structures, and tension-leg platforms, or TLPs. These structures are mainly built in Asia and typically need to be moved and installed over long distances. Most of these structures, as whole or modularized units, are transported from fabrication yard to installation site on board of a heavy marine transportation vessel or towed via a tug and barge combination. Installation of platforms, or "topsides", can be done by several types of heavy crane vessels or by using the "float-over" technique, described below.

The ongoing trend towards the construction of larger offshore structures with a weight greater than 14,000 tonnes, which is the maximum weight cranes can carry, combined with the high cost and time required to construct a structure offshore, is driving the market towards the use of the float-over technique. A float-over is basically a two-in-one discharge-installation operation. The large topside constructions, which will remain above water once installed, are fully built onshore, at a significantly lower cost than construction at the drilling site, and transported on top of a heavy marine transportation vessel. On location, the construction is discharged from the vessel and directly installed on a jacket or floating hull offshore during one single operation. In order to accomplish this, the vessel manoeuvres between a pre-installed jacket or floating hull, such that

<sup>11</sup> Source: ODS-Petrodata.

<sup>12</sup> Source: ODS-Petrodata.

the top-construction stabilizes precisely above the jackets or hull. Next, the vessel slowly lowers itself by ballasting combined with a load transfer system until the topside and jacket mate, resulting in the platform “resting” on the jacket or hull. Once the platform “rests” on the jacket, the construction is installed and the hook up and commissioning remains.

### ***Oil and gas – processing***

For the oil and gas processing market, marine transport services are required for heavy onshore structures such as modules for LNG plants, refineries and petro-chemical plants. Transporting large integrated units provides customers with a number of benefits, including the option of building and assembling large projects or parts of projects in lower cost environments, shorter transit times, and operating efficiencies arising from the reduced need for on-site support equipment.

In this industry segment, LNG projects in Australia have been less affected by the economic downturn and are needed to help meet demand for LNG supplies in Asia. The Company expects that a number of LNG projects will come on-line between 2013 and 2015 to help meet this demand. Because the bulk of heavy transport services for an LNG project are executed one to two years before the project comes on-line, this should result in additional business opportunities for the Company between 2012 and 2014. In contrast to LNG projects, as a result of the recession investments in refineries and petro-chemical plants have been delayed, as oil companies seek to reduce costs by re-bidding and postponing any final investment decision with respect to major projects.

### ***Other resources***

Heavy marine transport service providers are also needed in connection with other large infrastructure projects such as desalination plants, power plants and mining projects. The transport services include heavy marine and onshore transport services.

This market has been less affected by the economic downturn than the oil and gas industry, and big power and drinking water projects have continued. The mining industry has been more affected by swings in commodity prices, particularly during 2007 and 2008. However, these markets have shown some signs of recovery in 2009, driven by demand in developing countries and governmental supported infrastructure projects and are expected to develop along with the general global economic development. All in all, the Company expects positive outlook in this market for long term projects looking 3 to 4 years ahead.

### ***Military***

In the military market, new build and decommissioning programs often require heavy marine transport services, such as the transport of newly-built vessels from fabrication yard to the working area, or the transport of modules between shipyards during new build projects or the transport of completed hulls. In addition, the transfer of used navy vessels between developed and developing countries and the transport of damaged submarines and other navy vessels as part of salvage operations create transport opportunities.

### ***Port and marine industry***

The P&M market consist of various types of equipment, such as dredging vessels, floating construction equipment, bridge modules, dry docks and container cranes. Although the P&M industry has been adversely affected by the recession, the Company expects a slow pick-up in activities. Currently this market is mainly driven by activities in the developing countries and major projects such as the expansion project for the Panama Canal.

The transport of most of the abovementioned as well as all other floating and non-floating equipment such as power and working barges, workboats, accommodation units, and river vessels is characterized as a spot market. The Company expects that activity in this market segment will pick up on a basis consistent with gross domestic product (“GDP”) growth.

### ***Yacht transport***

Owners may have their yachts transported when they are out of cruising range, or due to lower fuel and other related costs. Yacht owners and yacht charter companies may also seek expansion of their cruising grounds to benefit from two seasons within one year. For example, yachts are transported from the Mediterranean to the Caribbean during fall and vice versa during spring. In addition to yacht owners and yacht charter companies, the Company transports yachts for yacht builders. The market can be divided into in the float-on/float-off segment, by which the carrier

submerges and the yachts are floated on, and the lift-on/lift-off segment, in which yachts are loaded and unloaded using a crane.

## 16 BUSINESS OF THE COMPANY

### 16.1 Overview

The Company conducts business within ocean transport, logistics management, procurement and engineering services for heavy marine transport and installation projects, for some of the largest offshore structures in some of the most challenging environments in the world. The Company operates the world's largest heavy transport fleet, consisting of 19 versatile semi-submersible heavy marine transportation vessels, and offers consistent, high quality, reliable and safe execution of innovative projects for its customers. The Company's customers operate in a broad range of industries, including oil and gas, other energy and resources, port & marine, military services and the yachting industry. Key customers and end users include major oil companies such as ExxonMobil, Chevron and Shell, drilling contractors such as Noble, Diamond and Rowan and other well-known firms such as Technip, Saipem, Boskalis and Samsung Heavy Industries. The Company has grown its business substantially in recent years, with revenue increasing from USD 136 million to USD 478<sup>13</sup> million from 2003 to 2009.

The Company has been a market leader in developing new methods that have expanded the market by offering its customers the unique ability to ship increasingly larger structures over long distances at sea. In addition, the Company has expanded the scope of its services in recent years to include project management and logistics services as a total transport management and marine contracting company. Over the last three years, the Company has significantly increased the size of its fleet, which has given it significant scale and operating capabilities.

The Company has a global presence through offices or local representatives in the Netherlands, Bermuda, the United States, China, Italy, Korea, Australia, Brazil, Singapore, Russia, Nigeria, Malaysia and Mexico and is in the process of setting up an office in Saudi Arabia (together with Z Holding Limited).

The Company is the result of a series of business combinations, including the 1993 merger between Wijsmuller Heavy Transport and Dock Express Shipping, and the merger in 2002 with Offshore Heavy Transport, which owned the Blue Marlin and the Black Marlin, two of the Company's largest vessels. In 2007, the Company acquired an additional six vessels through its merger with Sealift and expanded its engineering and project management capabilities with its acquisitions of OKI and ODL.

On 26 April 2010 Dockwise Shipping B.V., one of the subsidiaries of the Issuer, signed a barge hire agreement with Offshore Oil Engineering Co. LTD (COOEC), registered in Tianjin, China. This barge hire agreement will be in place until two years after modifications to the subject barge are completed. The Company anticipates that these modifications will be completed in September 2011. Dockwise Shipping B.V. will market this jacket launch barge to further increase its capabilities in the transport and installation market. On the same date, Dockwise Shipping B.V. entered into a fleet partnership agreement with COOEC, following which it will manage COOEC's newly built 50,000 tonnes semi-submersible heavy lift vessel, which is due for delivery early 2012. Following this agreement, the Company is expected to technically and commercially manage the new vessel, for which it will be rewarded time charter compensation.

#### **Active in fundamentally attractive markets**

As world demand for oil and gas stabilizes, while untapped sources of oil and gas available on land decrease, the Company anticipates that demand for its expertise in the transport and installation of marine oil and gas rigs and production equipment will continue to grow in the medium term after a decline in 2010 and 2011. In addition, the Company expects that its increasing experience and expertise in onshore logistics, particularly when paired with its unique expertise and abilities in heavy marine transport, will permit it to increase revenues in the overall logistics and project management market. In the future, the Company expects that more large construction projects will be built using modular techniques, which will increase demand for its services.

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<sup>13</sup> This number represents the revenue that is not adjusted for the gross compensation for the Mighty Servant 3. For more details on the reconciliation between revenue and adjusted revenue (as well as EBITDA and adjusted EBITDA) see "Selected historical consolidated financial information – Other financial data".

## **16.2 Competitive strengths**

The Company believes the following key strengths characterize the position of the Company:

### ***Strong market position in heavy marine transport***

The Company's strong position in the heavy marine transport industry is based on the safety and reliability of its operations, the size of its heavy marine transportation fleet, its flexibility to deploy interchangeable vessels throughout the world and the strength of its organization and personnel. The Company operates the Blue Marlin and the Mighty Servant 1, the largest heavy-transport vessels in the world, making it the only company in the world that can transport certain structures and modules. The Company is of the opinion that it will further strengthen its market position with the new Type 0 Vessel.

### ***Well positioned in expanding value added installation and logistical management services***

The Company completes complex transportation, logistics management and installation projects by providing its customers with the benefits of the Company's specialized in-house engineering capabilities, proprietary software, processes, project management and extensive experience in all areas of heavy marine transportation and installation services for offshore structures and modules for onshore industrial projects.

### ***Loyal and diversified customer base***

The Company has developed a brand name and good reputation in the market through its consistent, high quality, reliable and safe execution of projects. This record of strong performance has helped the Company to maintain strong relationships and receive repeat business from its customers. Key customers and end users include major oil companies such as ExxonMobil, Chevron and Shell, drilling contractors such as Noble, Diamond Offshore and Rowan and other well-known firms such as Technip, Saipem, Boskalis, McDermott, Hyundai Heavy Industries, Daewoo International, Mitsui, Prosafe and Samsung Heavy Industries.

### ***Largest and most versatile fleet***

The diversity and the size of the Company's heavy marine transportation fleet in comparison to its competitors enable it to deploy vessels around the world in a manner that its competitors cannot match, and to respond rapidly to customer needs. The Company has fifteen heavy marine transportation vessels with a flat deck, five of which have an open stern, competing with its largest competitor Ocean Heavy Transport AS, which operates with four comparable heavy marine transportation vessels.

### ***Experienced management team with a strong track record***

The Company benefits from a highly qualified and experienced management team. Under the current CEO, André Goedée, the Company's revenue has increased from USD 136 million in 2003 to USD 478 million in 2009. Combined, the Company's Senior Managers have considerable expertise in all areas of heavy marine transport, logistics management and installation services. The Company has developed an in-house sales organization with a global footprint that allows it to emphasize its presence in the various key national and regional markets and to identify and pursue new business opportunities.

### ***Highest quality, safety and risk management standards***

The Company believes it works to the highest quality, safety and risk management standards and is ISO<sup>14</sup> 9001, ISO 18001 and ISO 14001 certified. It operates numerous internal quality, safety and risk management procedures, including extensive quantitative risk modelling for all major projects. In 2009, the Company has also been pre-qualified by a premier oil and gas major as a stand-alone float-over contractor.

## **16.3 Strategy**

The Company aims to consistently find creative solutions for customer needs and maintain efficient, high quality and safe operations. Specifically, the Company's overall strategy to grow its business is to:

- strengthen its market position in heavy marine transport;

<sup>14</sup> ISO stands for International Organization for Standardization. ISO is the world's largest developer and publisher of international standards.

- grow its total transport management and marine contracting capacities for both offshore transport installation and onshore industrial projects;
- build on the engineering and project management experience acquired as part of OKI and ODL; and
- offer its customers complete turn-key logistical solutions.

The Company intends to execute its overall business strategy by:

- executing each customer contract in a high quality, safe and reliable manner;
- leveraging the Company's market position in the heavy marine transport sector to obtain overall project management contracts;
- increasing the level of direct interaction between the Company's in-house engineering and project management teams and the Company's clients;
- making opportunistic acquisitions of engineering and project management service providers;
- optimizing the mix of its versatile fleet by adding to the high end of its fleet and divesting in the low end; and
- de-leveraging its balance sheet in order to increase the Company's financial flexibility.

#### **16.4 The Company's business**

The Company currently operates a heavy marine transportation fleet of 19 semi-submersible heavy marine transportation vessels with varying sizes and configurations. The fleet provides the Company full flexibility to employ its fleet for heavy marine transport services, transport and installation services and logistics management services. The Company's heavy marine transportation fleet is currently divided into five industry recognized categorizations, Type I, II, III, IV and V. Type I, II and III vessels differ primarily as to size. Type I vessels are the larger of the three, and are large, purpose-built vessels with large flat decks and open sterns. Type IV vessels are dock-type vessels. Finally, Type V vessels are dedicated to the transport of yachts.

##### ***Heavy marine transport***

The Company aims to maintain and secure its leadership position in the heavy marine transport industry by using the flexibility and size of its heavy marine transportation vessels to improve its ability to respond to diverse opportunities worldwide. The Company aims to consistently find creative solutions for customer needs and maintain efficient, high quality and safe operations. The Company operates with its heavy marine transport service in all of its target markets including the following: offshore drilling rigs (jack-ups and semi-submersibles), offshore production structures (fixed, floating and gravity based), onshore industrial projects (LNG, refineries and chemical plants), other resource industries (mining-, power- and desalination plants), military (vessels, new built programs, salvage and special navy projects), P&M (cranes, dredging equipment, docks and bridges) and other industries (various barges, vessels and all other various floating and non floating equipment). For this service, the Company uses its total fleet of Type I to IV vessels through optimized schedule management.

##### ***Transport and installation***

The Company offers a total marine scope for float-over and deck-mating operations, which is supported by its in-house engineering, procurement and dedicated project management capabilities. The marine scope includes load-out operation and transportation from construction site to the field and offshore installation by lowering a fully-integrated topside construction onto a pre-installed jacket. OKI is the innovative leader in the development and supply of leg mating units and deck support units for float-over operations through quality control standards and fabrication procedures developed over decades of experience. Every component is manufactured to strict tolerances and tested for quality. For the float-over technique the company uses primarily Type II flat deck open stern vessels and/or in combination with semi-submersible barges. Depending on project specifics, Type I vessels could also be used in such projects.

The offshore float over performed for CPOC in 2009 is a good example of the Company's transport and installation expertise. In August 2009 the Company successfully performed the complete transport and float-over installation of a 19,000 tonnes offshore production platform for CPOC located in Malaysia. The contract was awarded in August 2007 and the Company's multi-disciplined project team has been dedicated to the execution of this complete transport and float-

over installation project since then. Preparation for the project included custom-designed fabrication of leg mating units and deck support units, mating and mooring analyses and synchronization of transport and structural marine and installation engineering expertise. After outfitting the Black Marlin with grillage and skid beams, the giant module was skidded on board in Singapore. The Black Marlin safely transported this structure off the shores of Thailand and Malaysia where the float-over installation took place successfully. Moreover, early July 2010 and early November 2010, respectively, the Company completed the two float-overs for the Vyborg project in Korea. The Vyborg project involved moving two 15,000 tonnes semi-submersible hulls and two topsides that weigh approximately 19,000 tonnes each. The Company's vessel Black Marlin successfully loaded one of the two top-sides in Korea for transport to the float-over location in Korea, where they were joined with two hulls that were transported from Vyborg to Korea by two different Company vessels, the Talisman and the Treasure. In Korean waters the Company successfully performed these float-over operation.

### ***Logistics management***

The Company offers total transport management solutions for all aspects of modular project transportation and installation and interface management, for onshore industrial projects in the oil and gas processing business and in other resources industries. These projects are often located in remote areas where multiple transports of numerous onshore modules can be highly complex. The fleet of heavy marine transportation vessels combined with partner's vessels, project management, procurement, land transport and robust interface management enables the Company to improve the total efficiency of these complex projects and reduce interface risks, resulting in significant schedule and projects savings for the client. For this service the Company uses its own Type I to IV vessels and vessels provided by third parties. The Koniambo project is a good example of a logistics management contract. In the third and fourth quarters of 2010, 18 modules were shipped during 4 consecutive cargoes from China to New Caledonia to be assembled to an onshore nickel plant.

### ***Yacht transport***

In addition to its large heavy marine transportation vessels, the Company operates three yacht carriers (the Type V vessel) that transport luxury yachts across different regions of the world. The Type IV vessel is intended to be used for heavy marine transportation projects, however, this vessel is also suitable for transportation of yachts. The Company's customers in this market segment are yacht owners, yacht charter companies and yacht builders. Owners may have their yachts transported when they are out of cruising range, or due to lower fuel-related and other costs. Yacht owners and yacht charter companies may also seek expansion of their cruising grounds to benefit from two seasons within one year. For example, yachts are transported from the Mediterranean to the Caribbean during fall and vice versa during spring. The Company has historically operated only in the float-on/float-off segment, by which the carrier submerges and the yachts are floated on and floated off, of the carrier. The high-end luxury yachts drive this market segment. The Company has also entered in the lift-on/lift-off segment to complement its service offering and optimize utilisation rates of its vessels. It expects longer term growth in the sector as a whole to increase due to higher client awareness of the benefits of yacht carrier services. The Company is in the process of acquiring the business assets and activities of one of the leading providers of lift-on/lift-off services for small to medium yachts. However, no formal agreement has been concluded further to the letter of intent signed in 2009 and no assurances can be given if and when this may materialize.

## 16.5 The Company's customers by market

Set forth below is an overview of the types of customers in the industries served by the Company:

Market	Types of Customers	Types of projects	Revenue split by sector (2009)
Oil and gas	Multi-national oil companies <ul style="list-style-type: none"> <li>o ExxonMobil</li> <li>o Royal Dutch Shell</li> <li>o Chevron Corporation</li> <li>o Statoil</li> </ul> State-owned oil companies Drilling rig companies Large engineering and logistics firms	Transport and installation topsides, logistical management modules Rig – transports Transport offshore structures and modules, Transport and installation topsides, logistical management modules	55%
Other resource industries	Mining companies Power companies Private and state-owned desalination companies	Logistical management modules	0%
Military	Various navies and shipbuilders	Transport equipment and logistical management modules	8%
P&M	Construction, cranes, dredging, offshore services and shipbuilding	Transport equipment	28%
Yacht transport	High net worth individuals Shipbuilders	Transport yachts	9%

## 16.6 Fleet overview

The Company currently operates a heavy marine transportation fleet of 19 semi-submersible heavy marine transportation vessels of different concepts and designs, the largest of which can transport loads of up to 73,000 tonnes. The heavy marine transportation fleet includes five flat-deck, open-stern heavy marine transportation vessels (two Type I and three Type II) and ten heavy marine transportation vessels (six Type II and four Type III), which are mainly deployed for transporting drilling rigs and offshore structures. Additionally, there is one dock-type vessel (Type IV) that is used primarily for transporting luxury yacht and cargoes in the various segments. The three Type V vessels are dedicated to the transport of yachts (Type V).

All of the vessels in the Company's heavy marine transportation fleet are crewed and managed by the Anglo-Eastern Group ([www.angloeasterngroup.com](http://www.angloeasterngroup.com)). For more information about the Company's relationship with Anglo-Eastern see "*Business of the Company – Operations – Management of the Company's vessels*". All the Company's vessels are registered in Curacao and sail under the flag of the Kingdom of the Netherlands. For more information about regulatory matters in respect of the Company's vessels see "*Regulatory matters*".

The chart presented below provides an overview of the Company's vessels and their specifications:

TYPE	Specifications	Name of vessel	Width (M)	Length (M)	Cargo deck space (sqm)	(tonnes)	built	Retire date <sup>15</sup>
Type I	Flat Deck with open stern width 50-63m Length 190-225m	Blue Marlin	63	225	11,227	76,051	2000	2030
		Mighty Servant 1	50	190	7,500	40,190	1983	2023
Type II	Flat Deck with open stern Width 40-45m Length 173-218m	Mighty Servant 3	40	181	5,600	27,720	1981	2023
		Black Marlin	42	218	7,480	57,021	1999	2025
		Transshelf	40	173	5,280	34,030	1987	2023
	Converted tanker Width 45m Length 217m	Transporter	45	217	5,785	54,000	1990	2027
		Target	45	217	5,785	54,000	1990	2027
		Treasure	45	217	5,785	54,000	1990	2028
		Talisman	45	217	5,785	54,000	1993	2028
		Trustee	45	217	5,785	54,000	1991	2029
		Triumph	45	217	5,785	54,000	1992	2028
Type III	Flat deck with tanker capacity Width 32.3m Length 181m	Swan	32	181	4,000	32,650	1982	2021-23
		Swift	32	181	4,000	32,187	1983	2021-23
		Tern	32	181	4,000	32,650	1982	2021-23
		Teal	32	181	4,000	32,187	1984	2021-23
Type IV	Deck Type closed stern	Explorer	31	159	2,823	10,763	1984	2017
Type V	Dedicated yacht carriers Width 24-32m Length 139-209m	Super Servant 3	32	139	3,712	14,138	1982	2017
		Super Servant 4	32	169	4,672	17,600	1982	2017
		Yacht Express	32	209	5,163	16,250	2007	2034

### ***Type I vessels***

Key characteristics:

- *Average speed:* 11-12 knots
- *Deck: Length:* 150-178 meters, width: 50-63 meters
- *Cargo capability:* 41,000-73,000 tonnes

#### **Blue Marlin**



#### **Mighty Servant 1**



Picture 16.1

<sup>15</sup> After planned life time extension.

The Company's two Type I vessels are large, purpose-built, semi-submersible vessels with large flat decks and open sterns. The Company's Type I vessels are capable of carrying the largest and heaviest cargoes in the heavy marine transport market primarily because they are not limited by stern structures. In 2009 – 2010, Type I vessels were primarily involved in transporting offshore structures, jack-up rigs and semi-submersible rigs.

**Blue Marlin** is the largest heavy marine transportation vessel in the world. This vessel has 11,227 square meters of unobstructed cargo deck space and can carry fully integrated, extremely heavy and large offshore and onshore structures and drilling rigs of up to 73,000 tonnes (the largest cargo transported to date was BP Thunder Horse, the world's largest floating platform at a total weight of 53,500 tonnes). The Blue Marlin has carried cargoes such as the U.S. radar system SBX (Sea-Based X-Band Radar) for Boeing and the U.S. Navy. As the largest heavy marine transportation vessel in the world, Blue Marlin provides the Company with the exclusive capacity to transport the largest and most complex cargoes in the world. The Blue Marlin is owned by Blue Marlin B.V.

**Mighty Servant 1** has also been engineered to carry extremely heavy cargoes. A specially strengthened open cargo deck provides a solution for transporting the heaviest semi-submersible drilling units, harsh environment deepwater jack-up rigs and large offshore and onshore structures. The movable buoyancy casings on both port and starboard side of the vessel can be positioned forward to give a clear open deck for stern skid-on or roll-on loading and discharging operations. The Mighty Servant 1 was widened and lengthened in 1998 and in 2003 the main engines were renewed to maintain a reliable service. The Mighty Servant 1 had a life time extension in 2008 and is owned by Mighty Servant 1 B.V.

**Type II vessels**

Key characteristics:

- Average speed: 12-13 knots
- Deck: Length: 130-157 meters, width: 40-45 meters
- Cargo capability: 30,000-40,000 tonnes

**Black Marlin**



**Transshelf**



**Mighty Servant 3**



**Transporter**



Picture 16.2

The Company currently operates three purpose-built Type II semi-submersible vessels with large flat decks and open sterns. In 2009, the Company's Type II vessels mainly transported jack-up rigs and offshore structures. In addition, the T-Class Vessels (the Transporter, Target, Treasure, Talisman, Trustee and Triumph) operates Type II heavy marine transportation vessels and were converted from Suez max oil tankers.

**Black Marlin** is a vessel designed for carrying extremely heavy cargoes as well as loading large floating cargoes. The Black Marlin is specifically designed for float-over, float-on/float off, roll-on/roll-off, skid-on/skid-off and lift-on/lift-off methods. Advanced structural design allows for increased cargo stowage possibilities by moving the portside buoyancy casing. The Black Marlin is owned by Black Marlin B.V.

**Transshelf** has an unobstructed deck area of 5,280 square meters. Floating cargo with a draft of up to nine meters can be loaded with the float-on/float-off method by utilizing the vessel's ballast system. The Transshelf is also designed for float-overs. The Transshelf is owned by Transshelf B.V.

**Mighty Servant 3** was designed to support cargo overhang on three sides by removing the aft buoyancy casings and using counter-ballast weight. In December 2006, the Mighty Servant 3 sank in 62 meters of water near the port of Luanda, Angola, following the discharge of a drilling platform. The Mighty Servant 3 has been fully renewed and reinstated and re-entered active service on 7 August 2009. The Mighty Servant 3 is owned by Mighty Servant 3 B.V.

**Transporter, Target, Treasure, Talisman, Trustee and Triumph** are Suez max oil tankers that have been converted for use as heavy marine transportation vessels and primarily transport jack-ups and other cargoes such as dredging equipment and container cranes. These vessels have 130 x 44.5 meter decks and can support heavy cargo of up to 35,000 tonnes. By submerging, they can load and discharge a cargo by the float-on/float-off, roll-on/roll-off, skid-on/skid-off and lift-on/lift-off methods, or any combination of these methods. The Transporter is owned by Dockwise Transporter B.V., the Target is owned by Target B.V., the Treasure is owned by Treasure B.V., the Talisman is owned by Talisman B.V, the Trustee is owned by Trustee B.V. and the Triumph is owned by Triumph B.V.

**Type III vessels**

*Key characteristics:*

- *Average speed:* 12-13 knots
- *Deck:* Length: 126.6 meters, width: 31.7 meters
- *Cargo capability:* 15,000-20,000 tonnes

**Swan**



**Swift**



**Tern**



**Teal**



Picture 16.3

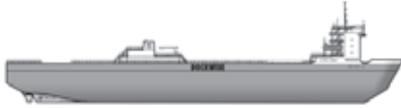
The Company owns four Type III vessels, which are smaller semi-submersible vessels with superstructures positioned on the stern. These vessels are virtually identical. Their 126.6 x 31.7 meter flat decks can support heavy cargo of up to 25,000 tonnes. By submerging, these vessels can load and discharge cargo with the float-on/float off method. By ballasting, they can load and discharge cargo with the roll-on/roll-off, skid-on/skid-off and lift-on/lift-off methods, or any combination of these methods. In 2009, Type III vessels were principally employed in transporting small jack-up rigs, P&M and smaller offshore structures. The Swan is owned by Swan B.V., the Swift is owned by Swift B.V., the Tern is owned by Tern B.V. and the Teal is owned by Teal B.V.

**Type IV vessels**

*Key characteristics:*

- *Average speed:* 9-13 knots
- *Deck:* Length: 122.2 meters, width: 24.46 meters
- *Cargo capability:* 4,000-9,000 tonnes

## Explorer



Picture 16.4

The Company owns one semi-submersible purpose-built dock-type vessel. This Type IV vessel transports mainly P&M, small offshore structures, and military cargoes.

**Explorer** is a Finland build, twin-propelled, semi-submersible dock-type vessel suited for handling floating and roll-on/roll-off cargo's loaded by the stern. The dock-type vessel has a closed deck with the purpose of cargo protection and is only capable of loading via the stern. The Explorer is successfully utilized in the transportation of luxury yachts by Dockwise Yacht Transport over the past years. The vessel is owned by Dockwise Explorer B.V.

### **Type V vessels (yacht carriers)**

*Key characteristics:*

- *Average speed:* 12-14 knots
- *Deck:* Length: 116-165 meters, width: 30-32 meters
- *Cargo capability:* 9,000-14,000 tonnes

#### **Super Servant 3**



#### **Super Servant 4**



Picture 16.5

#### **Yacht Express**



Picture 16.6

Type V vessels refer to yacht carriers, which are semi-submersible vessels that allow the on- and off-loading of yachts by means of the float-on/float-off principle. The Company operates four yacht carriers (three Type V Vessels and one Type IV Vessel). The purpose-built Yacht Express was added to the fleet in 2007. All of the Company's yacht carriers feature dock walls, which protect yachts from adverse weather during marine transport. With decks up to 165 meters long, each of these carriers is capable of transporting a large number of yachts. The Super Servant 3 is owned by Super Servant 3 B.V., the Super Servant 4 is owned by Super Servant 4 B.V. and the Yacht Express is owned by Yacht Express B.V.

### **Lifetime extension program**

The average age of the Company's heavy marine transportation fleet is approximately 21 years. The Company seeks to extend the lifetime of its heavy marine transportation fleet by periodically undertaking lifetime extension programs for certain vessels. A lifetime extension program can extend the life of the Company's vessels, depending on the type, by 5 to 20 years. The Company believes that its lifetime extension program is made possible, in part, because its vessels are maintained at a very high standard throughout their originally expected lifetimes.

## **16.7 Sales and marketing**

Due to the high value of individual contracts, the high level of technical specifications and the emphasis on reliability, the Company spends significant time and effort on marketing intelligence, sales and business development. The Company has an active business development approach and has developed procedures to monitor and anticipate current and future demand for its services, such as:

- maintaining databases of prospective, current and former clients, projects and competition;
- commissioning external information on market developments and projects;
- maintaining a prospects database and hot list of targeted projects; and
- developing business development with pursue/no pursue-, bid/no bid-, strategy-to-win- and contract/no contract phases.

The Company normally receives two types of requests for proposal, customer inquiries and more formal tender processes. The Company receives inquiries directly to provide a quote for a standard heavy marine transport contract. In addition, in its yacht transport business, the Company relies on a booking out process where the owner or operator of the yacht approaches the Company directly to obtain information about the cost of transport on one of the Company's yacht transport vessels. In contrast, the tendering process involves a customer issuing a conceptual scope of work to market participants and inviting them to submit a tender for the work. The scope of work normally includes a complete package of transport, installation and/or logistics management services.

The Company expects that more of the Company's contracts will be developed as the result of tendering as the Company increasingly focuses on larger-scale heavy marine transport operations, offshore transportation and installations and logistics management projects. The Company prepares in advance for the tendering process by researching current and anticipated projects in the market and remaining pre-qualified as a total transport management provider for ExxonMobil, which is both a source of business for the Company and an important part of its marketing strategy because its pre-qualification for ExxonMobil represents an overall indicator of its quality services for certain of its bigger customers.

## **16.8 Operations**

### ***In-house project management, operations and engineering capabilities***

The Company believes that its in-house engineering services play an important role in maintaining a record of high reliability and safety. Through its in-house engineers, the Company regularly develops new tools and procedures to improve the quality and safety of all of its transportation and installation projects. In addition, the Company offers its customers a number of technical services that have been customized in-house to increase their efficiency and reliability. As a result of the Company's engineering personnel and their regular consultation with the Company's customers during the conceptual design, preparation and execution phases of numerous projects, the Company has realized material reductions in transportation costs.

The Company has adopted the PRINCE2<sup>TM</sup> methodology for use in project management. PRINCE (Projects IN Controlled Environments) is a process-based method intended to improve the effectiveness of project management. This method is widely recognized and used in the private sector as well as in the public sector, for example, by the UK government. The Company's project organization structure is based on a matrix structure, with project teams consisting of members from all necessary disciplines and headed by project managers. The project managers report to the Company's project board.

### ***Management of the Company's vessels***

The Company has an umbrella management agreement with Anglo-Eastern for the crew, maintenance and management of its heavy marine transportation fleet. In accordance with this agreement, Anglo-Eastern has the responsibility for crew management, accounting, marine operations and liaising with port agents and maintenance of the Company's vessels. Under the umbrella management agreement, Anglo-Eastern is entitled to a fixed management fee per vessel per year. Further, subject to certain conditions, Anglo-Eastern is entitled to charge additional fees.

In addition, the Company has individual agreements with Anglo-Eastern for recruiting and managing crews. At present, most of the crews provided by Anglo-Eastern are from Latvia and Ukraine and are generally employed subject to the laws of those countries. Crew members are currently contracted on a per-journey basis with the Company providing re-signing bonuses for those members who return for additional voyages. A dedicated pool of heavy marine transport crew is assigned to staff the Company vessels.

#### ***Information systems and logistical processes***

The Company's information systems and logistical processes are key operational and management assets that support many of its business units, including engineering, project management, sales and marketing and the onboard crew, through a mixture of purchased software packages, third-party providers and systems developed in house.

The Company's information technology systems are backed up on a daily basis. Backup materials are stored in an off-site location certified for magnetic storage of data. The facility is designed to allow the Company to resume operations of its information technology systems between one hour and two days of losing its main servers. In case of a total loss of IT facilities this could be longer.

#### ***Quality***

The Company's quality management system has been certified ISO 9001/2008 for the development, engineering, execution and management of onshore and offshore heavy transportation and installation services. The principles of the European Foundation for Quality Management are adhered to and integrated in Company's management information system.

### **16.9 Risk management**

The Company operates a broad risk management approach with regular reviews of projected risks and commercial performance during tendering stages and throughout project execution. Certain levels of risk are inherent in all of the projects that the Company undertakes. When high levels of risk are identified in the early stages of project development, additional reviews are undertaken and specific plans developed to mitigate these risks and manage any such exposures to an acceptable level.

The Company's risk management framework comprises the following integrated functions for risk management planning and control:

#### ***Project risk management***

The Company has adopted procedures intended to ensure that contracts are bid for and accepted only after a thorough analysis of the specific risks pertinent to the relevant project. Regular risk reviews are a part of the tendering and project management process in order to identify risks such as potential schedule conflicts, execution and cost risks. These risk reviews form the basis for risk and opportunity management in all of the Company's contracts and tenders for transports and projects, from the early stages of customer relationship management and proposal development onwards throughout project execution and after sales.

Project risk management information is subject to risk consolidation and business risk reporting to the management of the Company on a bi-weekly (priority) and quarterly (extensive) basis respectively.

#### ***Business and corporate risk management, compliance***

A process of strategic, business and corporate risk management is linked to the annual process of strategy development and business planning. This process is aimed at identifying business risks and opportunities related to the market, technical developments and the competitive position of the Company. Risk management and compliance are reviewed by the Board of Directors on a regular basis.

#### ***Risk based auditing***

Internal and external audits are used to back up the organization's risk management processes. This includes, but is not limited to, an annual assessment of the risk management framework itself.

The management team has the overall responsibility for risk management functions and the Company's employees are from time to time trained in risk management awareness and risk assessment skills.

#### **16.10 Insurance**

The Company maintains insurance policies to cover risks related to physical damage to, and loss of, its heavy marine transportation vessels and vessel equipment, other equipment and properties, and any general liabilities that may arise through the course of the Company's normal business operations.

All heavy marine transportation vessels are insured under policies for damage to, and loss of, the hull and machinery. The Company insures each heavy marine transportation vessel for at least its market value plus an increased value. The Company's basic war policy also covers its heavy marine transportation vessels for losses due to war and acts of terrorism, except when its vessels operate in areas characterized by insurers as "war risk zones" or Joint War Commission "war and strike" listed areas (such as the Gulf of Aden), in which case the Company must pay additional "extra war risk" premiums to receive such coverage. When the Company is subject to "extra war risk" premiums, it seeks to pass the additional costs of those premiums to customers.

The Company also maintains protection and indemnity policies for all of its heavy marine transportation vessels for:

- third-party claims arising from the carriage of goods;
- claims arising from the operation of the Company's owned and chartered vessels, including injury to or death of crew, passengers or other third parties;
- claims arising from collisions;
- damage to the property of third parties;
- pollution arising from oil, other substances and salvage; and
- other related costs.

Because the Company does not accept liability with respect to the cargoes it carries, its customers are obligated to obtain their own insurance on cargoes transported by the Company's vessels.

The Company maintains various other insurance policies to cover a number of other risks related to its business, including director and officer insurance, loss of income and professional liability insurance. The Company does not insure against losses from labour disturbances, although such losses may be covered to some extent under its other insurance.

The Company believes that the types and amounts of insurance coverage that it currently maintains are consistent with, and in some cases exceed customary practice in the international heavy marine transport industry and are adequate for the conduct of its business. The Company's policies are subject to standard limitations and there can be no assurance that the Company will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, its insurance policies.

#### **16.11 Governmental regulation**

##### ***Environment***

The International Maritime Organization (the "IMO") is the United Nations agency responsible for maritime safety and the prevention of maritime pollution by vessels. The IMO has adopted several international conventions that require measures to improve safety and security at sea and prevent marine pollution. The International Convention for the Prevention of Pollution from Ships ("MARPOL") is the main international convention imposing requirements to prevent pollution by vessels due to operational, intentional or accidental causes. Technical standards are set forth in six annexes to the convention, that deal, respectively, with the prevention of pollution by oil (Annex I), noxious liquid substances (Annex II), harmful substances in packaged forms (Annex III), sewage (Annex IV), garbage (Annex V) and air emissions (Annex VI).

All engines on board the Company's heavy marine transportation fleet are in compliance with the existing MARPOL requirements.

In addition, a number of the Company's vessels have been equipped with homogenizers to reduce the sludge output and incinerator plants to comply with the latest requirements for burning sludge and waste.

The International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 (BWM 2004) was adopted in London on 13 February 2004 (the "**Convention**"). The status as of 30 September 2010 is that the Convention is not yet in force. The Convention currently has 25 Contracting States, the combined merchant fleets of which constitute approximately 24.28% of the gross tonnage of the world's merchant fleet. Should the Convention come into effect, the consequences will be that the Company has to install water ballast treatment systems on board of its vessels.

The Company is certified in accordance with ISO 14001:2004 – The Environmental Management System applicable to the development, engineering, execution and management of on- and offshore heavy transportation – and installation services.

### **Security**

The Company and the ship manager Anglo Eastern Group are in compliance with the International Ship and Port facility Security code (ISPS) for globally-operating vessel owners. All of the heavy marine transportation vessels in the Company's fleet are equipped accordingly and personnel are trained in accordance with applicable regulatory requirements.

The Company has a dedicated Company Security Officer function and an established Security Council. The Security Council is formed by members of Senior Management. The Security Council assesses and evaluates all voyages in potential high piracy risk areas. In respect of the increase in acts of piracy in certain parts of world, in particular the Gulf of Aden and the Nigerian coast, the Company has taken various measures, including hiring consultants to train its crews to avoid such incidents, requesting military escorts, investing in existing and technology equipment (i.e. P-Trap<sup>®</sup>) in order to further secure the safety of its personnel, cargo and vessels.

### **Vessel and project occupational safety and health**

The Company has outsourced ship management to the Anglo Eastern Group. The Anglo Eastern Group and all the Company's vessels comply with all requirements of the IMO International Safety Management (ISM) Code. The ISM Code requires the development and implementation of both Company specific and ship specific Safety Management Systems, with safety procedures that are organised by those who will be directly affected by the implications of any failure. The Company is certified in accordance with OHSAS 18001:2007 – The Occupational Health and Safety Management System applicable to the development, engineering, execution and management of on- and offshore heavy transportation – and installation services.

### **16.12 Competition**

The Company operates in a highly specialized, global market, in which a limited number of competitors and vessels compete. The Company operates 15 out of the approximately 30 Type I, Type II and Type III vessels in the world.

The Company's competitors in the market are Ocean Heavy Transport (OHT), Cosco and Fairstar. Other competitors are Shanghai Zhenhua Heavy Industry Co., Ltd (ZPMC), China Communication Construction Co., Ltd. (CCCC), Guangzhou Salvage, STX and Megalines (Daewoo). The latter competitors are in general not dedicated competitors and operate either in their domestic Korean or Chinese markets or in a captive environment carrying their own projects. But if they have spare capacity, they compete with the Company in the market.

As such the main players remain OHT (4 vessels), Cosco (2 vessels + two new built 2011) and Fairstar (2 vessels + two on order for 2012/2013). More competition is expected from Far East competitors after 2012; especially the Chinese market seems willing to invest in the heavy marine transport market, considering the stakes Grand China Shipping (subsidiaries) bought in OHT (60%) and Fairstar (26%).

	2010	2013
<b>Type I (open)</b>		
Dockwise.....	2	2
Mega lines.....	1	1
<b>Type II</b>		
Dockwise.....	9	9
Fairstar.....	1	3
OHT.....	4	4
ZPMC.....	4	4
Cosco.....	0	2
GZ Salvage.....	0	1
COOEC <sup>16</sup> .....	0	1
Zhejiang Share-ever.....	0	1
<b>Type III</b>		
Dockwise.....	4	4
Fairstar.....	1	1
Cosco.....	2	2
STX.....	1	2
CCCC Shipping.....	2	2
Sam Woo/Viatech.....	1	1
Eide.....	0	1

Next to direct competition from other Type I, II or III vessels, the Company faces indirect competition from tugs and tug and barge combinations on short distance and less time critical transports. For onshore modules the Company also competes with ballastable vessels.

In its float-over business, the Company's competitors have traditionally operated through a combination of tug and barge and/or module installation by crane. Accordingly, in the transportation and installation of offshore structures, the Company's direct competitors are predominantly subcontractors providing either transportation services, mainly Cosco, or installation services, such as Technip Offshore Inc. Saipem S.p.A., Heerema Group and McDermott International, Inc. In the onshore market, large items are often assembled at a construction yard, tested, disassembled, transported to the project site on a vessel and then assembled by a subcontractor. For transportation of onshore modules, the Company's direct competitors are companies providing transportation services, such as K/S Combi Lift, RollDock B.V., SAL, Dong Bang Shipping Co Ltd and Fairstar.

Next to the other heavy marine transportation companies, the Company also experiences competition from tug and barge combinations. Traditionally, tugs and tug and barge combinations compete in intra-basin moves and shorter distances where speed is less important.

In addition, the Company competes in the yacht transport market against multiple competitors from across the global competitive market, in particular liner operators offering lift-on/lift-off services, such as Sevenstar Yacht Transport and Yacht Path International. The Company operates an additional three semi-submersible heavy marine transportation vessels specifically for yacht transport.

### 16.13 Employees

As of 30 September 2010, the Company employed the equivalent of 315 full-time employees. In addition, Anglo-Eastern Group employs at any given time up to 900 seafarers to crew the Company's vessels.

16 The COOEC new built is the subject of a partnership agreement with the Company, whereby the Company has negotiated the rights to manage the vessel in a combined arrangement amongst its own Type II vessels. The details of this arrangement are under negotiation.

The following table sets forth the number of persons, on a full-time equivalent basis, employed by the Company at the period ended 30 September 2010 and at the years ended 31 December 2007, 2008 and 2009, by division and location.

	Period ended			
	31 December		30 September	
	2007	2008	2009	2010
<b>Dockwise heavy marine transportation</b>				
Dockwise Netherlands.....	139	181	197	188
Dockwise Korea.....	2	3	2	3
Dockwise China.....	7	18	17	12
Dockwise U.S.A.....	9	11	13	22
Dockwise Australia.....	1	1	2	2
Dockwise Singapore.....	0	0	1	3
Dockwise Bermuda.....	0	1	0	0
Dockwise Brazil.....	0	0	0	1
<b>Dockwise yacht transport</b> .....	29	32	25	24
<b>OKI</b> .....	8	11	13	12
<b>ODL</b> .....	12	16	19	22
<b>Ocean Dynamics China</b> .....	17	22	26	26
<b>Total</b> .....	<u>224</u>	<u>296</u>	<u>315</u>	<u>315</u>

### **Shanghai office**

Forensic investigations conducted early 2010 revealed unauthorized acts in the Company's Shanghai office following which employment contracts with various of the employees of the Shanghai office, including its general manager, were terminated with immediate effect.

The irregularities found do not have a material impact on the Company's financial results, but were of such a nature that the measures taken were considered necessary.

### **Works council**

A works council has been established pursuant to Dutch law for the Netherlands based entities within the Company since 2003. The works council is a representative body which is vested with certain rights with respect to advice and consultation in connection with decision-making in the field of finance, organization and social policy. The works council became dormant in 2007 as there were not enough employees willing to participate. The works council was revived in May 2009. There are currently eight members on the council, elected by the employees of the Netherlands based companies, which meet regularly with management. The management considers its relationship with the works council and its employees to be good.

The works council was informed of the considered investment in the Type 0 Vessel and a possible Rights Issue through memos and management explanations on 20 August 2010 and on 20 October 2010. The works council has rendered a positive advice on the investment in the Type 0 Vessel and the Rights Issue.

### **16.14 Legal proceedings**

The Company is involved from time to time in litigation arising in the ordinary course of business, including certain lawsuits and administrative proceedings before various courts and governmental agencies involving contractual, labour, environmental and other matters. Although it is difficult for the Company to estimate its potential exposure to these matters, the Company does not believe that the resolution of the matters in which it has been or currently is involved will have a materially adverse effect on its liquidity, financial condition or results of operations. On the date of this Prospectus and during the 12 months preceding the date of this Prospectus the Company is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), other than the arbitration proceedings relating to the Mighty Servant 3 as described in "Management's discussion and analysis of financial condition and results of operations – Significant developments since 30 September 2010", which may have, or have had, significant effects on the Issuer's and/or Company's financial position or profitability.

## 17 COMPANY HISTORY AND ORGANIZATIONAL STRUCTURE

### 17.1 Overview

The Issuer holds, either directly or indirectly, all the issued and outstanding shares in the capital of all of its subsidiaries. The Issuer is the holding company for the group and does not have any ownership interests or investments in any undertakings, other than its subsidiaries, that are likely to have a significant effect on the assessment of the Company's assets and liabilities, financial position or profits and losses. For the purposes of rationalizing the Company's structure, Delphi Acquisition Holding S.A. was liquidated in 2009 and DYT France Sarl in 2010.

The Issuer has two intermediate holding companies which are directly owned by the Issuer, Delphi Acquisition Holding B.V. and Delphi Acquisition Holding I B.V. The latter company holds all the issued and outstanding shares in the capital of DTNV. DTNV in turn holds all the issued and outstanding shares in the capital of Dockwise Transport B.V., which is the holding company of 22 single vessel private limited liability companies, (the "**Dockwise Shipcos**"). Dockwise Transport B.V. also holds all the issued and outstanding shares of Dockwise B.V., the company that enters into employment contracts with most employees of the Company. In addition, Dockwise Transport B.V. holds all the issued and outstanding shares in a Dutch trading company, Dockwise Shipping B.V., which is the holding company of seven foreign subsidiaries with three other holding companies currently under incorporation. Furthermore, Dockwise Transport B.V. holds all the issued and outstanding shares in the Dutch holding company, DYT Netherlands B.V., which controls the yacht transport division of the Company and holds all the issued and outstanding shares in two companies involved in yacht transport.

### 17.2 History

**Origination.** The Company originates from the merger in 1993 between Wijsmuller Heavy Transport and Dock Express Shipping, both of which were involved in the heavy marine transport business. The Company was formed to focus on the long distance mobilization of offshore drilling rigs performed by propulsion assisted barges and semi-submersible self-propelled vessels.

**Merger with Offshore Heavy Transport.** In 2002, the Company merged with Offshore Heavy Transport, a heavy marine transport company that owned and operated two purpose-built heavy marine transport vessels, the Black Marlin and the Blue Marlin. By the end of 2003, the Blue Marlin was widened by the Company to become the largest heavy marine transport vessel in the world. This operation was carried out to make the vessel suitable for the transportation of the BP Thunder Horse, the largest semi-submersible offshore production and drilling accommodation unit ever built.

**Shift in strategy.** In 2003 and 2004, the Company began to shift to a strategy of targeting complex projects involving the transportation and installation of offshore structures and onshore modules and providing its customers with specialized in-house engineering services while also continuing to provide its traditional heavy marine transport and yacht transport services.

**Change of ownership.** On 11 January 2007, 3i and certain members of the management, acting through Delphi Acquisition Holding I B.V., a wholly-owned subsidiary of the Issuer, purchased DTNV from its then shareholders Heerema Group and Wilh. Wilhelmsen ASA. For more information on the change of ownership see "*Certain relationships and related party transactions*".

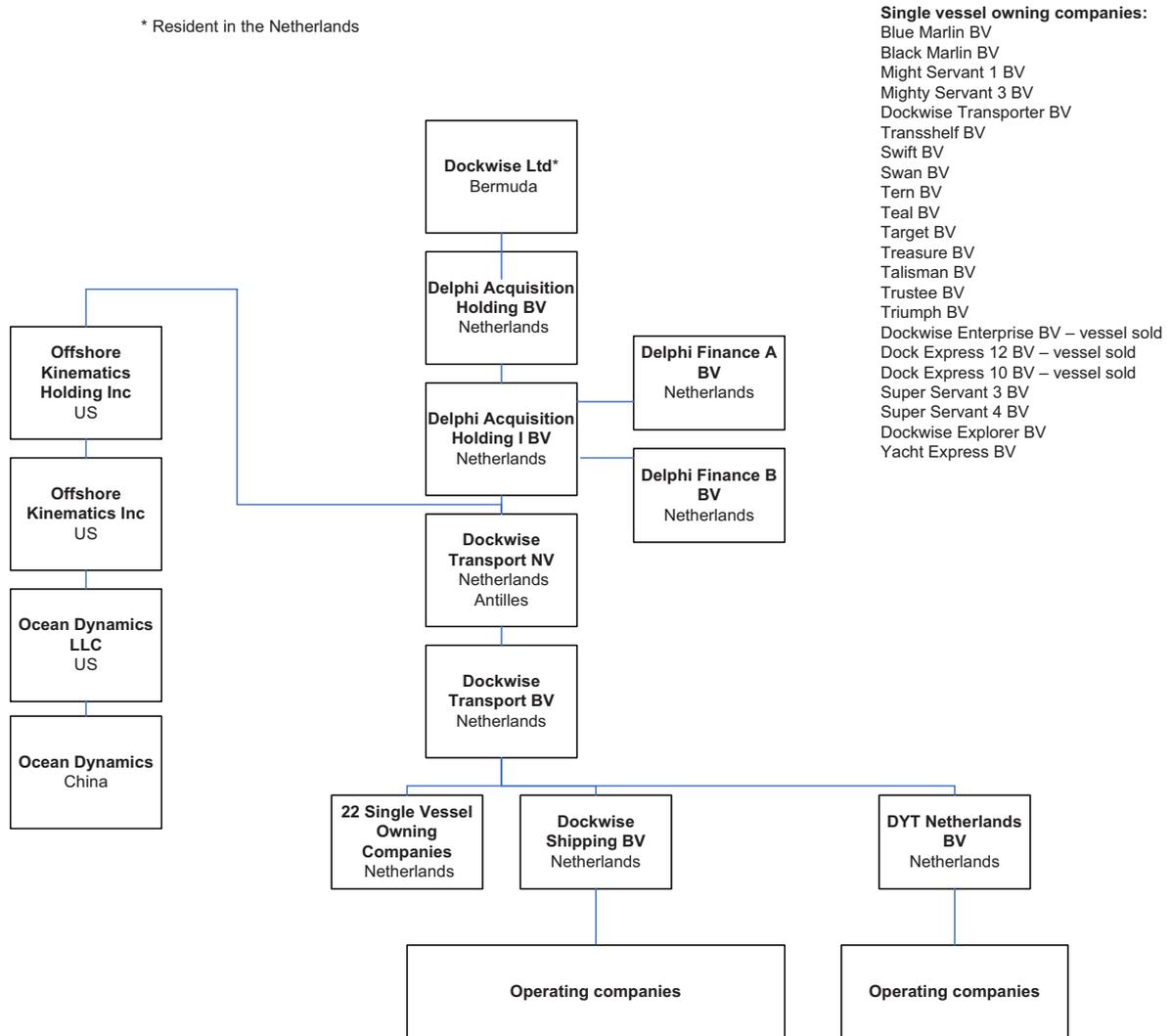
**Acquisition of Delphi.** On 4 May 2007, the Issuer acquired all outstanding shares in Delphi, the then parent of DTNV, in exchange for issuing common shares to 3i and Stichting Management Seal. Immediately after the acquisition of Delphi, the Issuer transferred its interests in six Suez max oil tankers (the "**T-Class Vessels**") to a wholly-owned subsidiary, Dockwise Transport B.V. All of these vessels required modification to meet the Company's requirements to heavy marine transport vessels, which modification process was completed at the end of 2008.

**Acquisition of OKI and ODL.** In July 2007, the Company acquired OKI and ODL. OKI is an engineering, design, testing and supply company for float-over installation systems, which has developed several proprietary systems and designs that have become critical to the float-over process. ODL is an engineering and design consulting firm affiliated with OKI and focused primarily on marine installation and structures. The purpose of the acquisition was to enhance the Issuer's ability to provide transportation and installation services for offshore structures and onshore modules by adding engineering and project management capabilities to existing expertise.

**Exit 3i.** On 19 October 2009, all Shares held by the 3i group were purchased by three new shareholders who, through a directed placement, expanded their holdings to 17.5% (HAL), 11% (Sankaty) and 9% (PHD). On 3 December 2009, the Shares were admitted to listing and trading on Euronext Amsterdam.

### 17.3 Corporate structure

The figure below contains the corporate structure of the Company as of the date of this Prospectus. Save for certain non-significant operating companies, the proportion of ownership interest is 100% and the proportion of voting power is equal to the proportion of ownership.



## 18 MANAGEMENT

### 18.1 Board of Directors

#### **General**

The Board of Directors is responsible for the overall management of the Issuer and may exercise all the powers of the Issuer.

The Bye-Laws provide that the Board of Directors shall consist of not less than three and not more than ten Directors. The Directors are elected by the shareholders at the annual general meeting. The Issuer has established a nomination committee in order to ensure that proposals for appointment are made on an independent basis, in accordance with the Norwegian Code of Practice for Corporate Governance dated 21 October 2009 (the “**Norwegian Code of Practice**”).

As at the date of this Prospectus, the Board of Directors has six members, the majority of whom are independent from the management of the Issuer and its main business associates, and at least two of whom are independent from the main shareholders of the Issuer in accordance with the Norwegian Code of Practice. In order to ensure and facilitate continuous information and insight on the business of the Issuer in Board of Directors’ deliberations, the CEO of the Issuer is also a Director.

#### **Directors**

The current Directors of the Issuer are:

<b>Name</b>	<b>Position</b>	<b>Date (re-)appointed to the Board of Directors</b>
Adri Baan .....	Chairman	6 May 2010
Tom Ehret .....	Director and deputy chairman	6 May 2010
André Goedée .....	Director and CEO	13 May 2009
Rutger van Slobbe .....	Director	13 May 2009
Danny McNease .....	Director	13 May 2009
Jaap van Wiechen .....	Director	1 December 2009

The Issuer’s business address (Lage Mosten 21, 4822 NJ Breda, the Netherlands) serves as the business address for all Directors.

The management expertise and experience of each of the Directors is set out in the following:

*Adri Baan* (born 1942), Chairman. Mr. Baan was first appointed on 30 July 2007. He held a series of senior positions with and was a member of the board of directors of Royal Philips Electronics N.V. from 1984 to 2001. Furthermore, he was formerly an independent director of PSA Corporation Limited (Port of Singapore Authority) and PSA Europe Limited, a non-executive director of International Power plc., a member of the supervisory board of directors of ASM International N.V. and a director of NPM Capital. He is currently the chairman of the supervisory board of directors of Wolters Kluwer N.V. and Royal Volker Wessels Stevin N.V., member of the supervisory board of directors of OCE N.V. and Imtech N.V., member of the board of directors of the preference shares foundation ASML N.V., chairman of the supervisory board of directors of the Authority for Financial Markets in the Netherlands and chairman of the Trust Office of KAS Bank N.V. and senior advisor of Warburg Pincus, UK. He is also a member of the supervisory board of directors of the University of Amsterdam and the Amsterdam Medical Center. Mr. Baan has a master’s degree in Physics from the University of Amsterdam. He is a Dutch citizen and resides in the Netherlands.

*Tom Ehret* (born 1952), Director and Deputy Chairman. Mr. Ehret was first appointed to the Board of Directors on 15 October 2007. He retired as chief executive officer of Acergy SA (formerly Stolt Offshore SA) in April 2008. Mr. Ehret has been active in the offshore oil and gas business for over 30 years, and has held a variety of positions, both technical and commercial, working with Comex SA, FMC Corporation, Coflexip Stena Offshore and Technip S.A. He has managed companies for over 20 years. Mr. Ehret has been trained as a mechanical engineer, and started working as a research and development engineer before moving into project management. In addition to the Issuer, Mr. Ehret currently holds the following directorships: SBM Offshore N.V. (supervisory board), Acergy SA, Green Holdings Corporation and Comex SA. He is also an operating partner with Advent International Inc. Mr. Ehret is a French citizen and resides in the United Kingdom.

*André Goedée* (born 1951), Director and Chief Executive Officer (CEO). Mr. Goedée has held the position as CEO of the Company since 2003 and was first appointed to the Board of Directors on

4 May 2007. Mr. Goedée has 41 years of experience with the shipping, drilling and heavy marine transport industries. He spent eight years with Nedlloyd Lines and twelve years with Neddrill Drilling Contractors. He graduated from Rijnlands Lyceum, Wassenaar and Merchant Marine College, Scheveningen. He holds a degree as Master Mariner and has served as the executive vice president of the Heerema Group. Prior to being appointed CEO of the Company in 2003, he served as chief executive officer of the European speciality staffing division of Vedior, a global staffing organization. Mr. Goedée is a Dutch citizen and resides in the Netherlands.

*Rutger van Slobbe* (born 1952), Director. Mr. Van Slobbe was first appointed to the Board of Directors on 13 July 2007. He has been active in the container transport business since he joined Nedlloyd Lines in 1982. After serving in various operational and executive positions, Mr. Van Slobbe was appointed as executive director of P&O Nedlloyd in 1997. He stepped down as member of the executive board of directors after the acquisition and delisting of P&O Nedlloyd by Maersk Sealand in 2005. Mr. Van Slobbe holds various additional positions, including member of the supervisory board of directors of the Port of Rotterdam N.V., member of the supervisory board of directors of the Royal Netherlands Sea Rescue Institution (KNRM), chairman of the supervisory board of directors of Cargonaut B.V., member of the supervisory board of directors of Shipping and Transport College (STC) Rotterdam and co-owner of Oxalis Coöperatie U.A. Mr. Van Slobbe is a Dutch citizen and resides in the Netherlands.

*Danny McNease* (born 1951), Director. Mr. McNease was first appointed to the Board of Directors on 15 October 2007. He retired at the end of 2008 from Rowan Companies, Inc., an international offshore and land drilling contractor, after more than 30 years with the company. Mr. McNease is a graduate of the University of Southern Mississippi and the Columbia University Executive Program. He has served in the Drilling Division of Rowan Companies, Inc. as a barge engineer, driller, rig superintendent and manager both in the United States and abroad before moving into executive management positions. Mr. McNease is a United States citizen and resides in the United States.

*Jaap van Wiechen* (born 1972), Director. Mr. Van Wiechen was first appointed on 4 November 2009 and started on 1 December 2009. He has been active in the investment industry since he joined HAL Investments B.V. in 1997. Within HAL, Mr. Van Wiechen is responsible for the following HAL-portfolio companies where he also acts as a member of the supervisory board of directors and audit committees: Mercurius Groep B.V., N.V. Nationale Borgmaatschappij, FD Mediagroep B.V. and InVesting B.V. Next to these board positions, Mr. Van Wiechen is a member of the board of Stichting Pensioenfonds HAL. Mr. Van Wiechen is a Dutch citizen and resides in the Netherlands.

**18.2 Management**

In addition to the Board of Directors, the following Senior Managers are considered relevant to establishing that the Company has the appropriate expertise and experience for the management and execution of its business.

Name	Position
André Goedée .....	Chief Executive Officer (and Director)
Peter Wit.....	Chief Financial Officer
Rob Strijland.....	Chief Operating Officer
Martin Adler .....	Chief Commercial Officer

The business address of each of the Senior Managers is the address of the Issuer in the Netherlands (Lage Mosten 21, 4822 NJ Breda, the Netherlands).

The management expertise and experience of each of the Senior Managers is set out below:

*André Goedée* (born 1951), Chief Executive Officer (CEO) and Director. See “*Board of Directors*” above for a description of Mr. Goedée’s expertise and experience.

*Peter Wit* (born 1967), Chief Financial Officer (CFO). Mr. Wit has a master’s degree in business administration from Groningen University, and a post doctorate degree in controlling from VU Amsterdam. Prior to joining the Company on 1 September 2009, Mr. Wit has been employed by Royal Dutch Shell plc. where he most recently served as chief operations officer and finance manager of Shell Asset Management Company, Shell’s USD 40 billion in-house pension asset management firm. He previously worked for Shell as vice president finance of Shell’s Solar business, in corporate finance and as head of finance of Shell’s Albanian oil exploration venture. Mr. Wit is a Dutch citizen and resides in the Netherlands.

*Rob Strijland* (born 1949), Chief Operating Officer (COO). Mr. Strijland joined the Company as COO in March 2008. Mr. Strijland has over 44 years of experience within the maritime industries which includes marine engineering, heavy marine transport, salvage, ship repair and ship management. Mr. Strijland graduated as marine engineer from the Marine college in Utrecht and holds a bachelor degree in naval architecture from the Technical University in Haarlem. Before joining the Company, Mr. Strijland sailed with Nedlloyd lines and Holland Amerika lines as an engineer and held positions as director of fleet management at Royal Wagenborg Group and senior management positions with Allocean Maritime (UK), Hanson Aggregates (UK), Shipdock Amsterdam and ITC Towage. Mr. Strijland is a Dutch citizen and resides in the Netherlands.

*Martin Adler* (born 1965), Chief Commercial Officer (CCO). Mr. Adler has served as CCO for the Company since May 2008 and is responsible for the Company's global sales and marketing activities. Mr. Adler also served overseas at the Company's international offices in Houston, Rio de Janeiro, Busan, Shanghai, Singapore, Perth, and Moscow. Prior to assuming his current role, Mr. Adler held positions as senior vice president for the Shaw group (Stone & Webster), in addition to various senior management positions at Fluor. Mr. Adler has gained extensive operational and project management experience in both home office engineering and site construction across a variety of industries. Mr. Adler holds a master's degree from Delft University of Technology. He completed the international Master Business Administration program (MBA) at the Erasmus University Rotterdam. Mr. Adler is a Dutch citizen and resides in the Netherlands.

### 18.3 Additional information in respect of the Directors and the Senior Managers

#### **Directorships and partnerships**

The following table sets forth the directorships and partnerships currently held by the Directors and the Senior Managers and held for the previous five years (not including the Issuer or any of its subsidiaries):

<b>Name</b>	<b>Current</b>	<b>Previous five years</b>
<b>Adri Baan</b> <i>(chairman)</i>	Chairman of the supervisory board of directors of Wolters Kluwer N.V. Chairman of the supervisory board of directors of Royal Volker Wessels Stevin N.V. Chairman of the Trust Office of KAS Bank N.V. Member of the supervisory board of directors of Imtech Member of the supervisory board of directors of OCE N.V. Member of the supervisory board of directors of the University of Amsterdam Member of the supervisory board of directors of the Amsterdam Medical Centre Member of the board of the preference shares foundation ASML N.V. Senior advisor Warburg Pincus, UK.	Chairman of the supervisory board of directors of Hagemeyer N.V. Independent director of PSA Corporation Limited (Port Authority Singapore) Independent director of PSA Europe Chairman of the supervisory board of directors of the Dutch Authority for Financial Markets Member of the supervisory board of directors of ASM International N.V. Non-executive director of Imperial Chemical Industries Ltd. Non-executive director of International Power plc.
<b>Tom Ehret</b> <i>(director and deputy chairman)</i>	Member of the board of directors of Seaway Heavy Lifting Engineering B.V. Member of the board of directors of Acergy S.A. and its group companies Member of the board of directors of Comex S.A. Member of the board of directors of Green Holdings Corporation Chairman of the board of directors of Viking Moorings Ltd. Operating partner with Advent International Inc. Member of the supervisory board of directors of SBM Offshore N.V.	Vice chairman, management board of Technip S.A. Chief executive officer of Acergy S.A. Member of the board of directors of Venture Production plc.
<b>Rutger van Slobbe</b> <i>(director)</i>	Member of the supervisory board of directors of the Port of Rotterdam N.V. Member of the supervisory board of directors of Scheepvaartmaatschappij Eendracht B.V. Member of the supervisory board of directors Shipping and Transport College (STC) Rotterdam	Member of the executive board of directors of Royal P&O Nedlloyd N.V. Director of MPC Shipping & Logistics B.V. Member of the advisory board of MPC Steamship GmbH

Name	Current	Previous five years
	Member of the advisory board of directors of MPC Steamship GmbH Hamburg Member of the supervisory board of directors of the Royal Netherlands Sea Rescue Institution (KNRM) Chairman of supervisory board of Directors Cargonaut B.V. Partner Oxalis Coöperatie U.A.	
<b>Danny McNease</b> <i>(director)</i>		Chairman and chief executive officer of Rowan Companies, Inc.
<b>Jaap van Wiechen</b> <i>(director)</i>	Member of the supervisory board of directors of Mercurius Groep B.V. Member of the supervisory board of directors of N.V. Nationale Borgmaatschappij Member of the supervisory board of directors of FD Mediagroep B.V. Member of the supervisory board of directors of InVesting B.V. Member of the board of the Stichting Pensioenfond HAL.	
<b>André Goedée</b> <i>(director and CEO)</i>		Chief executive officer of Expectra Europe (Speciality Division Vedior Group) Member of the board of directors of the Swedish Club
<b>Peter Wit</b> <i>(CFO)</i>		Chief operating officer and finance manager of Shell Asset Management Company B.V. Board positions at various investment vehicles of the Dutch pension fund of Royal Dutch Shell plc.
<b>Rob Strijland</b> <i>(COO)</i>		Fleet manager Allocean Maritime UK Fleet director of Hanson Agregate Ltd. (UK) Director of fleet management at Royal Wagenborg Group Director at Shipdock Amsterdam Senior manager at ITC Towage
<b>Martin Adler</b> <i>(CCO)</i>		Various senior executive positions (senior vice president and vice president) at the Shaw group Position at board of directors of Shaw Stone & Webster Limited Position at executive management team Fluor

During the five years preceding the date of this Prospectus, no Director and no Senior Manager has:

- been convicted of any indictable offences or any fraudulent offences;
- received any official public incrimination and/or sanction by any statutory or regulatory authority (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

### **Conflicts of interests**

The Directors and the Senior Managers have no conflicts of interests with respect to their duties to the Company.

There are no family relationships among the Directors and the Senior Managers.

## 18.4 Remuneration and benefits

### Board of Directors

The Bye-Laws provide that the remuneration of the Board of Directors shall from time to time be determined by the Issuer's shareholders in a general meeting. Each Director may be compensated for his reasonable travel, hotel and incidental expenses properly incurred in attending and returning from meetings of the Board of Directors, committees constituted pursuant to the Bye-Laws or general meetings, and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Issuer's business or in the discharge of his duties as a Director.

For 2010, it is expected that the remuneration for the Directors will be approximately USD 89,000 each for their services to the Issuer in their capacity as Director, while the chairman will receive USD 148,000 and Rutger van Slobbe, Jaap van Wiechen and Tom Ehret, in their respective positions as chairman of the remuneration, audit and project committee, will receive USD 96,000, in each case being an annual amount which will be adjusted for their respective appointment dates. André Goedée does not receive compensation from the Issuer for serving on the Board of Directors.

The 2009 remunerations of the Board of Directors were as follows (in U.S. dollars):

	<b>Base salary</b>	<b>Bonus paid in the year</b>	<b>Other benefits</b>	<b>Total salary and other taxable income</b>	<b>Pension premium</b>	<b>Total<sup>17</sup></b>
Adri Baan .....	140,000	—	—	140,000	—	140,000
Tom Ehret .....	84,000	—	—	84,000	—	84,000
André Goedée <sup>18</sup> .....	—	—	—	—	—	—
Danny McNease .....	84,000	—	—	84,000	—	84,000
Rutger van Slobbe <sup>19</sup> .....	98,000	—	—	98,000	—	98,000
Pietro Franco Tali .....	84,000	—	—	84,000	—	84,000
Menno Antal <sup>20</sup> .....	70,000	—	—	70,000	—	70,000
Jaap van Wiechen <sup>21</sup> .....	7,000	—	—	7,000	—	7,000
Bert Bekker <sup>22</sup> .....	35,000	—	—	35,000	—	35,000
<b>Total</b> .....	<b>602,000</b>	<b>—</b>	<b>—</b>	<b>602,000</b>	<b>—</b>	<b>602,000</b>

### Senior management

In the year ended 31 December 2009, the aggregate total remuneration earned (including contingent or deferred compensation) and benefits in kind granted (under any description whatsoever) to all of the Senior Managers for their services to the Issuer was approximately USD 2.2 million. Of this, approximately USD 1.2 million was in respect of fees and basic salary, approximately USD 0.62 million was in respect of bonuses, approximately USD 0.05 million was in respect of other benefits and approximately USD 0.35 million was in respect of pension premiums.

As at the date of this Prospectus, no options to purchase Shares are outstanding.

17 The remuneration of the Board of Directors is fixed in Euro. The above mentioned U.S. dollar amounts have been derived by multiplying these Euro amounts with the average U.S. dollar/Euro rate in 2009.

18 Since the remuneration of Mr. André Goedée only relates to his function as CEO, his remuneration is disclosed in the remuneration of the Senior Management.

19 Includes remuneration for the audit committee and remuneration for the remuneration committee.

20 Menno Antal resigned as member of the Board of Directors effective from October 2009.

21 Starting date: 1 December 2009.

22 Bert Bekker resigned as member of the Board effective from May 2009.

In 2009, the remunerations of the Senior Managers were as follows (in U.S. dollars):

	Base salary	Bonus relating to the year <sup>23</sup>	Other benefits	Total salary and other taxable income	Pension premium	Total <sup>24</sup>
André Goedée.....	454,000	191,000	42,000	687,000	132,000	819,000
Peter Wit <sup>25</sup> .....	116,000	81,000	1,000	198,000	—	198,000
Martin Adler.....	335,000	285,000	3,000	623,000	80,000	703,000
Rob Strijland.....	279,000	60,000	3,000	342,000	137,000	479,000
<b>Total .....</b>	<b>1,184,000</b>	<b>617,000</b>	<b>49,000</b>	<b>1,850,000</b>	<b>349,000</b>	<b>2,199,000</b>

## 18.5 Practices for Board of Directors

### **Term of office of Directors**

Directors are appointed for a period of two years. The schedule of resignation or reappointment is as follows:

Director	2011	2012	2013
Adri Baan.....		X	
André Goedée.....	X		X
Rutger van Slobbe.....	X		X
Tom Ehret.....		X	
Danny McNease.....	X		X
Jaap van Wiechen.....	X		X

### **Benefits upon termination**

No contracts have been entered into with any of the Directors entitling them to any benefits upon termination of their function as Director. However, André Goedée is entitled to termination benefits upon termination of his function as Chief Executive Officer, see “*Management – Employment and severance agreements of Senior Managers*”.

### **Nomination committee**

The nomination committee assists the general meeting of shareholders of the Issuer in determining the composition and remuneration of the Board. The nomination committee is responsible for evaluating the balance of skills, knowledge and experience on the Board of Directors as well as the size, structure and composition of the Board, retirements and appointments of new members of the Board, whether as additions or replacements to the current composition, and will make appropriate recommendations to the annual general meeting of shareholders on such matters. In addition, the nomination committee is responsible for making recommendations to the shareholders at the annual general meeting of shareholders as to remuneration to be paid to Directors. The nomination committee is currently composed of two members: Wim van Vonno (chairman) and Adri Baan.

### **Remuneration committee**

The remuneration committee assists the Board of Directors in determining its responsibilities in relation to remuneration, including making recommendations to the Board of Directors on the remuneration of the Chief Executive Officer, the Chief Commercial Officer, the Chief Operating Officer and the Chief Financial Officer of the Issuer and establishing guidelines for the remuneration of certain other managers. The remuneration committee comprises of Rutger van Slobbe (chairman) and Adri Baan.

### **Audit committee**

The audit committee assists the Board of Directors in financial reporting, external and internal audits and controls, including preparation and reviewing of the Company’s annual consolidated financial statements, reviewing and monitoring the extent of the non-audit work undertaken by

23 Includes grant of unvested shares as further described in “*Conditional shareholdings of Directors and Senior Managers*” below.

24 The remuneration of the Senior Managers is fixed in Euro. The above mentioned U.S. dollar amounts have been derived by multiplying these Euro amounts with the average U.S. dollar/Euro rate in 2009.

25 Starting date: 1 September 2009.

external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Issuer's internal audit activities, internal controls and risk management systems. The ultimate responsibility for reviewing and approving the Issuer's annual report and accounts and the half-yearly reports remains with the Board of Directors. The audit committee is composed of three Directors who are independent of the management: Jaap van Wiechen (chairman), Rutger van Slobbe and Adri Baan.

### ***Project committee***

The project committee assists the Board of Directors in reviewing projects with a value larger than USD 25 million. The projects will be presented to the project committee on a case-by-case basis and the project committee will give its recommendations to the Board of Directors. The ultimate responsibility for approving contracts with a value over USD 25 million remains with the Board of Directors. The project committee is composed of two members: Tom Ehret (chairman) and Adri Baan.

## **18.6 Employment and severance agreements of Senior Managers**

### ***Termination provisions***

Set out below is a summary of the termination provisions included in the employment agreements of the Senior Managers.

Unless otherwise terminated, the employment agreement of each Senior Manager terminates on the first day of the month in which the Senior Manager reaches the age of 65. The employment agreement may be terminated by the Issuer upon six months prior notice or by the Senior Manager upon three months prior notice. In the event of termination of his employment agreement, the Senior Manager is subject to a non-competition and non-solicitation provision applicable for 12 months after the date of termination. In addition, the employment agreement of Mr. Goedée stipulates that if the employment agreement is terminated by the Issuer for reasons other than for cause, and the Issuer requires Mr. Goedée to be bound by these provisions, Mr. Goedée will be entitled to receive compensation equalling 1/12 of his annual gross base salary for each month that the non-competition provision limits his possibilities of employment elsewhere. Such compensation is not payable once Mr. Goedée has found alternative employment.

### ***Severance agreements***

All employment agreements of the Senior Managers contain a contractual severance arrangement, which entails that the agreement is terminated on the Company's initiative or by a court for a reason other than for cause, the Senior Manager will, under certain circumstances, be entitled to a maximum severance payment of 12 months gross salary.

### ***Change of control agreement of Senior Managers***

If pursuant to the occurrence of a change of control in respect of DTNV or the Issuer, the employment agreement with a Senior Manager is terminated, such Senior Manager (with the exception of Rob Strijland (the Chief Operating Officer)) shall be entitled to (i) give notice within 12 months after the occurrence of such a change of control and (ii) a lump sum termination fee equal to an amount of one gross annual base salary as set out in the employment agreement of the Senior Manager.

Except for the above, none of the Senior Managers has service contracts with the Issuer or any of its subsidiaries providing benefits upon termination of employment.

## **18.7 Employee compensation and benefits**

### ***Pension scheme***

The Company makes contributions to two defined benefit plans that provide pension benefits to its employees upon retirement. The Company's pension obligations are currently fully funded. In 2009, the Company paid USD 3.05 million, and expects to pay USD 3.2 million in 2010 in contributions in respect of the funded defined benefit plans. For more information about the Company's pension obligations, see the notes 3 and 15 to the "*Consolidated IFRS financial statements of Dockwise for 2008 and 2007*".

### ***Incentive and participation plans***

The Company operates the following incentive and participation plans:

#### ***Share based long-term incentive plan for Senior Managers and key employees***

In 2009, the remuneration committee proposed a new performance related share based long-term incentive plan for Senior Managers and certain key employees (the “**LTIP**”). The conditions under which shares are awarded to Senior Managers and key employees under the LTIP were approved by the Board of Directors and the annual general meeting of shareholders held in May 2010, following an approval in principle of the plan by the annual general meeting of shareholders held in May 2009. Under this new LTIP, which is effective from 1 January 2010, the Board of Directors has the discretionary power to award conditional shares with a vesting period of three years subject to continued employment and certain performance conditions. The grant of conditional shares varies between 10% of base salary for key employees and up to 60% of base salary for the Senior Managers.

#### ***EVA***

The Company has an ‘Economic Value Added’ (“**EVA**”) plan for all of its employees. EVA, which is calculated as a difference between net operating profit and weighted average cost of capital, hereby reflects the delta EVA compared to the previous year. The focus of the EVA plan is to direct the performance of the participants and to promote teamwork towards achieving the operational and financial objectives established in the Company’s annual budget. Apart from the above financial criteria, the EVA plan includes an appraisal of the individual performance against annually set individual targets. Similar incentive percentages apply for similar job levels throughout the Company and are expressed as a percentage of annual base salary. Target incentive percentages increase with job ranking and the employees impact on the Company. For the participants to the LTIP, the annual percentage under the EVA plan is maximized at 150% of the target incentive paid in cash and resulting from the EVA performance over the previous book year.

#### ***Stichting Administratiekantoor Dockwise***

As of the date of this Prospectus, Stichting Administratiekantoor Dockwise holds the legal ownership of 297,609 Shares on behalf of one Senior Manager, certain key employees and certain former employees.

### **18.8 Shareholdings of Directors and Senior Managers**

The table below sets forth the number of Shares held by the Directors and Senior Managers. The percentage of issued share capital reflected in the table is based on the share capital of the Issuer before the Rights Issue and reflects the number of Shares owned by the Directors and Senior Managers, directly or indirectly.

<b>Name</b>	<b>No. of Shares</b>	<b>% of issued share capital</b>
Adri Baan .....	1,540	0.007%
André Goedée .....	137,098	0.664%

### **18.9 Conditional shareholdings of Directors and Senior Managers**

Since May 2008, the Board of Directors has awarded (at no cost) conditional shares with a vesting period of 3 years, subject to continued employment, to Senior Managers upon signing of their employment agreements. In 2008, Martin Adler was conditionally awarded the right to receive 10,027 shares under this arrangement. Under the same arrangement, in 2009 Peter Wit was awarded the conditional right to receive 24,633 shares. Pursuant to his employment agreement, in 2009, Martin Adler was conditionally awarded the right to receive (at no cost) an additional 10,172 shares with a vesting period of 3 years subject to continued employment.

In 2009, the Board of Directors awarded conditional shares with a vesting period of 3 years to André Goedée (15,018), Peter Wit (11,553) and Martin Adler (11,091). Furthermore, in 2010 the Board of Directors has awarded conditional shares under the LTIP (effective January 2010) to André Goedée (9,429), Peter Wit (6,044) and Martin Adler (5,803), subject to a vesting period of 3 years.

## 19 REGULATORY MATTERS

The Company's operations are materially affected by government regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which the Company's heavy marine transport vessels operate, as well as in the country or countries of their registration. Because such conventions, laws and regulations are subject to revision, it is not possible to predict the continuing cost of compliance with such conventions, laws and regulations, and the impact thereof on the useful life of the Company's heavy marine transport vessels or on the Company's business operations. Additional laws and regulations, environmental, security-related or otherwise, may be adopted and could increase the costs or limit the Company's ability to service particular areas. See "*Risk factors – Risks related to the Company*".

### 19.1 Permits and authorizations

The Company is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to the Company's business. Subject to the discussion below and to the fact that the kinds of permits, licenses and certificates required for the operation of the Company's heavy marine transport vessels will depend upon a number of factors, the Company believes that it has been, and will continue to be, able to obtain all permits, licenses and certificates material to the conduct of its business.

### 19.2 Maritime regulations

All the Company's vessels are registered in the Curacao ship register. Vessels that meet the requirements of article 1 together with article 2 of the Curacao' Decree on Registration of Sea Going Vessels can be registered in the Curacao ship register. Curacao registered vessels sail under the flag of the Kingdom of the Netherlands. Owners of Curacao registered vessels need to have a permanent representative in Curacao.

Classification society rules do not cover every structure or item of equipment on board a vessel and do not cover operational elements such as choice of type and power of machinery; manoeuvring performance and hull vibrations. The classification societies that inspect and certify the Company's heavy marine transport vessels do not guarantee the safety, fitness for purpose or seaworthiness of those vessels which remains the responsibility of the Company.

See "*Business of the Company – Governmental regulation*" for further information.

## 20 PRINCIPAL SHAREHOLDERS

The following table indicates which shareholders held a beneficial ownership of 5% or more of the Shares according to information available to the Issuer as of 22 November 2010. As of the date of this Prospectus, 20,643,780 Shares were issued and outstanding.

Name of shareholder	Number of Shares	Percentage of Shares
HAL Investments B.V.....	3,612,676	17.5
Sankaty Advisors LLC.....	2,270,062	11.0
Project Holland Deelnemingen B.V.....	1,791,714	8.7
ODIN Forvaltning AS .....	1,137,368	5.5
<b>Top 4 .....</b>	<b>8,811,820</b>	<b>42.7</b>
Other .....	11,831,960	57.3
<b>Total .....</b>	<b>20,643,780</b>	<b>100.0</b>

Shareholders owning 5% or more of the Shares have an interest in the Issuer's issued share capital that is notifiable pursuant to the Norwegian Securities Trading Act and the Dutch Financial Supervisory Act. The Issuer is not aware of any other persons or entities who, directly or indirectly, have an interest of 5% or more of the Shares as of the date of the Prospectus. Skagen, who is a party to the Short Form Subscription Agreements, holds in aggregate 768,880 Shares, corresponding to 3.72% of the total number of issued and outstanding Shares, see "*The Rights Issue – The Subscription Agreements*".

## **21 CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

As a result of the acquisition of Delphi in 2007, and as a result of their respective shareholding in Delphi and the Issuer, 3i and Frontline used to be defined as related parties. Furthermore the Board of Directors and members of the Senior Management are defined as related parties. The Company had revenue of approximately USD 11.2 million with, and charges of approximately USD 10.0 million from, related parties in 2007. All transactions with related parties were at arms length.

Except as disclosed above, there are no related party transactions that were entered into during the years ended 31 December 2007, 2008 and 2009 or during the period from 31 December 2009 to the date of this Prospectus.

## 22 DESCRIPTION OF THE SHARES, SHARE CAPITAL AND BYE-LAWS

The following is a summary of material information relating to the Issuer's share capital, including summaries of the Bye-Laws and applicable Bermuda and Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Bye-Laws and applicable laws.

### 22.1 Listing of the Shares on Oslo Børs and Euronext Amsterdam

The Issuer is an exempted limited liability company organised under the Bermuda Companies Act with its registered office at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and its head office at Lage Mosten 21, 4822 NJ Breda, the Netherlands. The Issuer's telephone number at its registered office is +1 441 295 2244 and at its head office it is +31 76 5484100. The Issuer was incorporated under the laws of Bermuda on 11 January 2007 with the name Sealift Ltd. and renamed Dockwise Ltd. on 30 July 2007. The Issuer is registered with the Bermuda Registrar of Companies under registration number 39466 and is registered with the Dutch Chamber of Commerce. The Shares are traded on Oslo Børs under the ticker DOCK and on Euronext Amsterdam under the ticker DOCKW. The Shares are registered in book-entry form with the VPS under ISIN BMG2786A1062 and Euroclear Nederland under ISIN BMG2786A2052, see further under "*Registration of the Shares in Norway*" and "*Registration of the Shares in the Netherlands*" below. The Issuer's VPS account manager and VPS registrar is Nordea Bank Norge ASA, Middelthunsgatan 17, NO-0368 Oslo, Norway (the "**VPS Registrar**"). The Issuer's Euroclear Nederland agent is The Royal Bank of Scotland N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands (the "**Euroclear Nederland Registrar**").

The Issuer's auditor is KPMG Accountants N.V. and their business address is Fascinatio Boulevard 200/250, 3065 WB Rotterdam, the Netherlands.

The Shares have been listed and admitted to trading on Oslo Børs since 2 October 2007 and on Euronext Amsterdam since 3 December 2009.

### 22.2 Share capital

#### ***Authorized and issued share capital***

The Issuer's authorized share capital as at the date of this Prospectus is USD 200,000,000 made up of 40,000,000 common shares with a par value of USD 5.00 per share. The Issuer's issued share capital is USD 103,218,900 consisting of 20,643,780 common shares, fully paid up and with a par value of USD 5.00 per share.

The Shares are equal in all respects. Each Share carries the right to cast one vote at the Issuer's general meeting of shareholders. There are no differences in voting rights among the Shares.

The Board of Directors is, subject to prior authorization given at an annual general meeting of shareholders, entitled to propose and adopt increases in the issued share capital up to the amount of the authorized share capital. Authorization was given at the annual general meeting of shareholders held on 6 May 2010 where it was resolved to authorize the Board of Directors to issue, at the Board's absolute discretion and subject to the Bye-Laws, 2,064,378 common Shares of the Issuer (representing a maximum of 10% of the entire issued capital of the Issuer at the date of the annual general meeting of shareholders). The Board of Directors may use this authorization in these situations where an issue of additional Shares is required to either reinforce the balance sheet and/or to issue Shares as part of the remuneration to the Company's management under the LTIP.

The Issuer does not believe that its authorization procedures for increases in issued share capital are more stringent than those required under Bermuda law.

#### ***Share repurchase and treasury shares***

Pursuant to the Bye-Laws, the Issuer may purchase its own shares on such terms and in such manner as may be authorized by the Board of Directors, subject to the Bermuda Companies Act, the rules of Oslo Børs and Euronext Amsterdam.

Neither the Issuer nor any of the Issuer's subsidiaries holds any Shares at the date of this Prospectus. Stichting Administratiekantoor Dockwise holds 20,199 Shares for the account of the Issuer for future transfer to Martin Adler.

### **Options, convertibles and warrants**

Other than the option rights mentioned in “*Employee compensation and benefits*”, the Issuer has no outstanding warrants, convertible bonds, or similar rights giving third parties the right to subscribe for Shares.

No options that have been granted to any third party for the purchase of any capital of the Issuer remain unexercised, nor has the Issuer agreed to issue any such options, whether conditionally or unconditionally.

### **History of share capital**

The Issuer’s issued share capital is USD 103,218,900, divided into 20,643,780 Shares, each fully paid and with a par value of USD 5.00.

Below is a table showing the historical share structure development of the Issuer from its incorporation and until the date of this Prospectus.

	<b>Type of change in share capital</b>	<b>Number of Shares issued after change</b>	<b>Par value (USD)</b>	<b>Price per Share issued</b>
11 January 2007.....	Incorporation	12,000	1.00	USD 1.00
18 January 2007.....	Cancellation and capital increase	90,000,000	1.00	USD 2.00
4 May 2007 .....	Capital increase	203,996,791	1.00	USD 5.02
27 July 2007 .....	Capital increase	210,888,138	1.00	USD 4.55
5 September 2007.....	Capital increase	211,363,138	1.00	USD 2.20
5 October 2007.....	Capital increase	229,755,438	1.00	USD 4.58
2 December 2009.....	Capital increase, capital reduction through reduction of par value and reverse share split	20,643,780	5.00	NOK 154 <sup>26</sup>

Following the successful completion of the Rights Issue, the issued share capital of the Issuer will be USD 126,427,555 divided into 25,285,511 Shares, each with a par value of USD 5.00, based on an issuance of 4,587,506 Offer Shares and in aggregate 54,225 new Shares to be issued as fee to HAL, PHD, Sankaty and Skagen pursuant to the Subscription Agreements, see “*The Rights Issue – The Subscription Agreements*”.

### **22.3 The Issuer’s memorandum of association, Bye-Laws and Bermuda law**

Paragraph six of the Issuer’s memorandum of association records the objects of the Issuer as (i) to carry on business as a holding company and to acquire and hold shares, stocks, debenture stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted or carry on business, and shares, stock, debentures, debenture stock, bonds, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, local authority or other public body, whether in Bermuda or elsewhere, and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient any of the Issuer’s investments of the time being; and (ii) to acquire any such shares and other securities as are mentioned in the preceding paragraph by subscription, syndicate participation, tender, purchase, exchange or otherwise and to subscribe for the same, guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.

The following is a summary of certain provisions of the Bye-Laws as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Bye-Laws and applicable laws.

### **Board of Directors**

The Bye-Laws provide that the Issuer shall be managed by the Board of Directors subject to the Bermuda Companies Act and specific provisions of the Bye-Laws. Generally, the Board of Directors may exercise the powers of the Issuer, except to the extent the Bermuda Companies Act or the Bye-Laws reserve such power to the shareholders.

<sup>26</sup> The share price of NOK 154 is based on ex-split numbers as the reverse share split was conducted just prior to the issuance of the new shares. The subscription price in the capital increase in 2009 was NOK 7.70.

The Board of Directors shall consist of between three and ten members, as determined by an ordinary resolution of the shareholders.

Directors are elected by the shareholders, for such term of office as the shareholders determine, or, in the absence of such determination, for two years. The Issuer has established a nomination committee tasked with recommending candidates for election and remuneration of Directors. In accordance with article 23.2 of the Bye-Laws, any Director or shareholder may propose a candidate for election. Remuneration of Directors is determined by the shareholders.

Directors may resign by notice in writing. He may also be removed from his position if requested in writing to resign by three quarters of the other Directors; or if he becomes of unsound mind or bankrupt, is prohibited by Bermuda law from being a Director or ceases to be a Director by operation of Bermuda law.

A Director may hold any office or act for the Issuer in any capacity (except as auditor). A Director may vote and be counted in quorum in a transaction with the Issuer (and shall not be accountable to the Issuer for any benefit received) in which he is interested as long as he declares his interest in accordance with the Bye-Laws and the Bermuda Companies Act.

### ***Share rights***

The holders of Shares have no pre-emptive, redemption or conversion rights. The holders of Shares are entitled to one vote per Share on all matters submitted to a vote of the shareholders. Unless a different majority is required by law or by the Bye-Laws, ordinary resolutions to be approved by the shareholders require approval by a simple majority of votes cast at a meeting at which a quorum is present.

### ***Variation of share rights***

Subject to the Bermuda Companies Act, all or any of the special rights for the time being attached to any class of Shares for the time being issued may from time to time (whether or not the Issuer is being wound up) be altered or abrogated with the consent in writing of the holders of not less than 75% of the issued Shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of such Shares voting in person or by proxy. To any such separate general meeting, all the provisions of the Bye-Laws as to general meetings of the Issuer shall apply, but so that the necessary quorum is two or more persons holding or representing by proxy the majority of the Shares of the relevant class, that every holder of Shares of the relevant class shall be entitled on a poll to one vote for every such Share held by him and that any holder of Shares of the relevant class present in person or by proxy may demand a poll; provided, however, that if the Issuer or a class of shareholders shall have only one shareholder, one shareholder present in person or by proxy shall constitute the necessary quorum. The Bye-Laws specify that the creation or issue of Shares ranking equally with Existing Shares will not, unless expressly provided by the terms of issue of Existing Shares, vary the rights attached to Existing Shares.

All issued Shares are vested with equal shareholder rights in all respects. Each Share carries one vote at general meetings of shareholders. There are no limitations on the right of non-Bermudians or non-residents of Bermuda to hold or vote on the Shares.

### ***Voting rights***

At any general meeting, every holder of Shares present in person and every person holding a valid proxy shall have one vote on a show of hands. On a poll, every such holder of Shares present in person or by proxy shall have one vote for every Share held. The beneficial owners of Shares registered in the VPS system may exercise any rights of ownership relating to the Shares, including all voting rights attached to the Shares, by instructing the appointed Norwegian registrar, accordingly. The beneficial owners of Shares registered in Euroclear Nederland may exercise any rights of ownership relating to the Shares, including all voting rights attached to the Shares, by instructing the appointed Dutch registrar, accordingly.

Except where a greater majority is required by the Bermuda Companies Act or the Bye-Laws, any question proposed for the consideration of the shareholders at a general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of the Bye-Laws and in case of an equality of votes the chairman of such meeting shall not be entitled to a second or deciding vote.

The Bye-Laws may be amended from time to time, in the manner provided for in the Bermuda Companies Act, provided that any such amendment shall only become operative to the extent that it has been approved by simple majority in a general meeting.

### ***General meeting of shareholders***

The annual general meeting of the Issuer shall be held once in every calendar year at such time and place as the Board of Directors shall appoint. The Board of Directors may whenever it thinks fits, and shall when required by the Bermuda Companies Act, convene special general meetings of the Issuer. The Board of Directors shall also convene a special general meeting of the Issuer at the request of shareholders holding not less than 10% in nominal value of paid-up capital of the Issuer which carries the right to vote at a general meeting of the Issuer at the date of the request.

At least 14 days' clear notice of an annual general meeting shall be given to each shareholder entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held. At least 14 days' clear notice of a special general meeting shall be given to each shareholder entitled to attend and vote thereat, stating the date, place and time and the general nature of the business to be considered at the meeting. Shareholders that wish to attend the general meeting must in writing deposit notice at the Issuer's registered address of the intention to attend and vote in person or by proxy at least 48 hours before the time appointed for holding the general meeting or adjournment thereof.

The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Shareholders may participate in any general meeting by means of such telephone, electronic or other communication facilities as permits all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such meeting shall constitute presence in person at such meeting.

Except as otherwise provided in the Bye-Laws, the quorum at any general meeting of the Issuer shall be constituted by one or more shareholders, either present in person or represented by proxy, holding in the aggregate shares carrying one third of the voting rights entitled to be exercised at such meeting.

Under Bermuda law, the holders of an aggregate of not less than 20% in par value of the Issuer's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment which alters or reduces a company's share capital as provided in the Bermuda Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Supreme Court of Bermuda. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the Issuer's memorandum of association is passed and may be made on behalf of persons entitled to make the application or by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favour of the amendment.

### ***Dividend rights***

Under Bermuda law, a company's board of directors may declare and pay dividends from time to time unless there are reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due or that the realizable value of its assets would thereby be less than the aggregate of its liabilities and issued share capital and share premium accounts. Under the Bye-Laws, all dividends or distribution out of contributed surplus may be declared and paid according to the amounts paid up on the Shares in respect of which the dividend or distribution is to be paid.

### ***Transfer of shares***

The approval of the BMA is required for all transfers of shares in Bermuda companies prior to the completion of the transfer. However, the BMA in its policy dated 1 June 2005 provides that where any equity securities of a Bermuda company are listed on an appointed stock exchange, general permission is given for the issue and subsequent transfer of any securities of a company for as long as any equities securities of such company remain so listed. Both Oslo Børs and Euronext Amsterdam are appointed stock exchanges under the Bermuda Companies Act. Notwithstanding

the above general permission, the Issuer has applied for and the BMA has granted permission, to issue, grant, create, sell and transfer any of the Shares to and among persons who are either resident or non-resident of Bermuda for exchange control purposes, whether or not such securities are listed on an appointed stock exchange.

However, the Bye-Laws provide that the Board of Directors may decline to register the transfer of any interest in any Share in the Shareholder Register or decline to direct any registrar, appointed by the Issuer, to register the transfer where such transfer would result in 50% or more of the shares or votes in the Issuer being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or connected to a Norwegian business activity, in order to avoid the Issuer being deemed a Controlled Foreign Company as such term is defined under the Norwegian tax rules. The Issuer may in its absolute discretion decline any transfer unless the registration of such transfer satisfies all applicable consents, authorizations, permissions or approvals of any governmental body or agency in Bermuda or any other applicable jurisdiction. Furthermore, the Bye-Laws provide that the Board of Directors may decline to register any transfer of any Share which is not a fully-paid Share.

### **Disclosure of share ownership**

Disclosure of ownership interest in the Issuer's shares is governed by the requirements of Oslo Børs and Euronext Amsterdam, in effect from time to time concerning the duty to flag changes in a person's interest in shares.

### **Compulsory acquisition of shares held by minority shareholders**

An acquiring party is under Bermuda law generally able to compulsorily acquire the common shares of minority holders in the following ways:

- By a procedure under the Bermuda Companies Act known as a scheme of arrangement. A scheme of arrangement can be effected by obtaining the agreement of the company and of holders of common shares, representing in the aggregate a majority in number and at least 75% in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme of arrangement. The Bermuda Supreme Court must then sanction the scheme of arrangement. If a scheme of arrangement receives all necessary agreements and sanctions, then upon the filing of the court order with the Bermuda Registrar of Companies, all holders of common shares will be obligated to sell their shares under the terms of the scheme of arrangement.
- If the acquiring party is a company acquiring pursuant to a tender offer 90% of the shares or class of shares that are not already owned by, or held by a nominee for or on behalf of that acquiring party, or any of its subsidiaries (the offeror). If within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, an offeror receives the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares to the offeror on the same terms as the original offer. In those circumstances, non-tendering shareholders will be obligated to sell their shares unless the Bermuda Supreme Court (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.
- Where the acquiring party or parties hold not less than 95% of the shares or a class of shares of the company, the acquiring party may, pursuant to a notice given to the remaining shareholders or class of shareholders, obtain the shares of such remaining shareholders or class of shareholders. When such notice is given, the acquiring party is obligated to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Bermuda Supreme Court for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

### **Amalgamations**

The amalgamation of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation agreement to be approved by the company's board of directors and by its shareholders. Unless the Bye-Laws provide otherwise, the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation

agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company.

### ***Appraisal rights and shareholder suits***

Under Bermuda law, in the event of an amalgamation of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the general meeting, apply to the Bermuda Supreme Court to appraise the fair value of those shares.

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in the violation of the Issuer's memorandum of association or Bye-Laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

### ***Capitalization of profits and reserves***

Pursuant to the Bye-Laws, the Board of Directors may, at any time and from time to time, resolve by simple majority that it is desirable to capitalize all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to then credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution amongst the shareholders or class of shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, provided that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Issuer held by such shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Issuer, to be allotted, distributed and credited as fully paid among such shareholders, or partly in one way or partly in the other, and the Board of Directors shall give effect to such resolution, provided that for the purpose of the Bye-Laws, a share premium account and a capital redemption reserve fund may be applied only in paying up of unissued shares to be issued to such shareholders credited as fully paid and provided further that any sum standing to the credit of a share premium account may only be applied in crediting as fully paid shares of the same class as that from which the relevant share premium was derived.

### ***Untraced shareholders***

The Bye-Laws provide that any dividend or proceeds of share repurchase or distribution out of contributed surplus which remain unclaimed for six years from the date of declaration of such dividend or proceeds of share repurchase or distribution shall be forfeited and shall revert to the Issuer once the Issuer performs certain obligations as specified in the Bye-Laws, and the payment by the Board of Directors of any unclaimed dividend, distribution, interest or proceeds of share repurchase or other sum payable on or in respect of the share into a separate account shall not constitute the Issuer a trustee in respect thereof.

### ***Access to books and records and dissemination of information***

Members of the general public have the right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include the Issuer's memorandum of association, including its objects and powers, and certain alterations to its memorandum of association.

The shareholders have the additional right to inspect the Bye-Laws, minutes of general meetings and the company's audited financial statements, which must be presented at the annual general meeting. The register of members of a company is also open to inspection by shareholders without charge and by members of the general public on the payment of a fee. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the

ability of a company to close the register of shareholders for not more than 30 days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

### ***Winding-up***

If the Issuer shall be wound up, the liquidator may, with the sanction of a resolution of the general meeting of the Issuer and any other sanction required by the Bermuda Companies Act, divide amongst the shareholders in specie or kind the whole or any part of the assets of the Issuer (whether they shall consist of property of the same kind or not) and may for such purposes set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no shareholder shall be compelled to accept any shares or other assets upon which there is any liability.

## **22.4 Mandatory offer requirements in Norway and the Netherlands**

### ***Norwegian mandatory offer requirements***

As a company listed on the Oslo Stock Exchange, the statutory rules on mandatory offers in the Norwegian Securities Trading Act apply to the Issuer. Accordingly, the mandatory offer provision in the Bye-Laws lapsed when the provisions of the Norwegian Securities Trading Act concerning the regulation of mandatory offers on shares that are applicable to the Issuer entered into force.

Pursuant to Chapter 6 of the Norwegian Securities Trading Act, any person that acquires more than 1/3 of the voting rights of a listed company in Norway (with the exception of certain foreign companies not including the Issuer) is required to make an unconditional general offer for the purchase of the remaining shares in that company within four weeks after having acquired more than 1/3 of the voting rights. The mandatory offer requirement may also be triggered by indirect acquisitions, through acquiring more than 50% of the voting rights of a company whose activity is primarily to own shares in a listed company. Further, the shares of related parties, such as close relatives of the shareholder and companies controlled by such persons, companies in the same group of companies as the shareholder, and persons with which the shareholder is bindingly acting in concert and companies controlled by such persons, are considered equal to the shareholder's own shares.

However, the mandatory offer obligation ceases to apply if the person, entity or a consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered. When a mandatory offer obligation is triggered, the person subject to such obligation shall immediately notify Oslo Børs and the target company accordingly. The notification shall state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. The offer and the offer document required are subject to approval by Oslo Børs before submission of the offer to the shareholders is made or published.

A shareholder or consolidated group that owns shares representing more than 1/3 of the votes in a listed company, and which has not previously made an offer for the purchase of the remaining shares in the company in accordance with the provisions concerning mandatory offers, is, as a main rule, obliged to make a mandatory offer in the case of a subsequent acquisition of shares. However, there are exceptions from this rule, including for a shareholder or a consolidated group, which, upon admission of the company to listing on a stock exchange, owned more than 1/3 of the shares in the company.

Pursuant to Section 6-6 of the Norwegian Securities Trading Act, a shareholder who represents more than 1/3 of the votes of a listed company is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) where the shareholder through acquisition exceeds an ownership of 40% of the votes in the company. The same applies correspondingly where the shareholder through acquisition exceeds an ownership of 50% or more of the votes in the company. However, the mandatory offer obligation ceases to apply if the

person, entity or a consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

### **Dutch (mandatory) offer requirements**

Chapter 5.5 of the Dutch Financial Supervisory Act implement the EU Directive 2004/25/ EC of 21 April 2004 on public takeover offers. These Dutch rules on public takeover offers apply to the Issuer as the Shares are admitted to trading on Euronext Amsterdam. In general, under these takeover provisions, third parties are prohibited from launching a public takeover offer for securities in a company that has its seat in a state that is not an EEA State and which securities are admitted to trading on Euronext Amsterdam, such as the Shares, unless an offer document has been approved by the AFM and has subsequently been published. These public takeover offer rules are intended to ensure that in the event of such a public offer, sufficient information will be made available to the holders of Shares, that the holders of Shares will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

The provisions in the Dutch Financial Supervisory Act regarding mandatory takeover offers are not applicable to the Issuer, as these provisions only apply to Dutch public limited liability companies (*naamloze vennootschappen*) of which securities are admitted to trading on a regulated market in the European Economic Area.

### **22.5 Registration of the Shares in Norway**

Companies listed on Oslo Børs are required by Norwegian law to register their shares in the VPS. The Company's VPS registrar is Nordea Bank Norge ASA. In order to facilitate this registration with the VPS, the Issuer has established a branch of its shareholder register in the VPS (the "**VPS Branch Register**"). The operation of the VPS Branch Register is carried out by the VPS Registrar pursuant to a branch register agreement, governed by Norwegian law. The Shares are also trading on Euronext Amsterdam and registered in the Netherlands, see "*Registration of the Shares in the Netherlands*" below.

### **22.6 Registration of the Shares in the Netherlands**

The Shares trading on Euronext Amsterdam are registered in the name of Euroclear Nederland under a separate ISIN, being BMG2786A2052. To facilitate this registration with Euroclear Nederland, the Issuer has established a branch register of the Shareholder Register in Euroclear Nederland (the "**Euroclear Nederland Branch Register**"). The operation of the Euroclear Nederland Branch Register is carried out by The Royal Bank of Scotland N.V. as Euroclear Nederland Registrar.

The VPS Registrar and the Euroclear Nederland Registrar liaise on a frequent basis to ensure that changes in the relevant registers are properly reflected. Investors who prefer to hold their Shares through Euroclear Nederland and not through the VPS, or vice-versa, should contact their bank or broker for details about the relevant procedure for transfer of their Shares from the VPS to Euroclear Nederland, or vice-versa.

### **22.7 Shareholder policy**

The Issuer will, through annual reports, quarterly reports, stock exchange bulletins, press releases and investor presentations, inform Oslo Børs, Euronext Amsterdam, the Issuer's shareholders and the market in general on an ongoing basis of the Issuer's development, activities and special events, ensuring that as far as possible the pricing of the Shares reflects the underlying values and expectations on future profits.

### **22.8 Corporate governance**

Because Bermuda does not have a corporate governance code, the Issuer is not bound by any corporate governance rules in its home jurisdiction. Nonetheless, the Issuer's corporate governance policy is based on the Norwegian Code of Practice. The Issuer intends to disclose its corporate governance policy on its website [www.dockwise.com](http://www.dockwise.com). Material on the Issuer's website is not incorporated by reference into this Prospectus.

The Issuer is in compliance with the Norwegian Code of Practice, with the following qualifications:

- The Norwegian Code of Practice section 3 requires that mandates granted to the board of directors to increase a company's share capital should be restricted to defined purposes. In general the Issuer may propose mandates for general corporate purposes. This would in principle not align with section 3 of the Code of Practice. However, the current mandate is restricted to defined purposes, see "*Description of the Shares, share capital and Bye-Laws - Share Capital*".
- Section 5 of the Norwegian Code of Practice requires that a company's shares must, in principle, be freely negotiable. As noted under "*Transfer of shares*" above, pursuant to the Bye-Laws, the Board of Directors is, in line with common practice for listed Bermudan companies, authorized to decline to register the transfer of shares in the event such transfer would result in 50% or more of the shares or votes being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway, or alternatively, such shares or votes being effectively connected to a Norwegian business activity. The objective of this right to decline share transfers is to avoid the Issuer being deemed a Controlled Foreign Company ("**CFC**") pursuant to Norwegian tax rules. The right will only be used for the purpose of avoiding such CFC taxation, and not in any way to treat investors differently.
- Section 8 of the Norwegian Code of Practice has several requirements that are intended to ensure the independency of the Board of Directors, hereunder that no member of the board of directors should also be part of the executive personnel. The Issuer's CEO, André Goedée, is also a Director. The appointment of André Goedée as CEO to the Board of Directors is considered to enhance continuity, the flow of information and interactions between the Board of Directors and the Senior Managers. The Issuer has established an Audit Committee, a Remuneration Committee and a Project Committee consisting solely of persons being independent of the management to help ensure more independent preparation of matters for discussion by the Board of Directors.

The Dutch Corporate Governance Code does not apply to a company that is listed on Euronext Amsterdam, if such listed company is not incorporated under the laws of the Netherlands.

## 23 TAX CONSIDERATIONS

Set out below is a summary of certain Bermuda, Norwegian, Netherlands and United States tax matters related to the purchase, holding and disposal of shares. The summary is based on Bermuda, Norwegian, Dutch and United States laws, rules and regulations applicable as of the date of this Prospectus, and is subject to any changes in law occurring after such date. Such changes could possibly be made on a retroactive basis. The summary is of a general nature and does not purport to be a comprehensive description of all the tax considerations that may be relevant for a decision to acquire, own or dispose of the shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors.

The Issuer is considered a resident of the Netherlands for tax purposes. Prior to 1 October 2009, the Issuer was considered a tax resident of Bermuda.

### 23.1 Bermuda taxation

At the date of this Prospectus, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Issuer or by its shareholders in respect of the Shares.

The Issuer will not be subject to any Bermuda stamp duty on the issue, transfer or repurchase of the Shares, or on the payment of any dividend or the making of any distribution of contributed surplus.

The Issuer has obtained, from the Ministry of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966, an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 28 March 2016, be applicable to the Issuer or any of its operations, or to its shares, debentures or other obligations, except in so far as such tax applies to persons ordinarily resident in Bermuda or is payable by the Issuer in respect of real property owned or leased by it in Bermuda.

As an exempted company with an authorized share capital of USD 200,000,000 or more, the Issuer is liable to pay to the Bermuda Registrar of Companies an annual registration fee which for the year ending 31 December 2009 is BMD 18,670.

### 23.2 Norwegian taxation

Set out below is a summary of certain Norwegian tax matters related to investments in the Issuer. The summary is based upon the assumptions that the Issuer will be regarded as genuinely established and carrying on genuine economic activities in the Netherlands according to current Norwegian tax rules.

The summary is based on Norwegian laws, rules and regulations applicable as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retroactive basis. The summary does not address foreign tax laws. The summary is of a general nature and does not purport to be a comprehensive description of all the Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of shares in the Issuer. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway should consult with and rely upon local tax advisors with respect to the tax position in their country of residence.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

#### **Norwegian shareholders**

##### *Taxation of dividends – Norwegian Personal Shareholders*

Dividends received by shareholders who are individuals resident in Norway for tax purposes (“**Norwegian Personal Shareholders**”) are taxable as ordinary income for such shareholders at a flat rate of 28% to the extent the dividends exceed a calculated tax-free allowance. The allowance

is calculated on a share by share basis, and is equal to the purchase price of the share multiplied with a determined risk free interest rate based on the effective rate after tax of interest on treasury bills (Norwegian: *statskasseveksler*) with three months maturity.

The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders who hold shares at the expiration of the relevant calendar year. Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer.

Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**Unused Allowance**") is included in the basis for calculating the allowance the following year and reduces the taxable dividend income on the same share in future years.

If certain requirements are met, Norwegian Personal Shareholders may also be entitled to a tax credit in the Norwegian tax calculated on dividends received for any withholding tax imposed on the dividends in the jurisdiction where the distributing Issuer is resident for tax purposes.

#### *Taxation of dividends – Norwegian Corporate Shareholders*

Dividends distributed by the Issuer to shareholders who are limited liability companies resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are included in the calculation of net income from shares each fiscal year. Only 3% of this net income from shares is included in the calculation of ordinary income for such shareholders. The remaining part of net income from shares is exempt from tax. Ordinary income is subject to a flat rate of 28%.

#### *Taxation upon realisation of shares – Norwegian Personal Shareholders*

Sale or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at a rate of 28%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share and is equal to the consideration received less the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. Any unused allowance related to the share (see above) may be used to set off the capital gain related to the same share, but it can not increase or produce a tax deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

#### *Taxation upon realisation of shares – Norwegian Corporate Shareholders*

Capital gains derived from the sale or other disposal of shares in the Issuer are included in the calculation of net income from shares for Norwegian Corporate Shareholders. Losses incurred upon disposal of such shares may be deducted in order to reduce net taxable income from shares in the same fiscal year. Only 3% of net income from shares is included in the calculation of ordinary income for such shareholders. The remaining part of net income from shares is exempt from tax. Negative net income from shares does not reduce ordinary income. Ordinary income is subject to a flat rate of 28%.

#### *Taxation of Subscription Rights – Norwegian Personal Shareholders*

A Norwegian Personal Shareholders' subscription of shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription of shares will be added to the cost price of the shares subscribed for.

A sale and other transfer of Subscription Rights is considered a realization for Norwegian tax purposes. For Norwegian Personal Shareholders, a capital gain or loss generated by a realisation of Subscription Rights is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at a rate of 28%.

### *Taxation of Subscription Rights – Norwegian Corporate Shareholders*

A Norwegian Corporate Shareholder's subscription of shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription of shares will be added to the cost price of the shares subscribed for.

Capital gains derived from the sale or other disposal of Subscription Rights are included in the calculation of net income from shares for Norwegian Corporate Shareholders. Losses incurred upon disposal of such Subscription Rights may be deducted in order to reduce net taxable income from shares in the same fiscal year. Only 3% of net income from shares is included in the calculation of ordinary income for such shareholders. The remaining part of net income from shares is exempt from tax. Negative net income from shares does not reduce ordinary income. Ordinary income is subject to a flat rate of 28%.

#### *Net wealth tax*

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal wealth tax rate is 1.1% of the value assessed. The value for assessment purposes for shares listed on Oslo Børs is the listed value as of January 1 in the year of assessment.

Norwegian Corporate Shareholders are exempt from Norwegian net wealth tax.

#### **Non-Norwegian Shareholders**

As a general rule, dividends received and capital gains generated by shareholders who are not resident in Norway for tax purposes ("**non-Norwegian Shareholders**") from shares in non-Norwegian companies, as well as non-Norwegian Shareholders' net wealth represented by shares in non-Norwegian companies, are not subject to Norwegian taxation unless the non-Norwegian Shareholder holds the shares in connection with the conduct of a trade or business in Norway.

#### **Duties on transfers of shares**

No stamp duty or similar duties are currently imposed in Norway on transfers of shares.

### **23.3 The Netherlands taxation**

The following is a summary of the material Dutch tax consequences of the acquisition, ownership or disposal of the Offer Shares and/or the Subscription Rights. The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Offer Shares and/or the Subscription Rights and prospective investors should consult their professional advisors as to the tax consequences of their purchase, ownership and disposition of the Offer Shares and/or the Subscription Rights. The summary is based on the fact that for Dutch tax purposes the Issuer is considered a tax resident of the Netherlands.

In the following, it is assumed that individuals do not hold or will not hold a "substantial interest" in the Issuer. In broad terms, an interest in the share capital of the Issuer should not be considered a substantial interest if such holder of Offer Shares and/or Subscription Rights and his or her spouse, (registered) partner, certain other relatives or certain persons sharing the holder's household alone or together, does or do not hold, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing 5% or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of Shares. The summary does not address the tax consequences of holders of Offer Shares and/or Subscription Rights receiving income or realizing capital gains in their capacity as (former) employee and/or (former) Director.

The descriptions of the Dutch tax laws and practices set forth below are based on the statutes, regulations, rulings, judicial decisions and other authorities in force and applied in practice as at the date of this Prospectus all of which are subject to change (possibly with retroactive effect) and differing interpretations. In this description Dutch legal concepts are sometimes expressed in English terms and not in their original Dutch terms. These concepts may not be identical to the concepts designated by the same English term, as they exist under the laws of jurisdictions other than the Netherlands.

Under the Dutch tax law, an owner of Offer Shares and/or the Subscription Rights will not be deemed resident of the Netherlands only because of its holding of the Offer Shares and/or the Subscription Rights.

This summary does not address the tax consequences applicable to all categories of investors, some of which (such as, among others, pension funds, investment institutions, insurance companies, dealers in securities and tax exempt entities) may be subject to specific rules.

### **Withholding tax**

The Issuer is generally obliged to withhold Dutch withholding tax from dividends distributed by the Issuer in respect of the Shares at the rate of 15% (based on the Euro amount). The expression “dividends distributed” includes among other things:

- distributions in cash or in kind, deemed and constructive distributions and repayments of paid-in capital and capital surplus not recognized as such for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of shares or consideration for the repurchase of shares by the Issuer to the extent such consideration exceeds the average paid-in capital recognized on these shares for Dutch dividend withholding tax purposes;
- the par value of shares issued to a holder of shares or an increase of the par value of shares, as the case may be, to the extent that it does not appear that a contribution, recognized for Dutch dividend withholding tax purposes, has been made or will be made; and
- partial repayment of paid-in capital, recognized for Dutch dividend withholding tax purposes, if and to the extent that the Issuer has net profits (*zuivere winst*), unless the general meeting of shareholders has resolved in advance to make such repayment and provided that the par value of the shares concerned has been reduced by an equal amount by way of an amendment of the articles of association.

In relation to a corporate holder of Offer Shares that is resident in the Netherlands, the Issuer may refrain from withholding Dutch dividend withholding tax, if the participation exemption (see below under “*Corporate income tax*”) applies to the Offer Shares it holds. For corporate holders of Offer Shares that are not resident in the Netherlands, the Issuer may, subject to the anti-dividend stripping rules described below, refrain from withholding Dutch dividend withholding tax if the corporate holder of Offer Shares (i) is an entity that according to the laws of an EU state or by Ministerial Decree appointed state of the EEA is considered to be resident of such state, (ii) would qualify for the participation exemption if it had been a resident of the Netherlands, (iii) is not considered to be resident outside the EU or by Ministerial Decree appointed state of the EEA on the basis of a tax treaty for the avoidance of double taxation with a third country, and (iv) cannot be considered as an exempt portfolio investment company or portfolio investment company.

A holder of Offer Shares that is resident or deemed to be resident in the Netherlands, or if he or she is an individual, who has elected to be taxed as resident in the Netherlands for Dutch income tax purposes, is generally entitled, subject to the anti-dividend stripping rules described below, to a full credit against its (corporate) income tax liability, or a full refund, of the Dutch dividend withholding tax.

A corporate holder of Offer Shares that is resident in a country other than the Netherlands and a tax treaty is in effect between the Netherlands and such country, may, depending on the terms of such tax treaty and subject to the anti-dividend stripping rules described below, be eligible for a full or partial exemption from, or full or partial refund of, Dutch dividend withholding tax on dividends received.

For holders of Offer Shares that are not resident in the Netherlands, in most cases the Dutch dividend withholding tax is final.

According to the anti-dividend stripping rules, no exemption, reduction, credit or refund of Dutch dividend withholding tax will be granted if the recipient of the dividend is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the dividend as defined in these rules. A recipient of a dividend is not considered the beneficial owner of the dividend if such recipient:

- (a) paid consideration (in cash or in kind) in connection with the dividend distribution; and
- (b) such payment forms part of a sequence of transactions; and
- (c) it is likely that: (i) an individual or legal entity (other than the holder of the dividend coupon), directly or indirectly, partly or wholly benefits from the dividend, (ii) such individual or legal entity is entitled to a less favorable exemption, refund or credit of dividend withholding tax than the recipient of the dividend distribution, and (iii) such individual or legal entity, directly or

indirectly, retains or acquires a position in shares, profit rights or profit sharing bonds that is comparable with his or her position in similar shares, profit sharing bonds that he or she had before the sequence of transactions commenced.

The term “sequence of transactions” includes transactions that have been entered into on a regulated stock market, the sole acquisition of one or more dividend coupons and the establishment of short-term rights or enjoyment on the Offer Shares (e.g., usufruct).

### ***Taxes on dividends and capital gains***

#### ***Personal income tax***

##### ***Box I (work and private residence) – Individuals resident in the Netherlands***

An individual resident or deemed to be resident in the Netherlands, or who has elected to be taxed as resident in the Netherlands, who owns Offer Shares and/or the Subscription Rights that can be attributed to the business assets of an enterprise which is, in whole or in part, carried on for the account of this individual, is liable to income tax on income, such as dividends and capital gains, derived from the Offer Shares and/or the Subscription Rights at the progressive rates of box I, the maximum rate being 52%. Income derived by an individual resident or deemed to be resident in the Netherlands, or who has elected to be taxed as resident in the Netherlands, from the Offer Shares and/or the Subscription Rights that qualify as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*), which include activities with respect to the Offer Shares and/or the Subscription Rights that exceed “regular, active portfolio management” (*normaal, actief vermogensbeheer*) and/or income and capital gains that are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a “lucrative interest”) that the holder thereof has acquired under such circumstances that such income and capital gains are intended to be remuneration for work or services performed by such holder (or a related person) in the Netherlands, whether within or outside an employment relationship is also taxable at the progressive rates of box I.

##### ***Box I (work and private residence) – Individuals resident outside the Netherlands***

Individuals that are not resident or deemed to be resident in the Netherlands, and who have not elected to be taxed as a resident of the Netherlands, can only be taxed on income derived from the Offer Shares and/or the Subscription Rights in case (a) the Offer Shares and/or the Subscription Rights can be attributed to the business assets of an enterprise which is, in whole or in part, carried on for the account of such individual holder through a permanent establishment or a permanent representative in the Netherlands or (b) this income qualifies as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*, as described above) in the Netherlands.

##### ***Box III (savings and investments) – Individuals resident in the Netherlands***

When Offer Shares and/or the Subscription Rights owned by an individual resident or deemed to be resident in the Netherlands, or who has elected to be taxed as resident in the Netherlands, do not qualify as a “substantial interest” as described above nor fall under the scope of Box I, the Offer Shares and/or the Subscription Rights will be taxed according to the regime of Box III as income derived from capital (savings and investments). Taxable income in Box III is determined annually on the basis of a fictitious – i.e. deemed – return on the net assets (i.e. assets less liabilities) of the tax payer. This deemed return has been fixed at 4% of the average of the values of the net assets on 1 January and 31 December of any year respectively insofar as that average exceeds the exempt net asset amount. In this respect, assets and liabilities relating to income from box I or from a substantial interest are not taken into account. The taxable income is computed without regard to the actual income and capital gains derived from the Offer Shares and/or the Subscription Rights. Thus, if actual income exceeds 4%, tax will still only be levied on the basis of 4%. On the other hand, there is no reduction in tax if the actual income is less than 4%. The deemed income is taxed at 30%.

##### ***Box III (savings and investments) – Individuals resident outside the Netherlands***

Individuals that are not resident or deemed to be resident in the Netherlands, and who have not elected to be taxed as a resident of the Netherlands owning Offer Shares and/or the Subscription Rights will not be taxed in Box III.

## **Corporate income tax**

### *Corporate entities resident in the Netherlands*

A corporate owner of Offer Shares and/or the Subscription Rights that is resident or deemed to be resident in the Netherlands will generally be subject to Dutch corporate income tax on income and capital gains derived from the Offer Shares and/or the Subscription Rights.

A corporate owner of Offer Shares and/or the Subscription Rights that is resident in the Netherlands and holds an interest of at least 5% in the nominal paid-up share capital of the Issuer, if complied with the requirements, is generally exempt from Dutch corporate income tax on income or capital gains derived from the Offer Shares and/or the Subscription Rights pursuant to the participation exemption as laid down in article 13 of the Corporate Income Tax Act 1969.

### *Corporate entities resident outside the Netherlands*

A corporate owner of Offer Shares and/or the Subscription Rights that is not resident or deemed to be resident in the Netherlands will generally be subject to Dutch corporate income tax on income and capital gains derived from the Offer Shares and/or the Subscription Rights if it carries on an enterprise through a permanent establishment in the Netherlands to which permanent establishment the Offer Shares and/or the Subscription Rights are attributable. Furthermore, a corporate owner of Offer Shares and/or the Subscription Rights that is not resident or deemed to be resident in the Netherlands and is not carrying on an enterprise in the Netherlands, is subject to Dutch corporate income tax on income and capital gains derived from the Offer Shares and/or the Subscription Rights when holding a substantial interest (see above) in the Issuer, unless such non-resident corporate owner conducts an enterprise to which the Offer Shares and/or the Subscription Rights can be attributed.

When subject to Dutch corporate income tax, a corporate owner of Offer Shares and/or the Subscription Rights is liable to corporate income tax at a rate of 25.5% with respect to income and capital gains derived from the Offer Shares and/or the Subscription Rights. A lower rate of 20% will apply to the first EUR 200,000 of a tax payer's total taxable profits.

### **Other taxes**

No Dutch value added tax, registration tax, capital tax, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands in respect of or in connection with the acquisition, ownership or disposal of a Share and/or Subscription Right.

## **23.4 United States federal income taxation**

**The discussion of U.S. tax matters set forth in this Prospectus was written in connection with the promotion or marketing of this offering and was not intended or written to be used, and cannot be used, by any prospective investor, for the purpose of avoiding tax-related penalties under U.S. federal, state or local tax law. Each taxpayer should seek advice based on its particular circumstances from an independent tax advisor.**

The following summary is a general discussion of certain U.S. federal income tax considerations to U.S. Holders (as defined below) of receiving, exercising and disposing of Subscription Rights and of acquiring, holding and disposing of Offer Shares. The following summary applies only to U.S. Holders (as defined below) whose Subscription Rights and Offer Shares are not effectively connected with a permanent establishment outside the United States. Except where noted, this summary deals only with U.S. Holders that acquire Subscription Rights and Offer Shares in the Rights Issue and will hold Subscription Rights and Offer Shares as capital assets for U.S. federal income tax purposes (generally, assets held for investment). The following summary is not a complete analysis of all U.S. federal income tax consequences that may be relevant to a prospective investor's decision to exercise or dispose of Subscription Rights or to acquire, hold or dispose of Offer Shares. In particular, this summary does not address U.S. federal income tax consequences that apply to prospective investors subject to special tax rules, including financial institutions, insurance companies, real estate investment trusts, regulated investment companies, dealers in securities or currencies, traders that elect the mark-to-market method of accounting for their securities, tax-exempt entities, investors that will hold Subscription Rights and Offer Shares as part of an "integrated", "hedging" or "conversion" transaction or as a position in a "straddle" for U.S. federal income tax purposes, grantor trusts, investors that have a "functional currency" other than the U.S. dollar, investors that will own (directly or by attribution) 10% or more (by voting

power) of the Issuer's stock and certain U.S. expatriates or investors subject to the alternative minimum tax.

This summary does not discuss the tax consequences of the receipt, exercise or disposition of Subscription Rights or of the acquisition, ownership or disposition of Offer Shares under the tax laws of any state, locality or non-U.S. jurisdiction. Prospective investors considering an investment in Offer Shares should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. consequences to them of the Rights Issue and investment in Offer Shares.

The following summary is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), the U.S. Treasury Regulations there under, published rulings of the U.S. Internal Revenue Service (the "**IRS**") and judicial and administrative interpretations thereof in each case as in effect and available on the date of this Prospectus. Changes to any of the foregoing, or changes in how any of these authorities are interpreted, may affect the tax consequences set out below, possibly retroactively. No ruling will be sought from the IRS with respect to any statement or conclusion in this discussion, and no assurances can be given that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, a court will uphold such statement or conclusion.

For purposes of the following summary, a "**U.S. Holder**" is a beneficial owner of Subscription Rights and Offer Shares that is for U.S. federal income tax purposes: (i) an individual that is a citizen or resident of the United States, (ii) a corporation or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over its administration and (y) one or more United States persons (as defined in the Code) have the authority to control all of the substantial decisions of such trust or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds Subscription Rights or Offer Shares, the U.S. federal income tax consequences to the partners of such partnership will depend on the activities of the partnership and the status of the partners. A partnership considering an investment in Offer Shares should consult its own tax advisors about the consequences to its partners of the Rights Issue and the acquisition, ownership and disposition of Offer Shares by the partnership.

### ***Subscription Rights***

Although the matter is not entirely free from doubt, the Issuer believes that the distribution of Subscription Rights to a U.S. Holder should be treated as a non-taxable distribution with respect to the U.S. Holder's Existing Shares for U.S. federal income tax purposes.

If the fair market value of the Subscription Rights received by a U.S. Holder is less than 15% of the fair market value of the U.S. Holder's Existing Shares in respect of which Subscription Rights were received ("**Current Shares**") on the date of receipt, the Subscription Rights will have a zero basis for U.S. federal income tax purposes, unless the U.S. Holder affirmatively and irrevocably elects to allocate the adjusted tax basis in the U.S. Holder's Current Shares between the Current Shares and the Subscription Rights in proportion to their relative fair market values (determined on the date the Subscription Rights are received). A U.S. Holder must make this election on the U.S. Holder's tax return for the taxable year in which the Subscription Rights are received.

If the fair market value of Subscription Rights received by a U.S. Holder is 15% or more of the fair market value of the U.S. Holder's Current Shares on the date the Subscription Rights are received, the U.S. Holder's adjusted tax basis in its Current Shares must be allocated between the Current Shares and the Subscription Rights in proportion to their relative fair market values (as determined on the date the Subscription Rights are received).

The exercise of a Subscription Right will not be a taxable transaction for U.S. federal income tax purposes. A U.S. Holder's initial tax basis in each Offer Share acquired upon the exercise of a Subscription Right will equal the U.S. dollar value of the NOK Offer Price on the acquisition date (or, in case of a cash basis and electing accrual basis taxpayers, the settlement date) and the tax basis (as determined above) in the exercised Subscription Right. The U.S. Holder's holding period in the Offer Shares will begin on the exercise date.

A U.S. Holder will recognise capital gain or loss on the sale or other taxable disposition of Subscription Rights in an amount equal to the difference between the U.S. Holder's tax basis (as determined above) in the Subscription Rights, if any, and the amount realised on the sale or other taxable disposition, in each case as determined in U.S. dollars. If the U.S. Holder's holding period for the Subscription Rights is longer than one year, the gain or loss will be long-term capital gain or loss. For these purposes, the holding period in Subscription Rights should include the holding period in the Current Shares with respect to which the Subscription Rights were distributed. The gain or loss will be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

A U.S. Holder that receives foreign currency on the sale or other disposition of the Subscription Rights will generally realize an amount equal to the U.S. dollar value of the foreign currency on the settlement date. An accrual-basis U.S. Holder that does not elect otherwise may recognize a currency gain or loss if the U.S. dollar value of the currency received at the spot rate on the settlement date differs from the dollar value of the currency at the spot rate on the date of sale or disposition (i.e., the trade date). Such foreign currency gain or loss will constitute U.S.-source ordinary income or loss.

In the event that a U.S. Holder allows the Subscription Rights to expire without selling or exercising them, the rights will be deemed to have a zero basis and therefore, the U.S. Holder will not recognise any loss upon the expiration. In addition, the original tax basis of the Current Shares with respect to which expired Subscription Rights were distributed will remain unchanged.

### **Distributions**

Subject to the discussion under "*Passive foreign investment company rules*" below, generally, the gross amount of any distribution by the Issuer with respect to Offer Shares (including amounts withheld to reflect Dutch withholding taxes – for further information see "*Tax considerations – The Netherlands taxation*") will be includible in a U.S. Holder's ordinary income as a foreign source dividend to the extent of the Issuer's current and accumulated earnings and profits (as determined under U.S. federal income tax principles) at the time the U.S. Holder receives (or constructively receives) such amount. However, the Issuer does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Issuer will constitute ordinary dividend income. These distributions will not be eligible for the dividends received deduction in the hands of corporate U.S. Holders, but may be eligible for the reduced rate of tax applicable to some dividends paid by certain corporations to non-corporate shareholders.

Subject to certain conditions and limitations, Dutch withholding taxes on dividends may be treated as foreign taxes eligible for credit against a U.S. Holder's U.S. federal income tax liability. The rules governing the foreign tax credit are complex. Shareholders are urged to consult its tax advisors regarding the availability of the foreign tax credit under its particular circumstances.

### **Sale or exchange**

Subject to the discussion under "*Passive foreign investment company rules*" below, upon the sale or exchange of an Offer Share, a U.S. Holder will generally recognize U.S. source capital gain or loss equal to the difference, if any, between the U.S. dollar value of the amount realized on the sale, exchange or retirement and the U.S. Holder's adjusted tax basis in the Offer Share. Generally, any capital gain or loss will be long-term capital gain or loss if the Offer Shares have been held for more than a year. In the case of a non-corporate U.S. Holder that has held the Offer Share for more than one year, any such gain may be subject to lower rates of tax. The deductibility of capital losses is subject to limitations. U.S. Holders should consult their advisors about the appropriate manner to account for sale or exchange proceeds paid in a currency other than the U.S. dollar.

A U.S. Holder that receives foreign currency on the disposition of Offer Shares will generally realize an amount equal to the U.S. dollar value of the foreign currency received on the settlement date whether or not converted into U.S. dollars at that time. An accrual-basis U.S. Holder that does not elect otherwise may recognize currency gain or loss if the U.S. dollar value of the currency received at the spot rate on the settlement date differs from the dollar value of the currency at the spot rate on the date of sale or disposition (i.e., the trade date). Such foreign currency gain or loss will constitute U.S.-source ordinary income or loss.

### ***Passive foreign investment company rules***

Based on the information currently available, the Issuer believes that it was not a passive foreign investment company (“**PFIC**”) for U.S. federal income tax purposes for 2009 and it does not expect to be classified as a PFIC in the current year of the foreseeable future. However, because PFIC status depends upon the composition of a company’s income and assets and the market value of its assets from time to time, the Issuer cannot assure prospective investors that it will not be considered a PFIC for any taxable year. In general, a non-U.S. corporation will be classified as a PFIC if in any taxable year either (i) 75% or more of its gross income consists of passive income (e.g., dividends, interest and certain rents and royalties) or (ii) 50% or more of its assets, by value, determined on the basis of a quarterly average, consists of assets that produce, or are held for the production of, passive income.

For purposes of the income test and the asset test, if a non-U.S. corporation owns directly or indirectly at least 25% (by value) of the stock of another corporation, that non-U.S. corporation will be treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of that other corporation. Also, for the purposes of the income test and the asset test, passive income does not include any income that is interest, a dividend or a rent or royalty, which is received or accrued from a related person to the extent that amount is properly allocable to the income of the related person that is not passive income.

If the Issuer is classified as a PFIC, a U.S. Holder could be subject to significantly greater amounts of U.S. tax than would otherwise apply with respect to any gain on the sale or exchange of Shares and certain distributions. The U.S. Holder would also be subject to more burdensome U.S. tax reporting obligations. U.S. Holders should consult their tax advisors concerning the application of the PFIC rules, and alternative tax reporting methods that may be available.

### ***Information reporting and backup withholding***

In general, information reporting will apply to dividends and sale proceeds that are paid to a U.S. Holder within the United States (and in certain cases, outside the United States), unless such U.S. Holder is an exempt recipient such as a corporation. A U.S. Holder may be subject to backup withholding on the amounts paid to it unless the U.S. Holder provides its taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder’s U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is furnished to the IRS.

## 24 THE RIGHTS ISSUE

### 24.1 General

The Rights Issue consists of an offer of 4,587,506 Offer Shares at an Offer Price of EUR 17 per Offer Share, with expected gross proceeds of EUR 77,987,602 and is made by way of granting Subscription Rights to Existing Shareholders of the Issuer registered on the Record Date (the end of 26 November 2010).

The purpose of the Rights Issue is to facilitate the financing of the Issuer's acquisition of a new Type 0 Vessel as further described in "*Use of proceeds and the Type 0 Vessel – Use of proceeds*".

Each Existing Shareholder will be granted one Subscription Right for each Existing Share registered as held by such Existing Shareholder on the Record Date. Holders of Subscription Rights will have the right to subscribe for and be allocated 2 Offer Shares for every 9 Subscription Rights held. In respect of Subscription Rights registered in Euroclear Nederland, the Subscription Rights can only be exercised in multiples of 9, so that 1 to 8 Subscription Rights will not entitle the holder thereof to any Offer Shares. In respect of Subscription Rights registered in the VPS, the number of Offer Shares allocated will be rounded down to the nearest whole Offer Share, so that 5 to 8 Subscription Rights will entitle the holder thereof to 1 Offer Share. No fractional Offer Shares will be issued.

Subscription of and payment for all Offer Shares in the Rights Issue is secured through the Subscription Agreements between the Issuer and certain of the Existing Shareholders, see "*The Subscription Agreements*" below.

### 24.2 Other important information and restrictions

The Subscription Rights and the Offer Shares are being offered by the Issuer only in those jurisdictions in which, and only to those persons to whom, offers of the Subscription Rights and the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) may lawfully be made. No action will be taken to permit a public offering in any jurisdiction outside of Norway or the Netherlands.

The Issuer urges potential investors to carefully read the restrictions described under "*Other important information and restrictions*". The making or acceptance of the proposed offer to sell Offer Shares to persons with registered addresses in, or who are resident or located in, or citizens of, countries other than Norway and the Netherlands may be affected by the laws or regulations of the relevant jurisdiction. Accordingly, any such person who is in any doubt as to his position should consult an appropriate professional advisor without delay.

The Issuer reserves the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to it or its agents:

- to have been executed, effected or dispatched from the United States or any other Excluded Territory, unless the Issuer is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction;
- to involve a potential breach or violation of the laws of any jurisdiction;
- to involve an acceptance, or purported acceptance, that may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus; or
- to purport to exclude or modify any of the representations and warranties required to be made by an exercising Subscription Rights holder, as set out in "*Other important information and restrictions*".

Holders of Existing Shares as of the Record Date and subsequent transferees of Subscription Rights, in each case which are able to give the representations and warranties set out in "*Other important information and restrictions*" of this Prospectus, are Eligible Persons with respect to the Rights Issue. Persons who are not Eligible Persons are in this Prospectus referred to as Ineligible Persons.

The Issuer, the Sole Global Co-ordinator and Sole Bookrunner, the Subscription and Listing Agents and any persons acting on their behalf, will rely upon the truth and accuracy of a prospective investor's representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject a prospective investor to liability.

A person acting on behalf of another person exercising or purchasing Subscription Rights or Offer Shares (including as a nominee, custodian or trustee), will be required to provide such representations and warranties to the Issuer, the Sole Global Co-ordinator and Sole Bookrunner and the Subscription and Listing Agents with respect to the exercise or purchase of Subscription Rights or Offer Shares on behalf of such person. If the foregoing representations and warranties are not provided, neither the Issuer, nor the Sole Global Co-ordinator and Sole Bookrunner, nor the Subscription and Listing Agents, nor any persons acting on their behalf, will be bound to authorize the allocation of any Offer Shares to the person that acted on behalf of such person or the person on whose behalf was acted.

### 24.3 Resolutions to issue the Offer Shares

The Issuer resolved in its special general meeting of shareholders held on 23 November 2010 to grant the board authority to issue from the authorized but unissued share capital up to 5,800,000 new Shares in the Rights Issue to secure the financing of the build of the Type 0 Vessel. The Board of Directors was, among other things, authorized to fix the exact amount of Offer Shares to be issued and to fix the Offer Price for the Rights Issue.

On basis of this authorisation, the pricing committee of the Board of Directors resolved on 23 November 2010 to offer 4,587,506 Offer Shares in the Rights Issue at an Offer Price of EUR 17 with Subscription Rights for Existing Shareholders registered as such as of the end of 26 November 2010. Payment for Offer Shares allocated on basis of Subscription Rights exercised in the VPS (i.e. subscriptions made to the VPS Subscription and Listing Agent) shall be made in NOK, based on the NOK/EUR exchange rate determined on 13 December 2010. The Subscription Period was set to commence on 29 November 2010 and end on 13 December 2010 at 14:00 hours (CET).

The Rights Issue will be withdrawn if the Subscription Agreements are validly terminated. Please see *“The Subscription Agreements”* for a description of the conditions to the Subscription Agreements and the termination rights in respect thereto.

### 24.4 Timetable

The timetable below provides certain indicative dates for the Rights Issue, subject to timely payment of the entire proceeds for the Offer Shares:

Last day of trading in the Shares including Subscription Rights .....	23 November 2010
First day of trading in the Shares excluding Subscription Rights .....	24 November 2010
First day of closing of conversion program from VPS to Euroclear Nederland for Shares ....	25 November 2010
Last day of closing of conversion program for Shares .....	26 November 2010
Record Date.....	26 November 2010
Subscription Period commences .....	29 November 2010
First day of trading in the Subscription Rights on Oslo Børs and Euronext Amsterdam.....	29 November 2010
Last day of trading in the Subscription Rights on Oslo Børs and Euronext Amsterdam.....	17:30 hours (CET), on 8 December 2010
Last day of submitting notices for conversion of Subscription Rights from Oslo Børs to Euronext Amsterdam or vice-versa .....	16:00 hours (CET), on 10 December 2010
Subscription Period ends.....	14:00 hours (CET), on 13 December 2010
Allocation of Offer Shares.....	On or about 14 December 2010
Distribution of allocation letters.....	On or about 14 December 2010
Payment date.....	17 December 2010
Delivery date for Offer Shares.....	On or about 17 December 2010
Listing and commencement of trading in the Offer Shares on Oslo Børs and Euronext Amsterdam .....	On or about 17 December 2010

### 24.5 Offer Price

The Offer Price in the Rights Issue is EUR 17 per Offer Share. However, payment for Offer Shares allocated on basis of Subscription Rights exercised in the VPS (i.e. subscriptions made to the VPS Subscription and Listing Agent) shall be made in NOK.

The amount to be paid in NOK per Offer Share will correspond to the Offer Price of EUR 17 per Offer Share, such amount to be determined using the European Central Bank’s NOK/EUR exchange rate at 14:15 hours (CET) on 13 December 2010, which will be announced in the form of a stock exchange notification from the Issuer through Oslo Børs’ information system. This

amount in NOK will be announced by the Issuer no later than on the day following determination thereof. The exchange rate applied, and the Offer Price payable for the Offer Shares based on such exchange rate, will be included in the allocation letters to be distributed by the VPS Subscription and Listing Agent.

The Issuer will not charge subscribers with any costs related to the subscription or allotment of Offer Shares other than payment of the Offer Price, see, however, the terms and conditions of direct debiting accounts with respect to payment for the Offer Shares allocated in “*Allocation of Offer Shares*” below.

## **24.6 Subscription Rights**

### ***General***

Existing Shareholders will be granted Subscription Rights giving them the right, provided that they are Eligible Persons, to subscribe for, and be allocated, Offer Shares in the Rights Issue. Each Existing Shareholder will be granted one Subscription Right for each Existing Share registered as held by such Existing Shareholder on the Record Date. Holders of Subscription Rights will, subject to applicable securities law, be given the right to subscribe for and be allocated 2 Offer Shares for every 9 Subscription Right held. In respect of Subscription Rights registered in Euroclear Nederland, the Subscription Rights can only be exercised in multiples of 9, so that 1 to 8 Subscription Rights will not entitle the holder thereof to any Offer Shares. In respect of Subscription Rights registered in the VPS, the number of Offer Shares allocated will be rounded down to the nearest whole Offer Share, so that 5 to 8 Subscription Rights will entitle the holder thereof to 1 Offer Share. No fractional Offer Shares will be issued. Subscription Rights will not be issued in respect of any Existing Shares held in treasury by the Issuer.

The Subscription Rights will be credited to and registered on the securities accounts of each Existing Shareholder on or about 29 November 2010. The Subscription Rights will be registered in the VPS under ISIN BMG2786A1229 and in Euroclear Nederland under ISIN NL0009637818. The Subscription Rights will be delivered free of charge.

The Subscription Rights may be used to subscribe for Offer Shares in the Rights Issue before the end of the Subscription Period or be sold before the end of the trading period for Subscription Rights. Acquired Subscription Rights give the same right to subscribe for and to be allocated Offer Shares as Subscription Rights granted to Existing Shareholders on the basis of their shareholding on the Record Date.

**The Subscription Rights, must be used to subscribe for Offer Shares before the end of the Subscription Period (i.e. 13 December 2010 at 14:00 hours (CET)), or be sold before the end of the trading period for Subscription Rights (i.e. 8 December 2010 at 17:30 hours (CET)), otherwise the Subscription Rights will lapse without compensation to the holder and will consequently have no value. Holders of Subscription Rights (whether granted or acquired) should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and that the acquisition of Subscription Rights does not in itself constitute a subscription for Offer Shares.**

### ***Ineligible Persons – Subscription Rights in the VPS***

Ineligible Persons may not subscribe for Offer Shares by exercising Subscription Rights traded on Oslo Børs, and no Subscription Rights will be delivered on the VPS accounts of Ineligible Persons. Further, no Subscription Rights will initially be delivered to the VPS accounts of nominee shareholders. Shareholders identified by the Issuer as Ineligible Persons or nominee shareholders who believe they are entitled to receive Subscription Rights, should contact the VPS Subscription and Listing Agent. The Sole Global Co-ordinator and Sole Bookrunner will use commercially reasonable efforts to procure that the Subscription Rights not delivered to the VPS accounts of Ineligible Persons and nominee shareholders are sold on behalf of, and for the benefit of, such Ineligible Persons and nominee shareholders during the Subscription Period, provided that (i) in the case of Ineligible Persons, the relevant Ineligible Person has not by 17:30 hours (CET) on 2 December 2010 documented to the Issuer through the VPS Subscription and Listing Agent the right to receive Subscription Rights, (ii) in the case of nominee shareholders, the relevant nominee shareholder has not by 17:30 hours (CET) on 6 December 2010 documented to the Issuer through the VPS Subscription and Listing Agent the right to receive Subscription Rights, and (iii) the Sole Global Co-ordinator and Sole Bookrunner is able to sell the Subscription Rights at a price at least equal to the anticipated costs related to the sale of such Subscription Rights. The net proceeds

from any such sales (after deduction of all costs incurred in connection with the sales) will be paid to the Ineligible Persons and nominee shareholders, as the case may be, on a *pro rata* basis by crediting the bank accounts registered in the VPS for each Ineligible Person and nominee shareholder, provided that if the net proceeds attributable to such Ineligible Person or nominee shareholder is less than NOK 10, such amount will be paid to the Issuer. There can be no assurance that the Issuer and the Sole Global Co-ordinator and Sole Bookrunner will be able to sell the Subscription Rights at a profit. Neither the Issuer nor the Sole Global Co-ordinator and Sole Bookrunner will procure any sale of Subscription Rights not utilised before the expiration of the Subscription Period except as specifically agreed or set forth herein with respect to Ineligible Persons or nominee shareholders.

#### ***Ineligible Persons – Subscription Rights in Euroclear Nederland***

Ineligible Persons may not subscribe for Offer Shares by exercising Subscription Rights traded on Euronext Amsterdam. For technical reasons, a book entry indicating Subscription Rights will initially be made on the Euroclear Nederland accounts even of Ineligible Persons. Subscription Rights credited for administrative purposes to the securities account of any shareholder that is an Ineligible Person, shall not constitute an offer of any Offer Shares to such shareholder. Further, Subscription Rights will be credited to the Euroclear Nederland accounts of nominee shareholders, but no nominee shareholder may acknowledge the receipt of any Subscription Rights on behalf of an Ineligible Person. Nominee shareholders holding Subscription Rights for Ineligible Persons may consider selling any and all rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons. A nominee shareholder may also elect to instruct the Sole Global Co-ordinator and Sole Bookrunner to sell any Subscription Rights on behalf of an Ineligible Person. To facilitate such sale by the Sole Global Co-ordinator and Sole Bookrunner, the nominee shareholder should first transfer the relevant number of Subscription Rights to the Sole Global Co-ordinator and Sole Bookrunner before 17:30 hours (CET) on 6 December 2010. After the sale, the Sole Global Co-ordinator and Sole Bookrunner will remit the net proceeds to the account as indicated by such nominee shareholder for the benefit of such Ineligible Person. The Sole Global Co-ordinator and Sole Bookrunner will use commercially reasonable efforts to procure that the Subscription Rights held for of Ineligible Persons are sold on behalf of, and for the benefit of, such Ineligible Persons during the Subscription Period, provided that the Sole Global Co-ordinator and Sole Bookrunner is able to sell the Subscription Rights at a price at least equal to the anticipated costs related to the sale of such Subscription Rights. The net proceeds from any such sales (after deduction of all costs incurred in connection with the sales) will be paid to the Ineligible Persons on a *pro rata* basis by crediting the bank accounts as indicated by the relevant nominee shareholder, provided that if the net proceeds attributable to such Ineligible Person is less than EUR 1.00, such amount will be paid to the Issuer. There can be no assurance that the Issuer and the Sole Global Co-ordinator and Sole Bookrunner will be able to sell the Subscription Rights at a profit. Neither the Issuer nor the Sole Global Co-ordinator and Sole Bookrunner will procure any sale of Subscription Rights not utilised before the expiration of the Subscription Period except as specifically agreed or set forth herein with respect to Ineligible Persons.

#### **24.7 Record Date**

Shareholders who are registered as holders of Existing Shares in the VPS and Euroclear Nederland as of the end of the Record Date (26 November 2010) will receive Subscription Rights. Provided that the delivery of traded Shares was made with ordinary T+3 settlement, Shares that were acquired until and including 23 November 2010 will give the right to receive Subscription Rights, whereas Shares that were acquired from and including 24 November 2010 will not give the right to receive Subscription Rights.

#### **24.8 Trading in and conversion of Subscription Rights**

The Subscription Rights will be independently tradable and will from 29 November 2010 to 17:30 hours (CET) on 8 December 2010 be listed on Oslo Børs under the symbol “DOCK T” and with ISIN BMG2786A1229 and on Euronext Amsterdam under the symbol “DOCKS” and with ISIN NL0009637818. Subscription Rights acquired during the aforementioned trading period carry the same rights to subscribe for Offer Shares during the Subscription Period, as Subscription Rights received and held by shareholders by virtue of their shareholdings in the Issuer on the Record Date.

**Trading in the Subscription Rights on Oslo Børs and on Euronext Amsterdam will hence only be possible during part of the Subscription Period.**

Persons interested in trading in Subscription Rights should be aware that the exercise of Subscription Rights by holders outside of Norway and the Netherlands may be restricted or prohibited by applicable laws. Please see “*Other important information and restrictions*” for further information.

It will be possible to convert Subscription Rights from Oslo Børs to Euronext Amsterdam and vice-versa in the period from 29 November 2010 to 10 December 2010 at 16:00 hours (CET). Holders of Subscription Rights that wish to convert their Subscription Rights from one exchange to the other should contact their broker, custodian or one of the Subscription and Listing Agents for more information.

**In order to ensure that the Subscription Rights received and/or acquired do not become void and without value, the holder must either exercise the Subscription Rights and subscribe for Offer Shares no later than 13 December 2010 at 14:00 hours (CET), or sell the Subscription Rights no later than 8 December 2010 at 17:30 hours (CET). Any Subscription Rights that have not been exercised or sold during the Subscription Period will lapse without compensation to the holder of such Subscription Rights and will consequently have no value.**

#### **24.9 Subscription Period**

The Subscription Period will commence on 29 November 2010 and end on 13 December 2010 at 14:00 hours (CET).

**The Subscription Period will hence end prior to close of trading on Oslo Børs and Euronext Amsterdam on the last day of the Subscription Period.**

#### **24.10 Subscription and Listing Agents and subscription procedures**

By subscribing for Offer Shares, each subscriber represents and warrants that he or she has read this Prospectus and is eligible to subscribe for Offer Shares under the terms set forth herein.

Neither the Issuer or the Subscription and Listing Agents may be held responsible for postal delays, unavailable fax lines, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all.

Subscriptions for Offer Shares are irrevocable and may not be withdrawn, cancelled or modified by the subscriber after having been received by the relevant Subscription and Listing Agent.

Subscriptions received after the end of the Subscription Period may be disregarded at the Issuer’s or the Subscription and Listing Agents’ sole discretion without prior notice to the subscriber. The Issuer and the Subscription and Listing Agents may, without prior notice to the subscribers, in their sole discretion disregard any incomplete or incorrect subscriptions or any subscription that may be unlawful. In the event that the Subscription and Listing Agents needs to verify the identification of a subscriber under the Norwegian Money Laundering Act of 6 March 2009 No. 11 or the Dutch Money Laundering and Terrorist Financing (Prevention) Act, as applicable, the subscriber is responsible for providing the Subscription and Listing Agents with the necessary documentation.

Non-compliance with these requirements may lead to the subscriber not being allocated Offer Shares in the Rights Issue.

There is no minimum subscription amount for which subscriptions in the Rights Issue must be made. Over-subscription (i.e. subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) and subscription without Subscription Rights is not permitted.

#### ***Subscription for Offer Shares on the basis of Subscription Rights registered in the VPS***

Subscription for Offer Shares must be done by submitting a correctly completed subscription form (the “**VPS Subscription Form**”), which is attached to this Prospectus as Annex A, to the VPS Subscription and Listing Agents (as defined below) during the Subscription Period. Over-subscription or subscription without Subscription Rights is not permitted.

Nordea Bank Norge ASA is the listing and subscription agent with respect to the Subscription Rights to be traded on Oslo Børs and registered in the VPS. Accordingly, VPS Subscription Forms

with respect to the exercise of the Subscription Rights traded on Oslo Børs and registered in the VPS must be delivered, mailed or faxed to the VPS Subscription and Listing Agent at:

**Nordea Bank Norge ASA**

Securities Services – Issuer Services

P.O. Box 1166 Sentrum

N-0107 Oslo

Norway

Tel: + 47 22 48 62 62

Fax: + 47 22 48 63 49

Duly completed VPS Subscription Forms must be received by the VPS Subscription and Listing Agent by 13 December 2010 at 14:00 hours (CET). The subscriber is responsible for the correctness of the information inserted on the VPS Subscription Form.

Multiple subscriptions (i.e. subscriptions on more than one VPS Subscription Form) are allowed. Please note, however, that two separate VPS Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both VPS Subscription Forms will only be counted once unless otherwise explicitly stated in one of the VPS Subscription Forms.

***Subscription for Offer Shares on the basis of Subscription Rights registered in Euroclear Nederland***

Eligible Persons holding Subscription Rights wishing to exercise their Subscription Rights and subscribe for Offer Shares should instruct their nominee in accordance with the instructions received from such nominee. The nominee will be responsible for collecting subscription instructions from subscribers and for informing The Royal Bank of Scotland N.V., who is the listing and subscription agent with respect to the Subscription Rights to be traded on Euronext Amsterdam and registered in Euroclear Nederland (the “**Euroclear Subscription and Listing Agent**”), of the subscriber’s subscription instructions. Subject to applicable securities laws, subscribers may instruct their nominee to sell some or all of their Subscription Rights, or to purchase additional Subscription Rights, on their behalf. See “*Subscription Rights*” above.

All questions concerning the timeliness, validity and form of instructions to a nominee in relation to subscription, sale or purchase of Subscription Rights will be determined by the nominee in accordance with its usual customer relations procedures or as it otherwise notifies the holders of Subscription Rights.

Duly completed subscriptions must be received by the Euroclear Subscription and Listing Agent by 13 December 2010 at 14:00 hours CET from the nominees. The last date and/or time before which notification of subscription instructions may be validly given may be earlier, depending on the financial institution through which the Subscription Rights are held. Once an Eligible Person holding Subscription Rights has exercised its Subscription Rights and subscribed for Offer Shares, it may not revoke or modify that subscription. If an Eligible Person holding Subscription Rights has not validly exercised its Subscription Rights and subscribed for Offer Shares before the end of the Subscription Period, it will no longer be able to exercise its Subscription Rights.

A holder of Subscription Rights should contact its nominee if it is an Eligible Person entitled to participate in the Rights Issue and exercise Subscription Rights to subscribe for Offer Shares but has received no information with respect to the Rights Issue.

**Neither the Issuer nor the Sole Global Co-ordinator and Sole Bookrunner shall be liable for any action or failure to act by a financial intermediary through whom shareholders hold their Existing Shares in connection with any subscriptions or purported subscriptions.**

**24.11 Allocation of Offer Shares**

Allocation of the Offer Shares will take place on or about 14 December 2010 on the basis of Subscription Rights held at the expiry of the Subscription Period which have been duly exercised by the holders thereof. Holders of Subscription Rights, provided that they are Eligible Persons, will be given the right to subscribe for and be allocated 2 Offer Shares for every 9 Subscription Rights held. In respect of Subscription Rights registered in Euroclear Nederland, the Subscription Rights can only be exercised in multiples of 9, so that 1 to 8 Subscription Rights will not entitle the holder thereof to any Offer Shares. In respect of Subscription Rights registered in the VPS, the number of Offer Shares allocated will be rounded down to the nearest whole Offer Share, so that 5 to 8

Subscription Rights will entitle the holder thereof to 1 Offer Share. No fractional Offer Shares will be issued. See *“The Subscription Agreements”* below as to the consequences of any withdrawal of the Rights Issue for the allocation of the Offer Shares.

The result of the Rights Issue is expected to be published on or about 14 December 2010 in the form of a stock exchange notification from the Issuer through the Oslo Børs’ information system and a press release from the Issuer. Notifications of Offer Shares allocated in the Rights Issue and the corresponding amount to be paid by each subscriber will be set out in a letter sent out on behalf of the Issuer, which will be mailed on or about 14 December 2010. Subscribers having access to VPS investor services through their VPS securities account manager will be able to check the number of Offer Shares allocated to them from 12:00 hours (CET) on 14 December 2010. Subscribers who do not have access to VPS investor services through their VPS securities account manager may contact the relevant Subscription and Listing Agent on 14 December 2010 to obtain information about the number of Offer Shares allocated to them.

## **24.12 Payment**

### ***Payment for Offer Shares allocated on basis of Subscription Rights registered in the VPS***

When subscribing for Offer Shares to the VPS Subscription and Listing Agent on basis of exercise of Subscription Rights registered in the VPS, each subscriber with a Norwegian bank account must provide a one-time irrevocable authorization to the VPS Subscription and Listing Agent to debit a specific bank account with a Norwegian bank for the amount payable for the Offer Shares allocated to the subscriber. The amount will be debited on 17 December 2010 (the **“Payment Due Date”**). Payment for the allotted Offer Shares must be available on the specific bank account one day before the Payment Due Date, (16 December 2010). The Issuer and the VPS Subscription and Listing Agent reserve the right to make up to three debit attempts within five business days after the Payment Due Date if there are insufficient funds in the account on the first debiting date. The Issuer and the VPS Subscription and Listing Agent reserve the right to consider the payment overdue if there are not sufficient funds to cover payment for the Offer Shares allocated on the account when an attempt to debit the account is made by the VPS Subscription and Listing Agent on or after the Payment Due Date, or if it for other reasons is not possible to debit the bank account.

Subscribers who do not have a Norwegian bank account or that are allocated Offer Shares for an amount above NOK 5 million, must ensure that payment with cleared funds for the Offer Shares allocated to such subscribers is made on or before 17 December 2010 to the VPS Subscription and Listing Agent at account number: 6004.95.1052 or IBAN NO1360049510252 and SWIFT/BIC NDEANOKK. The VPS Subscription and Listing Agent must be contacted for further details and instructions in this respect.

Overdue and late payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 9% per annum. If the subscriber fails to comply with the terms of payment, the Offer Shares will not be delivered to the subscriber.

Subscribers for Offer Shares are responsible for complying with the Norwegian Money Laundering Act No. 11 of 6 March 2009 and the Norwegian Money Laundering Regulations No. 302 of 13 March 2009, for example regarding verification of identity, and are encouraged to complete any such required procedures before the end of the Subscription Period. Insufficient compliance with these requirements may lead to the subscriber not being allotted Offer Shares.

### ***Payment for Offer Shares allocated on basis of Subscription Rights registered in Euroclear Nederland***

Any holder of Subscription Rights registered in Euroclear Nederland who holds its Subscription Rights through a financial intermediary should pay the Offer Price for the Offer Shares that it subscribes for in accordance with the instructions received from that financial intermediary. The financial intermediary must pay the Offer Price to the Euroclear Subscription and Listing Agent, who will in turn pay it to the Issuer. Payment of the Offer Shares must be made to the Euroclear Subscription and Listing Agent no later than the Payment Due Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Due Date. If the subscriber fails to comply with the terms of payment, the Offer Shares will not be delivered to the subscriber.

### **Payment guarantee**

Pursuant to the Subscription Agreements entered into between the Issuer and certain of the Existing Shareholders, such Existing Shareholders will on a *pro rata* basis subscribe and pay for any allocated Offer Shares that remain unpaid three business days after the Payment Due Date. The Subscription Agreements provide for such Offer Shares to be subscribed and paid for within two working days after receiving notice of the number of Offer Shares that remain unpaid, see “*The Subscription Agreements*”.

The non-paying subscriber will be liable for any loss, cost and expenses suffered or incurred as a result of or in connection with such disposals. The non-paying subscriber shall remain liable for payment of the entire amount due; interest, costs, charges and expenses accrued (and will not be entitled to profits, if any).

### **24.13 Issuance, delivery and listing of the Offer Shares**

The Issuer expects that the Offer Shares will be issued and delivered to the subscribers to whom they are allocated on or about 17 December 2010, which is the earliest closing date of the Rights Issue. The Offer Shares will be listed on Oslo Børs and Euronext Amsterdam on or about the same day.

### **24.14 Registration of Subscription Rights and Offer Shares**

The Subscription Rights will be registered with the VPS under ISIN BMG2786A1229 and in Euroclear Nederland under ISIN NL0009637818.

The Offer Shares will, upon issuance, be registered with the VPS and Euroclear Nederland under the same ISIN as the Existing Shares, being BMG2786A1062 and BMG2786A2052, respectively.

See “*Description of the Shares, share capital, Bye-Laws – Registration of the Shares in Norway*” and “*Description of the Shares, share capital, Bye-Laws – Registration of the Shares in the Netherlands*” for further details about the registration of the Shares.

### **24.15 Trading in the Offer Shares**

The Shares are listed and admitted to trading on Oslo Børs under the symbol “DOCK” and on Euronext Amsterdam under the symbol “DOCKW”. The Offer Shares will be listed and admitted to trading on Oslo Børs and Euronext Amsterdam on or about the same day as the Offer Shares have been delivered to the subscribers to whom they are allocated, expected on or about 17 December 2010.

The Offer Shares may not be transferred or traded before they are fully paid and registered in the VPS and in Euroclear Nederland. Any dealings in Offer Shares prior to the closing of the Rights Issue are at the sole risk of the parties concerned. The Issuer, the Sole Global Co-ordinator and Sole Bookrunner and the Subscription and Listing Agents do not accept any responsibility or liability by any person as a result of the withdrawal of the Rights Issue.

### **24.16 Rights and dividend ranking of Offer Shares**

The Offer Shares will be issued under the Bermuda Companies Act. All Shares, including, upon issue, the Offer Shares, rank equally in all respects and will be eligible for any dividend that the Issuer may declare on the Shares after delivery of the Offer Shares through registration of the Offer Shares in the VPS and Euroclear Nederland. The Offer Shares will have voting rights and other rights and obligations which are standard under the Bermuda Companies Act. See “*Description of Shares, share capital and Bye-Laws – The Issuers Memorandum of Association, Bye-Laws and Bermuda law*”. Please see the sub-chapter therein entitled “*Transfer of Shares*” for a description of restrictions on transferability.

### **24.17 Dilution**

The Rights Issue will result in an immediate dilution of approximately 18.2% for Existing Shareholders who do not participate in the Rights Issue.

### **24.18 Net proceeds and expenses**

The total expenses of the Rights Issue are up to approximately EUR 3 million. The total net proceeds of Rights Issue are consequently estimated to be up to approximately EUR 75 million.

## 24.19 The Subscription Agreements

On 19 September 2010, the Issuer entered into the Subscription Agreement with the Existing Shareholders HAL, PHD and Sankaty, pursuant to which each of the said Existing Shareholders has undertaken, *inter alia*, to (i) participate in the Rights Issue by exercising all Subscription Rights that it is allocated in the Rights Issue, (ii) subscribe in its proportionate share, at the Offer Price for any and all Offer Shares not subscribed for by the expiry of the Subscription Period, (iii) subscribe, in its proportionate share, at the Offer Price for any and all Offer Shares subscribed for, but not paid for, within three business days of the Payment Due Date and (iv) pay the Offer Price for any Offer Share undertaken to be subscribed for by the said Existing Shareholder pursuant to items (i), (ii) and (iii) above.

On 1 October 2010, the Issuer entered into the Short Form Subscription Agreements with the Existing Shareholder Skagen, pursuant to which Skagen has undertaken to subscribe for Offer Shares on materially the same terms as HAL, PHD and Sankaty on the basis of its proportionate share and thereby partially reducing the corresponding obligations for HAL, PHD and Sankaty pursuant to the Subscription Agreement. The Short Form Subscription Agreements between the Issuer and Skagen also include the payment guarantee as described in item (iii) above.

The table below shows the subscription amount each of the above mentioned Existing Shareholders has undertaken to subscribe for.

Name	Address	Exercise of Subscription Rights (EUR millions)	Contingent subscription commitment <sup>27</sup> (EUR millions)
HAL Investments B.V.....	(3012 CN) Rotterdam, Weena 696, the Netherlands	13.6	19.7
Project Holland Deelnemingen B.V. ...	(1077 XX) Amsterdam, Strawinskylaan 1435 WTC, B-14, the Netherlands	6.8	9.8
Sankaty Advisors LLC.....	Corporation Service Company, 2711 Centreville Road, Suite 400, Wilmington, Delaware 19808, the United States	8.6	12.4
Skagen.....	Skagen 3, 4006 Stavanger, Norway	2.9	4.2
<b>Total.....</b>		<b>31.9</b>	<b>46.1</b>

Accordingly, subscriptions and payment for all of the Offer Shares in the Rights Issue is committed by the said Existing Shareholders.

The obligations of HAL, PHD and Sankaty to subscribe and pay for the Offer Shares allocated to them in accordance with the Subscription Agreement are conditional upon (i) no event having occurred which (a) was not publicly disclosed on the date of the Subscription Agreement and (b) HAL, PHD and Sankaty in their reasonable opinion deem to have a material adverse impact on the business, assets and financial conditions of the Issuer or the Company taken as a whole, (ii) none of the warranties given by the Issuer pursuant to the Subscription Agreement being untrue or inaccurate on the date of the Subscription Agreement, on the date of the launch of the Rights Issue or on the date of completion of the Rights Issue, (iii) the Issuer having complied with all of its obligations under the Subscription Agreement prior to or on the date of completion of the Rights Issue and (iv) certain closing deliverables to be provided by the Issuer and certain third parties as further set out in the Subscription Agreement.

If any of the conditions to the Subscription Agreement has not been fulfilled when and as required to be fulfilled pursuant to the Subscription Agreement, or waived by HAL, PHD and Sankaty, the Subscription Agreement may be terminated with immediate effect by each of HAL, PHD and Sankaty, by written notice to the Issuer at any time at or prior to the date of completion of the Rights Issue without any further liability for any of HAL, PHD and Sankaty. However, if any of HAL, PHD and Sankaty decides to invoke any of the conditions, the Subscription Agreement shall remain in effect in respect of the remaining Existing Shareholder(s) among HAL, PHD and Sankaty, provided that (each of) such remaining Existing Shareholder(s) shall then have the right to also terminate the Subscription Agreement with immediate effect, without any further liability for either of them. The Subscription Agreement further provides that the obligations of each of HAL,

<sup>27</sup> Applies to Offer Shares for which Subscription Rights are not exercised by the expiry of the Subscription Period or not paid for.

PHD and Sankaty shall terminate on 31 December 2010, subject to any extension that may be agreed between the parties.

The Short Form Subscription Agreements between the Issuer and Skagen may be terminated by Skagen in case any of HAL, PHD and Sankaty terminates the Subscription Agreement.

The Rights Issue may be withdrawn if the Subscription Agreements are no longer in full force and effect at any time prior to the completion of the Rights Issue. If the Rights Issue is withdrawn, all Subscription Rights will lapse without value, subscriptions for, and allocation of, Offer Shares that have been made will be disregarded and any subscription payments will be returned without interest. Any such forfeiture of Subscription Rights would be without prejudice to the validity of any trades in Subscription Rights, and investors would not receive any refund or compensation with respect to Subscription Rights purchased in the market.

Pursuant to the Subscription Agreements, each of HAL, PHD, Sankaty and Skagen will upon completion of the Rights Issue receive a fee of 2%, to be paid in Shares at the Offer Price, for the amount of their commitment in excess of the amount which will result from exercising their own Subscription Rights. The aggregate number of new Shares to be issued as fee is 54,225.

#### **24.20 Participation of major Existing Shareholders and members of the Company's management, supervisory and administrative bodies in the Rights Issue**

Certain of the members of the Issuer's management, supervisory or administrative bodies hold Shares in the Issuer as indicated in "*Management – Shareholdings*" and will as Existing Shareholders be granted Subscription Rights in respect of such Existing Shares. To the Issuer's knowledge, Adri Baan intends to participate in the Rights Issue by exercising Subscription Rights allocated to him in respect of his Existing Shares, and André Goedée intends to participate in the Rights Issue on a cash neutral basis (i.e. he intends to sell as many Subscription Rights as necessary to subscribe for Offer Shares without cash surplus or deficit). Other than this and as set forth in "*The Subscription Agreements*" above, the Issuer is not aware of whether any major Existing Shareholders of the Issuer or members of the Issuer's management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Rights Issue, or whether any person intends to subscribe for more than 5% of the Offer Shares in the Rights Issue.

#### **24.21 Governing law and jurisdiction**

The Offer Shares will be issued under the Bermuda Companies Act, see "*Rights and dividend ranking of Offer Shares*" above. To the extent permitted by applicable laws, the terms and conditions of the Rights Issue as set out in this Prospectus, including subscriptions for Offer Shares, shall be governed by, and construed in accordance with, Norwegian law.

The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue.

#### **24.22 Financial intermediaries**

Shareholders who hold their Shares and Subscription Rights through financial intermediaries, which include brokers, custodians and nominees, must read this section, and should also note the information in "*Subscription Rights*" above.

All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure; or as it otherwise notifies each beneficial shareholder.

The Issuer is not liable for any action or failure to act by a financial intermediary through which Shares are held.

If an Existing Shareholder holds its Existing Shares through a financial intermediary on the Record Date, the financial intermediary will customarily give each Existing Shareholder details of the aggregate number of Subscription Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Existing Shareholder with this information in accordance with its usual customer relations procedures. Existing Shareholders should contact their financial intermediary if they have received no information with respect to the Rights Issue. Only Existing Shareholders as of the Record Date will be entitled to receive Subscription Rights. If any such Existing Shareholders have acquired Subscription Rights which are held through a financial

intermediary, contact should be made to the relevant financial intermediary for instructions on how to make the subscription.

The time until which notification of exercise instructions may be validly given may be earlier than expiry of the Subscription Period if Existing Shares are held through a financial intermediary. This depends on the financial intermediary.

Any holder of Subscription Rights who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the shareholders and for informing the Subscription and Listing Agents of their exercise instructions.

Any holder of Subscription Rights who holds its Subscription Rights through a financial intermediary should pay the Offer Price for the Offer Shares that they are allocated in accordance with the instructions received from that financial intermediary. The financial intermediary must pay the Offer Price to the relevant Subscription and Listing Agent, who will in turn pay it to the Issuer. Payment for the Offer Shares must be made to the relevant Subscription and Listing Agent no later than the Payment Due Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Due Date.

Subject to applicable securities laws, Existing Shareholders holding their Shares through a financial intermediary may, provided they are Eligible Persons, instruct their financial intermediary to sell some or all of their Subscription Rights, or to purchase additional Subscription Rights, on behalf of such Existing Shareholders. Financial intermediaries, which include brokers, custodians and nominees, holding Shares for Ineligible Persons, may consider selling any and all rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons. See “*Subscription Rights*” above.

#### **24.23 Potential conflict of interests**

The Sole Global Co-ordinator and Sole Bookrunner is acting exclusively for the Issuer and for no one else in relation to the Rights Issue and will not be responsible to anyone other than to the Issuer for giving advice in relation to the Rights Issue.

The Sole Global Co-ordinator and Sole Bookrunner (and/or its affiliates) has from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of their business with the Issuer (or any parties related to it) for which it has received or may receive customary compensation. In respect of the above, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of these transactions, this party may have interests that may not be aligned, or could potentially conflict, with investors’ and the Issuer’s interests.

The Sole Global Co-ordinator and Sole Bookrunner and its affiliates may provide such services for the Issuer and its respective affiliates in the future. Additionally, the Sole Global Co-ordinator and Sole Bookrunner may, in the ordinary course of its business, have held and in the future may hold the Issuer’s securities for investment.

As a result of acting in the capacities described above, the Sole Global Co-ordinator and Sole Bookrunner may have interests that may not be aligned, or could potentially conflict, with investors’ and the Issuer’s interests.

#### **24.24 Advisors**

The Royal Bank of Scotland N.V. is acting as Sole Global Co-ordinator and Sole Bookrunner for the Rights Issue. Van Doorne N.V., Bingham McCutchen LLP, Advokatfirmaet Thommessen AS and Appleby are the Issuer’s legal advisors in connection with the Rights Issue. Freshfields Bruckhaus Deringer LLP has acted as legal advisor to the Sole Global Co-ordinator and Sole Bookrunner in connection with the Rights Issue. Nordea Bank Norge ASA and The Royal Bank of Scotland N.V. are acting as Subscription and Listing Agents in the Rights Issue.

## 25 INDEPENDENT AUDITOR

The Company's audited consolidated financial statements as of 31 December 2009, 2008 and 2007, as incorporated hereto by reference, have been audited by KPMG Accountants N.V. The condensed consolidated interim financial statements (including the notes thereto) for the Company for the nine months ended 30 September 2010 have been reviewed by KPMG Accountants N.V. KPMG Accountants N.V. is an independent auditor and registered with the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*) as stated in their reports, incorporated by reference into this Prospectus.

## 26 DOCUMENTS ON DISPLAY AND INCORPORATION BY REFERENCE

### 26.1 Documents on display

For 12 months from the date of this Prospectus, the following documents (or copies thereof) may be physically inspected at both the Company's registered office at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and at the Company's head office at Lage Mosten 21, 4822 NJ Breda, the Netherlands, and may be obtained free of charge by sending a request in writing, by fax or by email to fax: +31 76 5484290; or email: fons.van.lith@dockwise.com:

- the Issuer's memorandum of association and Bye-Laws;
- the Company's 2007, 2008 and 2009 consolidated annual financial statements, including the auditor's report;
- the unaudited condensed consolidated interim financial statements (including the notes thereto), including the auditors review report, for the Company for the nine months ended 30 September 2010 with comparative financial information for the nine months ended 30 September 2009;
- the unaudited condensed consolidated interim financial information for the three months ended 30 September 2010 with unaudited comparative financial information for the three months ended 30 September 2009; and
- the 2008 and 2009 annual financial statements for the Issuer's subsidiaries (to the extent such exist).

### 26.2 Documents incorporated by reference

The documents listed below shall be incorporated in, and form part of this Prospectus:

Reference	Section in Prospectus	Incorporated by reference	Website
The audited consolidated financial statements of Dockwise Ltd. in accordance with IFRS and the auditor's report for the financial year ended 31 December 2009.	6, 10, 13, 14 and 21	The consolidated financial information in the Company's annual report for 2009, including consolidated income statement (page 79), consolidated statement of comprehensive income (page 80), consolidated balance sheet (page 81), consolidated statement of changes in equity (page 82), consolidated statement of cash flows (page 84) and the auditor's report.	www.dockwise.com
The audited consolidated financial statements of Dockwise Ltd. in accordance with IFRS and the auditor's report for the financial year ended 31 December 2008.	6, 10, 13, 14 and 21	The consolidated financial information in the Company's annual report for 2008, including consolidated income statement (page 70), consolidated statement of recognized income and expense (page 71), consolidated balance sheet (page 72), consolidated statement of cash flows (page 73) and the auditor's report.	www.dockwise.com
The audited consolidated financial statements of Dockwise Ltd. in accordance with IFRS and the auditor's report for the financial year ended 31 December 2007.	6, 13, 14 and 21	The consolidated financial information in the Company's annual report for 2007, including consolidated income statement (page 64), consolidated statement of recognized income and expense (page 65), consolidated balance sheet (page 66), consolidated statement of cash flows (page 67) and the auditor's report.	www.dockwise.com
The accounting principles of Dockwise Ltd.		The accounting principles in the Company's annual report for 2009 (page 85).	www.dockwise.com
The unaudited condensed consolidated interim financial statements (including the notes thereto) of Dockwise Ltd., including the auditor's review report, for the nine months ended 30 September	6, 10, 13, 14 and 21	The condensed consolidated financial information in the Company's interim financial statements for the nine months ended 30 September 2010, including consolidated income statement (page 5), consolidated statement of	www.dockwise.com

<b>Reference</b>	<b>Section in Prospectus</b>	<b>Incorporated by reference</b>	<b>Website</b>
2010, with unaudited comparative financial information for the nine months ended 30 September 2009.		comprehensive income (page 6), consolidated balance sheet (page 4), consolidated statement of changes in equity (page 7), consolidated statement of cash flows (page 9) and the auditor's review report.	
The unaudited condensed consolidated interim financial information of Dockwise Ltd. for the three months ended 30 September 2010, with unaudited comparative financial information for the three months ended 30 September 2009.	6, 10, 13, 14 and 21	The condensed consolidated financial information in the Company's interim financial information for the three months ended 30 September 2010, including consolidated income statement (page 11), consolidated statement of comprehensive income (page 12), consolidated balance sheet (page 13), consolidated statement of changes in equity (page 14) and consolidated statement of cash flows (page 16).	<a href="http://www.dockwise.com">www.dockwise.com</a>

Material on the Company's website is not incorporated by reference into this Prospectus.

## 27 GLOSSARY OF SELECTED TERMS

*The following explanations are not intended as technical definitions, but to assist investors in understanding certain terms used in this Prospectus:*

“ <b>Float-over</b> ” .....	means a procedure that uses vessels with ballast capacity to lower offshore structures onto pre-installed jackets.
“ <b>Jacket</b> ” .....	means a fabricated steel pipe structure piled to the ocean floor that supports no floating structures.
“ <b>Jack-up</b> ” .....	means a floating platform that is carried out to the sea and then jacked up on three or four legs attached to a platform.
“ <b>Semi-submersible rigs</b> ” .....	means a mobile platform or rig used for drilling for oil or gas in offshore locations which can be held in place by self propulsion systems.
“ <b>Spar buoy</b> ” .....	means a floating platform moored to the seabed, able to move horizontally over the oil field, held upright by a large counterweight in the submerged base.
“ <b>Tension leg platforms</b> ” .....	means a buoy platform held in place by a mooring system.
“ <b>T&amp;I</b> ” .....	means transportation and installation.
“ <b>TLP</b> ” .....	means a tension-leg platform, a floating oil rig tethered to the seabed in a manner that eliminates most vertical movement of the structure.
“ <b>Topside</b> ” .....	a production and/or a drilling structure installed on fixed jackets or floating hulls.
“ <b>Type 0 vessel</b> ” .....	means a very large, purpose-built, semi-submersible vessel with a very large flat deck and open stern
“ <b>Type I vessel</b> ” .....	means a large, purpose-built, semi-submersible vessel with a large flat deck and open stern.
“ <b>Type II vessel</b> ” .....	means a semi-submersible vessel with a large open deck and open sterns or semi-submersible converted tankers.
“ <b>Type III vessel</b> ” .....	means a smaller semi-submersible vessel with superstructures positioned on the stern.
“ <b>Type IV vessel</b> ” .....	means a semi-submersible purpose-built dock-type vessel.
“ <b>Type V vessel</b> ” or “ <b>Yacht carrier</b> ” .....	means a semi-submersible vessel that allows the on- and off-loading of yachts.

## 28 INDEX OF DEFINED TERMS

The following explanations are not intended as technical definitions, but to assist investors in understanding certain terms used in this Prospectus:

“AFM” .....	means the Netherlands Authority for the Financial Markets ( <i>Autoriteit Financiële Markten</i> ).
“Bermuda Companies Act” .....	means the Companies Act (Bermuda) 1981 (as amended).
“BMA” .....	means the Bermuda Monetary Authority.
“BMD” .....	means Bermuda dollars.
“Board” or “Board of Directors” .....	means the board of directors of the Issuer.
“Bye Laws” .....	means the Issuer’s bye-laws approved at the special general meeting of the Issuer on 4 November 2009.
“CET” .....	means Central European Time.
“CFC” .....	means a Controlled Foreign Company.
“Code” .....	means the Internal Revenue Code of 1986, as amended.
“Company” .....	means (i) for the period from and after 4 May 2007, Dockwise Ltd., together with its consolidated subsidiaries or (ii) for the period prior to 4 May 2007, Dockwise Transport N.V, together with its consolidated subsidiaries.
“Convention” .....	means the International Convention for the Control and Management of Ships’ Ballast Water and Sediments, 2004 (BWM 2004).
“CPOC” .....	means Carigali PTTEPI Operating Company.
“Current Shares” .....	means the U.S. Holder’s Existing Shares in respect of which Subscription Rights were received.
“Delphi” .....	means Delphi Acquisition Holding S.A.
“Director” .....	means each of the current members of the Board of Directors.
“Dockwise” .....	means Dockwise Ltd.
“Dockwise Shipcos” .....	means 22 single vessel private limited liability companies.
“DTNV” .....	means Dockwise Transport N.V.
“Dutch Financial Supervisory Act” .....	means the Dutch Financial Supervisory Act ( <i>Wet op het financieel toezicht</i> ) and the rules promulgated thereunder.
“EEA State” .....	means any state party to the European Economic Area.
“Eligible Person” .....	means a shareholder that is able to give the representations and warranties set out in “ <i>Other important information and restrictions</i> ”.
“Euro” or “EUR” .....	means the single currency of the European Economic and Monetary Union.
“Euroclear Nederland” .....	means the Dutch centralized securities custody and administration system (legal name: Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.).
“Euroclear Nederland Branch Register” .....	means a branch register of the Shareholder Register in Euroclear Nederland established by the Issuer.
“Euroclear Nederland Registrar” .....	means The Royal Bank of Scotland N.V.
“Euroclear Subscription and Listing Agent” .....	means The Royal Bank of Scotland N.V.

<b>“Euronext Amsterdam”</b> .....	means Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V.
<b>“EVA”</b> .....	means economic value added.
<b>“Excluded Territory”</b> .....	means the United States, Australia, Canada, Japan or any other jurisdiction where the offer and sale of the Rights Issue or the Offer Shares would breach any applicable law.
<b>“Existing Shareholders”</b> .....	means shareholders of Dockwise registered as such as of the end of 26 November 2010.
<b>“Existing Shares”</b> .....	means the common shares in the capital of the Issuer registered as held as of the end of the Record Date.
<b>“FPSOs”</b> .....	means floating production storage and offloading vessels.
<b>“FSMA”</b> .....	means the Financial Services and Markets Act 2000 (UK).
<b>“GDP”</b> .....	means gross domestic product.
<b>“HAL”</b> .....	means HAL Investments B.V.
<b>“IAS”</b> .....	means International Accounting Standards.
<b>“IASB”</b> .....	means the International Accounting Standards Board.
<b>“IFRS”</b> .....	means the International Financial Reporting Standards as adopted by the European Commission for use in the European Union.
<b>“IMO”</b> .....	means the International Maritime Organization.
<b>“Ineligible Persons”</b> .....	means persons who are not Eligible Persons.
<b>“IRS”</b> .....	means the U.S. Internal Revenue Service.
<b>“ISIN”</b> .....	means International Securities Identification Number.
<b>“Issuer”</b> .....	means Dockwise Ltd.
<b>“KPIs”</b> .....	means key performance indicators.
<b>“KPMG”</b> .....	means KPMG Accountants N.V.
<b>“LNG”</b> .....	means liquefied natural gas.
<b>“LTIP”</b> .....	means a new performance related share based long-term incentive plan for Senior Managers and certain key employees.
<b>“MARPOL”</b> .....	means the International Convention for the Prevention of Pollution from Ships.
<b>“MW”</b> .....	means megawatt.
<b>“NFSA”</b> .....	means the Financial Supervisory Authority of Norway.
<b>“NOK”</b> .....	means Norwegian kroner.
<b>“non-Norwegian Shareholders”</b>	means shareholders who are not resident in Norway for tax purposes.
<b>“Norwegian Code of Practice”</b> ..	means the Norwegian Code of Practice for Corporate Governance dated 21 October 2009.
<b>“Norwegian Corporate Shareholders”</b> .....	means shareholders who are limited liability companies resident in Norway for tax purposes.
<b>“Norwegian Personal Shareholders”</b> .....	means shareholders who are individuals resident in Norway for tax purposes.
<b>“Norwegian Securities Trading Act”</b> .....	means the Norwegian Act of 29 June 2007 No. 75 on Securities Trading.
<b>“ODL”</b> .....	means Ocean Dynamics LLC.
<b>“Offer Price”</b> .....	means a subscription price of EUR 17 per Offer Share.

“Offer Shares” .....	means 4,587,506 new common shares in the capital of the Issuer.
“OKI” .....	means Offshore Kinematics Inc.
“Oslo Børs” .....	means the Oslo Stock Exchange.
“P&M” .....	means port and marine infrastructure.
“Payment Due Date” .....	means 17 December 2010.
“PCAOB” .....	means the Public Company Accounting Oversight Board in the United States.
“PFIC” .....	means a passive foreign investment company (for U.S. federal income tax purposes).
“PHD” .....	means Project Holland Deelnemingen B.V.
“Prospectus” .....	means this document.
“Prospectus Directive” .....	means Directive 2003/71/EC.
“QIBs” .....	means qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act.
“Record Date” .....	means 26 November 2010.
“Relevant Member State” .....	means an EEA State which has implemented the Prospectus Directive.
“Rights Issue” .....	means the rights issue and listing of the Offer Shares as described in this Prospectus.
“RP” .....	means redundant propulsion.
“RSA 421-B” .....	means chapter 421-B of the New Hampshire revised statutes with the State of New Hampshire.
“Sankaty” .....	means Sankaty Advisors LLC.
“Sealift Ltd. ” .....	means the name of the Issuer prior to 30 July 2007.
“SEC” .....	means the United States Securities and Exchange Commission.
“Senior Credit Facilities” .....	means the Issuer’s senior secured facilities, including its revolving credit facility with Fortis Bank S.A./N.V. (UK Branch) as mandated lead arranger.
“Senior Managers” .....	means André Goedée (Chief Executive Officer), Peter Wit (Chief Financial Officer), Rob Strijland (Chief Operating Officer) and Martin Adler (Chief Commercial Officer).
“SG&A” .....	means Sales, General and Administrative.
“Shareholder Register” .....	means the physical share register held at the Issuer’s registered office in Bermuda.
“Shares” .....	means the Issuer’s outstanding shares from time to time, including the Existing Shares and the Offer Shares, as the case may be.
“Short Form Subscription Agreements” .....	means the short form subscription agreements by and between the Issuer and Skagen dated 1 October 2010.
“Skagen” .....	means SKAGEN Vekst III Verdipapirfond and SKAGEN Vekst Verdipapirfond.
“Sole Global Co-ordinator and Sole Bookrunner” .....	means The Royal Bank of Scotland N.V.
“Subscription Agreement” .....	means the subscription agreement by and between the Issuer and HAL, PHD and Sankaty dated 19 September 2010.
“Subscription Agreements” .....	means the Subscription Agreement and the Short Form Subscription Agreements, jointly.

<b>“Subscription and Listing Agents”</b> .....	means the Euroclear Subscription and Listing Agent and the VPS Subscription and Listing Agent, jointly.
<b>“Subscription Period”</b> .....	means the period from and including 29 November 2010 to 13 December 2010 at 14:00 hours (CET).
<b>“Subscription Rights”</b> .....	means tradable and transferable subscription rights.
<b>“Summary”</b> .....	means the summary of the essential characteristics and risks associated with the Issuer, the Shares, and the Rights Issue.
<b>“T-Class Vessels”</b> .....	means converted Suez max oil tankers to semi-submersible heavy transport vessels.
<b>“Type 0 Vessel”</b> .....	means the very large, purpose-built, semi-submersible vessel with a very large flat deck and open stern that the Company intends to build.
<b>“U.S. dollars” or “USD”</b> .....	means United States dollars.
<b>“U.S. Exchange Act”</b> .....	means the United States Securities Exchange Act of 1934, as amended.
<b>“U.S. GAAP”</b> .....	means generally accepted accounting principles in the United States of America.
<b>“U.S. GAAS”</b> .....	means auditing standards generally accepted in the United States of America.
<b>“U.S. Holder”</b> .....	means a beneficial owner of Subscription Rights and Offer Shares that is for U.S. federal income tax purposes: (i) an individual that is a citizen or resident of the United States, (ii) a corporation or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over its administration and (y) one or more United States persons (as defined in the Code) have the authority to control all of the substantial decisions of such trust or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.
<b>“U.S. Securities Act”</b> .....	means the U.S. Securities Act of 1933, as amended.
<b>“Unused Allowance”</b> .....	means any part of the calculated allowance one year exceeding the dividend distributed on the share.
<b>“VCG”</b> .....	means the vertical centre of gravity.
<b>“VPS”</b> .....	means the Norwegian Central Securities Depository.
<b>“VPS Branch Register”</b> .....	means a branch of its shareholder register in the VPS established by the Issuer.
<b>“VPS Registrar”</b> .....	means Nordea Bank Norge ASA.
<b>“VPS Subscription and Listing Agent”</b> .....	means Nordea Bank Norge ASA.
<b>“VPS Subscription Form”</b> .....	means the subscription form attached to this Prospectus as Annex A.
<b>“Yacht carrier”</b> .....	means a vessel capable to carry yachts.

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**ANNEX A**  
**VPS SUBSCRIPTION FORM**  
**Securities no. ISIN BMG 2786A1062**

**General information:** The terms and conditions of the Rights Issue of up to 4,587,506 Offer Shares in Dockwise Ltd. (the "Issuer"), pursuant to a resolution by the Issuer's special general meeting of shareholder held on 26 November 2010 are set out in the prospectus dated 26 November 2010 (the "Prospectus"), see in particular the section "The Rights Issue" therein. Terms defined in the Prospectus shall have the same meaning in this VPS Subscription Form. The notice of, and minutes from, the SGM (with appendices) and the Issuer's By-Laws and annual financial statements for 2009, 2008 and 2007 are available at the Issuer's registered office at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and the Issuer's head office at Lage Mosten 21, 4822 NJ Breda, the Netherlands.

**Subscription procedures:** The Subscription Period is from and including 29 November 2010 to 13 December 2010 at 14:00 hours (CET). Correctly completed VPS Subscription Forms must be received by **Nordea Bank Norge ASA** (the "VPS Subscription and Listing Agent") before the end of the Subscription Period at the following address: **Nordea Bank Norge ASA, Securities Services – Issuer Services, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway, telefax +47 22 48 63 49**. Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after being received by the VPS Subscription and Listing Agent. The subscriber is responsible for the correctness of the information inserted on the VPS Subscription Form. VPS Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect VPS Subscription Forms may be disregarded at the sole discretion of the Issuer or the VPS Subscription and Listing Agent. None of the Issuer, The Royal Bank of Scotland N.V. (the "Sole Global Co-ordinator and Sole Bookrunner") or the VPS Subscription and Listing Agent may be held responsible for postal delays, unavailable fax lines, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the VPS Subscription and Listing Agent. By signing and submitting this VPS Subscription Form, subscribers confirm to have read the Prospectus and to be eligible to subscribe for Offer Shares under the terms set forth therein.

**Subscription Price:** The Subscription Price in the Rights Issue is EUR 17 per Offer Share. Payment for Offer Shares allocated on basis of Subscription Rights exercised in the VPS shall be made in NOK. The amount in NOK to be paid will correspond to the Offer Price of EUR 17 per Offer Share, such amount to be determined using the European Central Bank's NOK/EUR exchange rate at 14:15 hours (CET) on 13 December 2010, and will be announced in the form of a stock exchange notification from the Issuer through Oslo Børs' information system.

**Subscription Rights:** Registered holders of the Issuer's Shares (the "Existing Shareholders") will be granted one Subscription Right for each Share registered as held by such Existing Shareholder as appearing in the VPS as of 26 November 2010 (the "Record Date"). Holders of Subscription Rights in the VPS will, subject to applicable securities laws, have the right to subscribe for and be allocated 1 Offer Share for every 4.5 Subscription Rights held. (i.e. 2 Offer Shares for 9 Subscription Rights). The Subscription Rights will be tradable and listed on the Oslo Stock Exchange under the ticker "DOCK T" under ISIN BMG2786A1229 from and including 29 November 2010 to 8 December 2010 at 17:30 hours (CET). **Trading in the Subscription Rights will hence only be possible during part of the Subscription Period.** Oversubscription and subscription without Subscription Rights is not permitted. **Subscription Rights not used to subscribe for Offer Shares before the end of the Subscription Period or sold before 8 December at 17:30 (CET) will lapse without compensation to the holders thereof, and, consequently be of no value from that point in time.** It will be possible to convert Subscription Rights from Oslo Børs to Euronext Amsterdam and vice-versa in the period from 29 November 2010 to 10 December 2010 at 16:00 hours (CET).

**Notification of allocation:** Allocation of the Offer Shares will take place on or about 14 December 2010 on the basis of Subscription Rights, held at the expiry of the Subscription Period, that have been duly exercised by the holders thereof. Notification of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber will be set out in allocation letters, which will be mailed on or about 14 December 2010.

**Payment:** The payment for the Offer Shares allocated to a subscriber falls due on 17 December 2010 (the "Payment Due Date"). By signing this VPS Subscription Form, subscribers with a Norwegian bank account provides the VPS Subscription and Listing Agent with a one-time irrevocable authorization to debit the bank account specified below for the amount payable for Offer Shares allocated to the subscriber for transfer to the Issuer's bank account for share issues. The VPS Subscription and Listing Agent is only authorized to debit such account once, but reserves the right to make up to three debit attempts. As the debiting takes place ahead in time, the authorization will be in force for a period of up to seven working days after the Payment Due Date. If there are insufficient funds in the subscriber's bank account or if it for other reasons is impossible to debit the bank account when an attempt to debit the account is made pursuant to an authorization by the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. The subscriber furthermore authorizes the VPS Subscription and Listing Agent to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover payment. Payment by direct debiting is only available for subscribers who are allocated Offer Shares for an amount below NOK 5 million and who have a Norwegian bank account. By signing the VPS Subscription Form, subscribers who subscribe for an amount exceeding NOK 5 million give the VPS Subscription and Listing Agent an authorization to manually debit the specified Norwegian bank account on or after the Payment Due Date. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Due Date. Prior to any such payment being made, the subscriber must contact the VPS Subscription and Listing Agent for further details and instructions.

**PLEASE SEE PAGE 2 OF THIS VPS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION**

**DETAILS OF THE SUBSCRIPTION**

Subscriber's VPS account	Number of Subscription Rights	Number of Offer Shares subscribed					
			<table border="1"> <tr> <td>Subscription price per Offer Share</td> <td>Subscription amount to pay (to be re-calculated in NOK)</td> </tr> <tr> <td>EUR 17</td> <td>EUR</td> </tr> </table>	Subscription price per Offer Share	Subscription amount to pay (to be re-calculated in NOK)	EUR 17	EUR
Subscription price per Offer Share	Subscription amount to pay (to be re-calculated in NOK)						
EUR 17	EUR						

SUBSCRIPTION RIGHT'S SECURITIES NUMBER: ISIN BMG2786A1229

**IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED)**

My/our Norwegian bank account to be debited for the payment of Offer Shares allocated (number of shares allotted x EUR 17 (to be re-calculated in NOK).	(Norwegian bank account no. 11 digits)
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In accordance with the terms and conditions set out in the Prospectus and this VPS Subscription Form, I/we hereby irrevocably subscribe for the number of Offer Shares specified above and grant Nordea Bank Norge ASA authorization to debit (by direct debiting or manually as described above) the specified bank account for the payment of the Offer Shares allocated to me/us. By signing this VPS Subscription Form, I/we accept the terms and conditions for "Payment by direct debiting" as mentioned on page 2 of this VPS Subscription Form.

**Place and date**  
 Must be dated in the subscription period

**Binding signature.** The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney should be attached.

**INFORMATION ON THE SUBSCRIBER (Please fill in relevant information below)**

First name	
Surname/company	
Street address (for private: home address)	
Post code/district/Country	
Personal ID number/business registration number:	
Nationality:	
Daytime telephone number/e-mail:	

**Regulatory Issues:** In accordance with the Markets in Financial Instruments Directive of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect, the VPS Subscription and Listing Agent must categorize all new clients in one of the following three categories: eligible counterparties, professional clients and non-professional clients. All subscribers in the Rights Issue who are not existing clients of the VPS Subscription and Listing Agent will be categorized as non-professional clients. Subscribers can, by written request to the VPS Subscription and Listing Agent, ask to be categorized as a professional client if the subscriber fulfills the requirements of the Norwegian Securities Trading Act. For further information about the categorization, the subscriber may contact the VPS Subscription and Listing Agent. **The subscriber represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Issuer by subscribing for Offer Shares, and the subscriber is able to bear the economic risk, and to withstand a complete loss of an investment in the Offer Shares.**

**Selling and Transfer Restrictions:** The attention of persons who wish to subscribe for Offer Shares is drawn to the section "*Other important information and restrictions*" in the Prospectus. It is the responsibility of any person outside Norway and the Netherlands wishing to trade in Subscription Rights or subscribe for Offer Shares to satisfy itself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under any securities law of any state or other jurisdiction of the United States. Accordingly, none of the Subscription Rights or Offer Shares may be offered, sold, resold, pledged, taken up, delivered, renounced, or otherwise transferred in or into the United States, except pursuant to an applicable exemption from, or in an offer not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Subscription Rights or Offer Shares in the United States. The Subscription Rights and Offer Shares may only be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States by a limited number of persons reasonably believed to be "qualified institutional buyers" ("**QIBs**") within the meaning of Rule 144A ("**Rule 144A**") under the U.S. Securities Act, and by persons outside the United States in offshore transactions in reliance upon Regulation S. The Subscription Rights and the Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada or Japan except pursuant to an applicable exemption from applicable securities laws. This VPS Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Subscription Rights or Offer Shares to any person in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Prospectus will not be distributed in the United States, Australia, Canada or Japan. A subscription for Offer Shares in contravention of the above restrictions may be deemed to be invalid. The subscriber represents and warrants either that (1) if it is not within the United States (i) it is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Offer Shares; (ii) it is not exercising for the account of any person who is located in the United States, unless: (a) the instruction to exercise was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that it is acquiring the Offer Shares in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act; and (iii) it is not acquiring the Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer Shares into the United States, or (2) if it is within the United States, it is a QIB and has executed and returned to the Issuer an investor letter prior to exercising its Subscription Rights. The subscriber reaffirms all representations and warranties set forth under "*Other important information and restrictions*" in the Prospectus. The subscriber further represents and warrants that it understands that it will not offer, sell, pledge or otherwise transfer the Offer Shares except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the U.S. Securities Act, or (c) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.

**Execution Only:** The Sole Global Co-ordinator and Sole Bookrunner is acting exclusively for the Issuer and for no one else in connection with the Rights Issue and will not be responsible to anyone other than the Issuer for providing the protections afforded to the customers of the Sole Global Co-ordinator and Sole Bookrunner or for providing advice in relation to the Rights Issue or any transaction or arrangement referred to herein. The Sole Global Co-ordinator and Sole Bookrunner and the VPS Subscription and Listing Agent will treat the VPS Subscription Form as an execution-only instruction. The Sole Global Co-ordinator and Sole Bookrunner and the VPS Subscription and Listing Agent are not required to determine whether an investment in the Offer Shares is suitable or not for the subscriber. Hence, the subscriber will not benefit from the protection of the applicable conduct of business rules.

**Mandatory Anti-Money Laundering Procedures:** The Rights Issue is subject to the Norwegian Money Laundering Act No. 11 of 6 March 2009 and the Norwegian Money Laundering Regulations No. 302 of 13 March 2009 (together the "**Anti-Money Laundering Legislation**"). All subscribers not registered as existing customers with the VPS Subscription and Listing Agent must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers that have designated an existing Norwegian bank account and an existing VPS account on the VPS Subscription Form are exempted, provided the aggregate subscription price is less than NOK 100,000, unless verification of identity is requested by the VPS Subscription and Listing Agent. The verification of identity must be completed prior to the end of the Subscription Period. Investors that have not completed the required verification of identity may not be allocated Offer Shares. Further, in participating in the Rights Issue, each subscriber must have a securities depository account (a "VPS account"). The VPS account number must be stated on the subscription form. VPS accounts can be established with authorized securities depository registrars, which can be banks, authorized securities brokers in Norway and branches of credit institutions established within the EEA. However, investors may use nominee accounts registered in the name of a nominee. The nominee must be authorized by the Norwegian Ministry of Finance. Establishment of securities depository account requires verification of identity before the registrar in accordance with the Anti-Money Laundering Legislation.

**Overdue Payment:** Overdue payments will be charged with an interest at the applicable rate under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100; 9% per annum as at the date of the Prospectus. If the subscriber fails to comply with the terms of payment, the Offer Shares allocated will not be delivered to the subscriber, and the Issuer reserves the right, at the subscriber's risk and cost (and that the subscriber will not be entitled to any profit therefrom), to at any time cancel the subscription and to re-allocate or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Issuer may decide in accordance with applicable laws. The subscriber will remain liable for payment of the Offer Price for the Offer Shares allocated, together with any interest, costs, charges and expenses accrued, and the Issuer and/or the Existing Shareholders that are parties to the Subscription Agreements, as the case may be, may enforce payment for any such amount outstanding in accordance with applicable laws.

**Terms and Conditions for Payment by Direct Debiting – Securities Trading:** Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

- a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement. General terms and conditions for deposit and payment instructions.
- b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
- c) The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
- d) In case of withdrawal of the authorization for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- e) The payer cannot authorize payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorization for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorization has expired as indicated above. Payment will normally be credited to the beneficiary's account between one and three working days after the indicated date of payment/delivery.
- g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.



**REGISTERED OFFICE AND HEAD OFFICE OF DOCKWISE LTD.**  
Canon's Court, 22 Victoria Street  
Hamilton HM 12  
Bermuda

Lage Mosten 21  
4822 NJ Breda  
The Netherlands

**SOLE GLOBAL CO-ORDINATOR AND SOLE BOOKRUNNER**

**THE ROYAL BANK OF SCOTLAND N.V.**

Gustav Mahlerlaan 10  
1082PP Amsterdam  
The Netherlands

**LEGAL ADVISORS**

To the Company as to Norwegian law

**Advokatfirmaet Thommessen AS**

Haakon VII's gate 10  
NO-0116 Oslo  
Norway

To the Company as to Dutch law

**Van Doorne N.V.**

Jachthavenweg 121  
1081 KM Amsterdam  
The Netherlands

To the Company as to U.S. and English law

**Bingham McCutchen LLP**

One Federal Street  
Boston MA 02110-1726  
United States

**Bingham McCutchen  
(London) LLP**

41 Lothbury  
London EC2R 7HF  
England

To the Company as to Bermuda law

**Appleby**

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

To the Sole Global Co-ordinator and Sole Bookrunner as to Dutch, English and U.S. law

**Freshfields Bruckhaus Deringer LLP**

65 Fleet Street  
London EC4Y 1HT  
England

Strawinskylaan 10  
1077 XZ Amsterdam  
The Netherlands

**SUBSCRIPTION AND LISTING AGENTS**

Euroclear Nederland Subscription and Listing Agent

**The Royal Bank of Scotland N.V.**

Gustav Mahlerlaan 10  
1082PP Amsterdam  
The Netherlands

VPS Subscription and Listing Agent

**Nordea Bank Norge ASA**

Middelthunsgatan 17  
NO-0368 Oslo  
Norway

**INDEPENDENT AUDITOR**

**KPMG Accountants N.V.**

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