

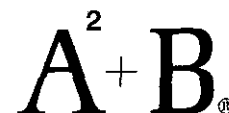
VROON OFFSHORE (HOLDINGS) LIMITED
(formerly Viking Offshore Services (Holdings) Limited)
(Company Number SC228521)

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2007



Anderson Anderson & Brown LLP
Chartered Accountants



VROON OFFSHORE (HOLDINGS) LIMITED
DIRECTORS' REPORT

Directors H F Marks (appointed 23 May 2007)
 G W Maxwell (appointed 17 December 2007)
 R H Rikken (appointed 23 May 2007)
 R Deans (appointed 28 April 2008)
 G Wood

Secretary S M Wyness

Registered office 4th Floor, Regent Centre, Regent Road, Aberdeen

The directors submit their report and the audited accounts of the company for the year ended 31 December 2007

RESULTS AND DIVIDENDS

The profit for the year, amounting to £698,000 (2006 £nil) has been dealt with as shown in the profit and loss account. The directors do not propose the payment of the dividend (2006 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company is a holding company

CHANGE OF NAME

During the year the name of the company was changed from Viking Offshore Services (Holdings) Limited to Vroon Offshore (Holdings) Limited

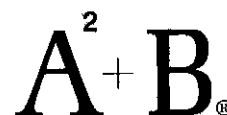
REFINANCING

Group bank borrowings were repaid in full in March 2008. These have been replaced with new bank loans and finance lease arrangements directly with subsidiary companies within the Group. Security is also only in place over specific vessels with the remainder of the fleet being released from mortgages and financial encumbrances.

DIRECTORS

The directors of the company during the year ended 31 December 2007 were as noted above, together with N Hodt, A Korsvold and R Skaarberg who resigned on 16 May 2007, A W Pirie who resigned on 19 October 2007 and G M Philip who resigned on 11 January 2008.

VROON OFFSHORE (HOLDINGS) LIMITED
DIRECTORS' REPORT (continued)



PROVISION OF INFORMATION TO AUDITORS

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

Anderson Anderson & Brown LLP have expressed their willingness to continue in office and a resolution proposing their re appointment will be submitted at the annual general meeting

Signed on behalf of the board of directors

A handwritten signature in black ink, appearing to read 'G. W. Maxwell', written over a horizontal line.

Director – G W Maxwell

30/6/08

Date

VROON OFFSHORE (HOLDINGS) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts, and,
- (d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
VROON OFFSHORE (HOLDINGS) LIMITED**

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We have audited the accounts of Vroon Offshore (Holdings) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These accounts have been prepared under the historical cost convention and in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether or not the accounts give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the accounts. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

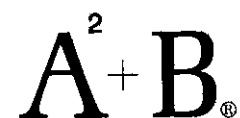
In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the directors' report is consistent with the accounts.

Anderson Anderson & Brown LLP

Anderson Anderson & Brown LLP
Chartered Accountants
Registered Auditors
Aberdeen

30 June 2008



VROON OFFSHORE (HOLDINGS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 £'000
Interest receivable	2	2,274
Interest payable and similar charges	3	1,576
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		698
TAXATION	4	
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		698

The company did not trade in 2006

The company has no gains or losses other than as reported above

Movement on reserves are as set out in note 14

VROON OFFSHORE (HOLDINGS) LIMITED
BALANCE SHEET – 31 DECEMBER 2007

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	Note	2007 £'000	2006 £'000
FIXED ASSETS			
Intangible assets	5		
Investments	6	10,369	10,369
Debtors	7	44,138	35,389
CREDITORS <i>amounts falling due within one year</i>	8	7,000	4,428
NET CURRENT ASSETS		37,138	30,961
TOTAL ASSETS LESS CURRENT LIABILITIES		47,507	41,330
CREDITORS <i>amounts falling due after more than one year</i>	9	30,371	24,892
		17,136	16,438
CAPITAL AND RESERVES			
Called up share capital	13	9,280	9,280
Share premium account	14	6,279	6,279
Profit and loss account	14	1,577	879
SHAREHOLDERS' FUNDS		17,136	16,438

Signed on behalf of the board of directors



Director – G W Maxwell

30/6/08

Date

VROON OFFSHORE (HOLDINGS) LIMITED
NOTES ON THE ACCOUNTS – 31 DECEMBER 2007

1 ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards

(b) *Group accounts*

The company is exempt from preparing consolidated financial statements, as it is a subsidiary of Vroon Offshore UK Limited, which prepares group financial statements and therefore meets the requirements for exemption set out in Sub Sections 228(1) and 228 (11) of the Companies Act 1985

(c) *Goodwill*

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years. Provision is made for any impairment when identified.

Negative goodwill is similarly included on the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair value of the non-monetary assets acquired is credited to the profit and loss account over the expected period of benefit, which is 10 years.

(d) *Investments*

Investments are stated at cost less provision for any permanent diminution in value.

2 INTEREST RECEIVABLE

	2007 £'000	2006 £'000
Interest due from group entities	698	
Interest recharged to group entities	1,576	
	<u>2,274</u>	

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £'000	2006 £'000
Bank loan	<u>1,576</u>	<u></u>

4 TAXATION

There is no corporation tax payable as group losses are available

5 INTANGIBLE FIXED ASSETS GOODWILL

	Positive goodwill £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 January 2007 and 31 December 2007	<u>525</u>	<u>(525)</u>	<u></u>
Amortisation			
At 1 January 2007	(221)	221	
Charge for the year	<u>(52)</u>	<u>52</u>	<u></u>
At 31 December 2007	<u>(273)</u>	<u>273</u>	<u></u>
Net book value			
At 31 December 2007	<u>252</u>	<u>(252)</u>	<u></u>
At 31 December 2006	<u>304</u>	<u>(304)</u>	<u></u>

Goodwill is amortised on a straight line basis over a period of 10 years

VROON OFFSHORE (HOLDINGS) LIMITED
NOTES ON THE ACCOUNTS – 31 DECEMBER 2007

6 INVESTMENTS

Interest in
group undertakings
£'000

COST

At 1 January 2007 and 31 December 2007

10,369

The associated undertakings at 31 December 2007 were

Vroon Offshore Services Limited

<i>Country of incorporation</i>	Scotland
<i>Holding</i>	Ordinary shares
<i>Nature of business</i>	ERRV Services
<i>Proportion of shares held</i>	100%
<i>Aggregate capital and reserves</i>	£19,139,000
<i>Profit for year</i>	£2,170,000

Offshore Support Vessels IV Limited

<i>Country of incorporation</i>	England
<i>Holding</i>	Ordinary shares
<i>Nature of business</i>	ERRV Services
<i>Proportion of shares held</i>	100%
<i>Aggregate capital and reserves</i>	£6,729,000
<i>Profit for year</i>	£1,844,000

Offshore Support Vessels V Limited *

<i>Country of incorporation</i>	England
<i>Holding</i>	Ordinary shares
<i>Nature of business</i>	ERRV Services
<i>Proportion of shares held</i>	100%
<i>Aggregate capital and reserves</i>	£587,000
<i>Loss for year</i>	£132,000

Deeside Crewing Services Limited

<i>Country of incorporation</i>	Scotland
<i>Holding</i>	Ordinary shares
<i>Nature of business</i>	Management Services
<i>Proportion of shares held</i>	100%
<i>Aggregate capital and reserves</i>	£(34,000)
<i>Profit for year</i>	£8,000

VROON OFFSHORE (HOLDINGS) LIMITED
NOTES ON THE ACCOUNTS – 31 DECEMBER 2007

6 INVESTMENTS (continued)

Britannia Marine Limited **

<i>Country of incorporation</i>	England
<i>Holding</i>	Ordinary shares
<i>Nature of business</i>	Dormant
<i>Proportion of shares held</i>	100%
<i>Aggregate capital and reserves</i>	£4,063,000
<i>Profit for year</i>	£nil

BUE Cyprus Limited*

<i>Country of incorporation</i>	Cyprus
<i>Holding</i>	Ordinary shares
<i>Nature of business</i>	Employment company
<i>Proportion of shares held</i>	0.01%

* held by Offshore Support Vessels IV Limited

** held by Vroon Offshore Services Limited

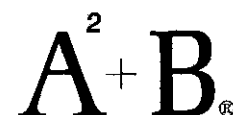
7 DEBTORS

	2007 £'000	2006 £'000
Amounts due from subsidiary undertakings	<u>44,138</u>	<u>35,389</u>

8 CREDITORS *amounts falling due within one year*

	2007 £'000	2006 £'000
Bank loan (Note 10)	6,500	4,428
Other loan	500	
	<u>7,000</u>	<u>4,428</u>

VROON OFFSHORE (HOLDINGS) LIMITED
NOTES ON THE ACCOUNTS – 31 DECEMBER 2007



9 CREDITORS *amounts falling due after more than one year*

	2007 £'000	2006 £'000
Bank loans (Note 10)	<u>30,371</u>	<u>24,892</u>

10 LOANS

Total borrowings are

	2007 £'000	2006 £'000
Bank loans	<u>36,871</u>	<u>29,320</u>

The total borrowings above are repayable as follows

	2007 £'000	2006 £'000
Within one year	6,500	4,500
Between one and two years	6,000	5,500
Between two and five years	19,576	19,470
More than five years	<u>4,795</u>	<u>470</u>
	36,871	29,940
Less Unamortised finance costs		<u>(620)</u>
	<u>36,871</u>	<u>29,320</u>

The company has three bank loan facilities:

Facility A is a £25 515m facility which is partially drawn at 31 December 2007, and will be further drawn as required to finance the building of new ERRV's. This is repayable in 31 quarterly instalments commencing 30 June 2007. The instalments vary over the term of the loan. This loan bears interest at the aggregate of Libor plus 1.3% plus a mandatory cost.

10 LOANS (continued)

Facility B is a £27.5m facility which was drawn down on 11 August 2005 and was used to consolidate the previous bank borrowings into a new loan. This is repayable in 26 quarterly instalments commencing 30 September 2005. The instalments vary between £1m and £1.25m over the term of the loan. This loan bears interest at the aggregate of Libor plus 1.2% plus a mandatory cost.

Facility D is a £14m facility which is partially drawn down at 31 December 2007 and will be further drawn down as required to finance the building of new ERRV's. This is repayable in 28 quarterly instalments commencing 31 March 2009. The instalments vary between £100,000 and £750,000 over the term of the loan. This loan bears interest at Libor plus 1.3% plus a mandatory cost.

11 OTHER LOANS

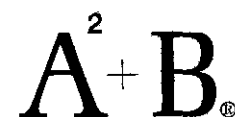
	2007 £'000	2006 £'000
Analysis of loan wholly repayable within one year	<u>500</u>	<u></u>

The other loan is a £1m facility which is partially drawn down at 31 December 2007. The loan is repayable in full by 31 December 2008. The loan bears interest at the aggregate of the margin of 0.25% plus 1 year LIBOR fixed at 6.18875%.

12 SECURITY

The company has entered into cross guarantees with other group companies for bank borrowings in respect of the borrowings of Vroon Offshore (Holdings) Limited and its subsidiaries ("the Group"). At 31 December 2007 the total contingent liability in respect of these guarantees was £36,871,000 (2006: £29,940,000) and is secured by a bond and floating charge over the assets of the Group.

VROON OFFSHORE (HOLDINGS) LIMITED
NOTES ON THE ACCOUNTS – 31 DECEMBER 2007



13 CALLED UP SHARE CAPITAL

2007 & 2006
£'000

Authorised: Ordinary shares of £1 each

14,006

Allotted, called up and fully paid: Ordinary shares of £1 each

9,280

**14 RECONCILIATION OF SHAREHOLDERS' FUNDS
AND MOVEMENTS ON RESERVES**

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 31 December 2005	7,092	6,279	878	14,249
Profit for the year			1	1
Issue of shares	2,188			2,188
At 31 December 2006	9,280	6,279	879	16,438
Profit for the year			698	698
At 31 December 2007	9,280	6,279	1,577	17,136

15 RELATED PARTY TRANSACTIONS

The directors have taken advantage of the exemptions conferred by Financial Reporting Standard 8 "Related Party Transactions", paragraph 3(c) and not disclosed transactions with fellow members of the Vroon Group BV group

16 IMMEDIATE AND ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Vroon Offshore UK Limited, a company registered in Scotland

Vroon Offshore (Holdings) Limited is 100% owned by Vroon Offshore UK Limited, a company registered in Scotland, which is 100% owned by Vroon Offshore BV, a company registered in Holland. Vroon Offshore BV is 100% owned by Vroon Group BV, a company registered in Holland and is the ultimate parent company

The largest group in which the results of Vroon Offshore (Holdings) Limited are consolidated is that headed by Vroon Group BV. The consolidated financial statements of Vroon Group BV are available to the public and may be obtained from Vroon Offshore (UK) Limited, 4th Floor, Regent Centre, Regent Road, Aberdeen, AB11 5NS