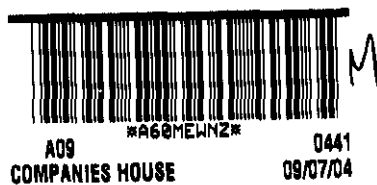


SIGNED

11/01/04

BIBBY MARITIME LIMITED

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2003**



BIBBY MARITIME LIMITED

PARENT UNDERTAKING

Bibby Line Limited

ULTIMATE PARENT UNDERTAKING

Bibby Line Group Limited

DIRECTORS

John Stewart Whewell Hogarth
Jonathan Osborne

SECRETARY

Bibby Bros. & Co. (Management) Limited

REGISTERED OFFICE

105 Duke Street
Liverpool
L1 5JQ
www.bibbyline.co.uk

Incorporated in England and Wales
Registered No. 1195555

AUDITORS

KPMG LLP
8 Princes Parade
Liverpool
L3 1QH

FLEET

Owned

'Bibby Altona'
'Bibby Bergen'
'Bibby Challenge'
'Bibby Goteborg'
'Bibby Kalmar'
'Bibby London'
'Bibby Portsmouth'
'Bibby Progress'
'Bibby Stockholm'
'Casa Marina'
'Malin Viking'

Chartered In

'Transit'

Floating Accommodation Vessel
Floating Accommodation Vessel
Floating Accommodation Vessel
Floating Accommodation Vessel
Floating Accommodation Vessel
Floating Accommodation Vessel
Floating Accommodation Vessel
Floating Accommodation Vessel
Floating Accommodation Vessel
Floating Accommodation Vessel
Floating Accommodation Vessel

Floating Accommodation Vessel

BIBBY MARITIME LIMITED

NOTICE OF MEETING

Notice is hereby given, that the Annual General Meeting of the Company will be held on 20 May 2004 at 105 Duke Street, Liverpool for the following purposes:

To consider the attached directors' report and financial statements for the year ended 31 December 2003.

To re-elect directors.

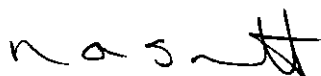
Special notice having been received of the intention to propose the resolution as an ordinary resolution, to re-appoint KPMG LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration.

(KPMG LLP had previously been appointed by the Board to fill the casual vacancy arising by reason of the resignation of PricewaterhouseCoopers LLP on 28 November 2003.)

To transact any other ordinary business.

A member of the Company entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member.

By order of the Board



Bibby Bros. & Co. (Management) Limited
Secretary

31 March 2004

BIBBY MARITIME LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report together with the audited financial statements for the year ended 31 December 2003.

ACTIVITIES

The principal activity of the Company is the ownership and operation of vessels.

TRADING RESULT AND DIVIDEND

The result for the year is set out in the profit and loss account. The directors consider the financial position of the Company at 31 December 2003 to be satisfactory given the continued financial support of the parent undertaking.

The directors do not anticipate any major changes in the Company's trading position in the foreseeable future.

The directors do not recommend a dividend in respect of the year.

DIRECTORS AND THEIR INTERESTS

The directors during the year were:

Mark Alfred Preece	- Appointed 27 February 2003
John Stewart Whewell Hogarth	
Jonathan Osborne	
Michael James Bibby	- Resigned 27 February 2003
Julian Eric Sanderson	- Resigned 21 July 2003

Since the year end, on 31 January 2004, M. A. Preece resigned as a director of the Company.

The only interests of the directors in shares of the Bibby Line Group companies were in shares of Bibby Line Group Limited.

The interests of M. J. Bibby in the shares of Bibby Line Group Limited are disclosed in the directors' report of that company.

The interests of the other directors in the shares of Bibby Line Group Limited were as follows:-

	31 December 2003 Beneficial	1 January 2003 Beneficial
J. S. W. Hogarth		
£1,000 Ordinary Shares	1	1

BIBBY MARITIME LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

AUDITORS

On 2 July 2003 PricewaterhouseCoopers resigned as auditors following the transfer of substantially all of their business to a limited liability partnership and the Directors filled the casual vacancy so arising by appointing PricewaterhouseCoopers LLP. On 28 November 2003 PricewaterhouseCoopers LLP resigned and the Directors filled the casual vacancy so arising by appointing KPMG LLP.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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 to enable them to ensure that the financial statements 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.

By order of the Board



Bibby Bros. & Co. (Management) Limited
Secretary

31 March 2004



KPMG LLP

8 Princes Parade
Liverpool
L3 1QH
United Kingdom

Independent auditors report to the members of Bibby Maritime Limited

We have audited the financial statements on pages 6 to 13.

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 auditor's 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

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

31 March 2004

BIBBY MARITIME LIMITED

PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 2003

	Note	2003 US\$	2002 US\$
Turnover	2	6,166,040	10,894,665
Cost of sales		(6,738,884)	(9,528,592)
Gross (loss)/profit		(572,844)	1,366,073
Administration expenses		(830,495)	(572,087)
Operating (loss)/profit		(1,403,339)	793,986
Loss on sale of fixed asset		(43,343)	-
Interest receivable		6,512	17,500
Interest payable	3	(970,839)	(751,076)
(Loss)/profit on ordinary activities before taxation	3	(2,411,009)	60,410
Tax on (loss)/profit on ordinary activities	4	827,405	730,997
Retained (loss)/profit for the financial year	11	(1,583,604)	791,407

The turnover and loss on ordinary activities all derive from continuing activities.

The notes on pages 8 to 13 form part of these financial statements.

Statement of total recognised gains and losses:

	2003 US\$	2002 US\$
(Loss)/profit for the financial year	(1,583,604)	791,407
Total recognised gains and losses relating to the year	(1,583,604)	791,407
Prior year adjustment	-	(2,335,000)
Total recognized losses since the last annual report	(1,583,604)	(1,543,593)

The prior year adjustment in 2002 is in respect of deferred taxation.

BIBBY MARITIME LIMITED

BALANCE SHEET AS AT
31 DECEMBER 2003

	Note	2003 US\$	2002 US\$
Fixed assets:			
Tangible assets	5	<u>20,942,402</u>	<u>24,585,217</u>
Current assets:			
Debtors	6	971,756	2,928,351
Cash at bank		<u>361,234</u>	<u>411,015</u>
		1,332,990	3,339,366
Creditors (amounts falling due within one year)	7	<u>(4,976,388)</u>	<u>(3,615,462)</u>
Net current (liabilities)		<u>(3,643,398)</u>	<u>(276,096)</u>
Total assets less current liabilities		<u>17,299,004</u>	<u>24,309,121</u>
Creditors (amounts falling due after more than one year)	8	<u>15,250,000</u>	<u>20,500,000</u>
Provision for liabilities and charges	9	<u>4,514,584</u>	<u>4,691,097</u>
Capital and reserves:			
Called up share capital	10	155	155
Profit and loss account	11	<u>(2,465,735)</u>	<u>(882,131)</u>
Equity shareholders' funds	12	<u>(2,465,580)</u>	<u>(881,976)</u>
		<u>17,299,004</u>	<u>24,309,121</u>

Approved by the Board on 31 March 2004



J. Osborne
Director

The notes on pages 8 to 13 form part of these financial statements.

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

Accounting basis

The financial statements are stated in US Dollars. They have been prepared under the historical cost convention, as modified by the method used to translate the issued share capital and the carrying value of the vessels to US Dollars, and in accordance with applicable Accounting Standards.

The US Dollar value of the issued share capital is arrived at by converting from Sterling at the exchange rate ruling at the date the accounts were first presented in US Dollars.

Going concern

The financial statements are presented on a going concern basis as the shareholders have informed the Board that it is their present intention to continue to support the operations of the Company for the foreseeable future and in any event for not less than 12 months from the date the directors approve the financial statements.

Tangible fixed assets and depreciation

Fixed assets are included at cost less depreciation. The US dollar value of the vessel is arrived at by converting from sterling at the exchange rate ruling at the date the accounts were first presented in US\$. Subsequent additions are stated at cost.

Depreciation is provided on a straight line basis to write off the cost of the vessels over their useful economic lives, estimated to be between twelve and twenty five years .

Fleet insurance

The accommodation vessels are fully insured outside of the Group.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. The deferred tax assets and liabilities are not discounted.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Floating accommodation vessels' relocation and refurbishment costs

After a floating accommodation vessel completes a contract, the costs of relocation and refurbishment are normally written off over the life of that vessel's next contract. However, if the next contract is of a short term nature, the costs are written off to the profit and loss account in the year of expenditure.

BIBBY MARITIME LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Cash flows

A statement of Group cash flows has been included in the consolidated accounts presented by the parent undertaking. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

Related party transactions

Under Financial Reporting Standard 8, the Company is exempt from disclosing related party transactions with other group companies, as more than 90% of the voting rights are controlled by the ultimate parent undertaking, Bibby Line Group Limited.

Transactions between Bibby Line Group Limited and its related parties and a statement of substantial shareholdings in Bibby Line Group Limited are included in that company's consolidated financial statements.

2. TURNOVER

Turnover is the freight and charter hire earned and is recognised at the time the relevant service is provided to customers.

3. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging/(crediting) the following amounts:-

	2003 US\$	2002 US\$
Foreign exchange differences	(14,711)	99,748
Depreciation	3,237,325	4,665,458
Interest payable on finance loans	<u>970,839</u>	<u>751,076</u>

There were no emoluments paid to the directors for the year (2002 - Nil).

Auditors' remuneration is borne by the parent company.

BIBBY MARITIME LIMITED

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

4. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2003 US\$	2002 US\$
The taxation credit/(charge) comprises:		
Overprovision for foreign tax in respect of prior periods	483,856	(414,906)
Amount receivable in respect of group relief surrendered	222,328	-
Adjustment in respect of prior period corporation tax	(55,292)	-
Current tax credit/(charge)	650,892	(414,906)
Deferred taxation credit	381,818	469,875
Prior year deferred tax (charge)/credit	(205,305)	676,028
	<u>827,405</u>	<u>730,997</u>

Factors affecting the tax charge for the year:

The current tax credit is lower than the anticipated credit. The anticipated current tax credit is based on the average rate of tax across the Company.

The differences are explained as follows:

	2003 US\$	2002 US\$
(Loss)/profit on ordinary activities before taxation	(2,411,009)	60,410
(Loss)/profit on ordinary activities multiplied by the rate of tax of 30% (2002 - 30%)	(723,303)	18,123
Effects of:		
Loss on sale of fixed assets	13,003	-
Deferred expenditure incurred in the year	85,864	(73,969)
Group relief surrendered not paid for	79,995	-
Non taxable exchange difference	(4,413)	877
Depreciation in excess of capital allowances	381,818	469,875
Overprovision of foreign tax in respect of prior period	(483,856)	-
Current tax (credit)/charge for the year	(650,892)	414,906

BIBBY MARITIME LIMITED

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

5. TANGIBLE ASSETS

	Fleet US\$
Cost	
At 1 January 2003	55,398,969
Disposals	<u>(531,657)</u>
At 31 December 2003	<u>54,867,312</u>
Accumulated Depreciation	
At 1 January 2003	30,813,752
Disposals	(126,167)
Charge for the year	<u>3,237,325</u>
At 31 December 2003	<u>33,924,910</u>
Net book amount at 31 December 2003	<u>20,942,402</u>
Net book amount at 31 December 2002	<u>24,585,217</u>

6. DEBTORS

	2003 US\$	2002 US\$
Trade debtors	739,258	1,412,650
Amount owed by associated undertaking	50,751	-
Amount owed by group undertakings	<u>181,747</u>	<u>1,515,701</u>
	<u>971,756</u>	<u>2,928,351</u>

7. CREDITORS

(amounts falling due within one year)

	2003 US\$	2002 US\$
Amounts owed to group undertakings	2,110,201	-
Bank loans (note 8)	2,625,000	3,000,000
Other creditors	8,069	-
Accruals and deferred income	<u>233,118</u>	<u>615,462</u>
	<u>4,976,388</u>	<u>3,615,462</u>

BIBBY MARITIME LIMITED

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

8. CREDITORS
(amounts falling due after more than one year)

	2003 US\$	2002 US\$
Finance loan (see below)	<u>15,250,000</u>	<u>20,500,000</u>

US Dollar ship finance loans, secured by statutory mortgages over certain vessels of the fleet and carrying interest at up to 1.625 per cent above US Dollar LIBOR, are repayable by instalments over periods to 2007 as follows:-

	2003 US\$	2002 US\$
Within one year	2,625,000	3,000,000
Between one and two years	2,625,000	3,500,000
Between two and five years	<u>12,625,000</u>	<u>17,000,000</u>
	<u>17,875,000</u>	<u>23,500,000</u>

9. PROVISION FOR LIABILITIES AND CHARGES

	Deferred Taxation US\$
At 1 January 2003	4,691,097
Deferred taxation transferred to profit and loss account (note 4)	<u>(176,513)</u>
At 31 December 2003	<u>4,514,584</u>

Deferred tax allowances relate to accelerated capital allowances.

10. CALLED UP SHARE CAPITAL

	2003 US\$	2002 US\$
Authorised, allotted and fully paid:		
100 ordinary equity shares of £1 each	<u>155</u>	<u>155</u>

BIBBY MARITIME LIMITED

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

11. RESERVES

	Profit and Loss Account US\$
At 1 January 2003	(882,131)
Loss for the financial year	<u>(1,583,604)</u>
At 31 December 2003	<u>(2,465,735)</u>

12. RECONCILIATION OF MOVEMENTS IN
EQUITY SHAREHOLDERS' FUNDS

	2003 US\$	2002 US\$
(Loss)/profit for the financial year	(1,583,604)	791,407
Opening deficit in equity shareholders' funds	<u>(881,976)</u>	<u>(1,673,383)</u>
Closing deficit in equity shareholders' funds	<u>(2,465,580)</u>	<u>(881,976)</u>

13. PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of Bibby Line Limited, which itself is a wholly owned subsidiary undertaking of Bibby Line Group Limited both of which are registered in England. Bibby Line Group Limited is the parent undertaking of the largest group which consolidates these accounts and of which the Company is a member. Bibby Line Limited is the parent undertaking of the smallest group which consolidates these accounts and of which the Company is a member.

Copies of the Group financial statements may be obtained from Bibby Line Group Limited, 105 Duke Street, Liverpool L1 5JQ (www.bibbygroup.co.uk).