

CORE LABORATORIES N V

Form PRE 14A

March 01, 2005

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by Registrant: ☒ S

Filed by a party other than the Registrant: ☐ £

Check the appropriate box:

- ☒ S Preliminary proxy statement.
☐ £ Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2)).
☐ £ Definitive proxy statement.
☐ £ Definitive additional materials.
☐ £ Soliciting material under Rule 14a-12.

Core Laboratories N.V.

(Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check the appropriate box):

- ☒ S No fee required.
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**CORE LABORATORIES N.V.
Herengracht 424
1017 BZ Amsterdam
The Netherlands**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held April 15, 2005**

Dear Shareholder:

You are cordially invited to attend our 2005 annual meeting of shareholders which will be held at the law offices of Nauta Dutilh N.V., Strawinskylaan 1999, 1077 XV, Amsterdam, The Netherlands, on Friday, April 15, 2005 at 2:00 p.m., local time, for the following purposes:

1. To elect three Class I Supervisory Directors to serve until our annual meeting in 2008 and until their successors shall have been duly elected and qualified;
2. To confirm and adopt our Dutch Statutory Annual Accounts in the English language for the fiscal year ended December 31, 2004 and thereby pursuant to Dutch law discharge our managing directors and supervisory directors from any liability resulting from the performance of their duties as managing directors and supervisory directors;
3. To approve the cancellation of our repurchased shares;
4. To approve the extension of the authority of our Management Board to repurchase up to 10% of our outstanding share capital until October 15, 2006;
5. To approve the extension of the authority of our Supervisory Board to issue shares and/or to grant rights (including options to purchase) with respect to our common and preference shares until April 15, 2010;
6. To approve the extension of the authority of our Supervisory Board to limit or exclude the preemptive rights of the holders of our common shares until April 15, 2010;
7. To ratify the appointment of PricewaterhouseCoopers LLP as our Company's independent public accountants for the year ended December 31, 2005; and
8. To transact such other business as may properly come before the annual meeting or any adjournment thereof.

Each of the matters being presented at the annual meeting has been presented to and approved by our shareholders at our prior annual meetings. In large measure, these matters are presented to our shareholders each year as a result of our being organized under the laws of The Netherlands. Copies of the Annual Accounts, the report of the Management Board and the list of nominees for the Supervisory Board are open for inspection at our offices in The Netherlands, located at Herengracht 424, 1017 BZ Amsterdam, Attention: Mr. Jacobus Schouten, by registered shareholders and other persons entitled to attend our shareholder meetings. Such copies will be open for inspection from the date of this notice until the close of our annual meeting.

It is important that your shares be represented at the annual meeting regardless of whether you plan to attend. Therefore, please mark, sign, date and return the enclosed proxy card promptly. If you are present at the annual meeting and wish to do so, you may revoke your proxy and vote in person.

By Order of the Board of Supervisory Directors,

Jacobus Schouten
Supervisory Director

March 15, 2005
Amsterdam, The Netherlands

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**CORE LABORATORIES N.V.
Herengracht 424
1017 BZ Amsterdam
The Netherlands**

PROXY STATEMENT

SOLICITATION AND REVOCATION OF PROXIES

The accompanying proxy is being solicited by and on behalf of the Board of Supervisory Directors of Core Laboratories N.V. for use at our 2005 annual meeting of shareholders to be held at the law offices of Nauta Dutilh N.V., Strawinskylaan 1999, 1077 XV, Amsterdam, The Netherlands, on Friday, April 15, 2005 at 2:00 p.m., local time. If the accompanying proxy card is properly executed and returned, the shares it represents will be voted at the annual meeting in accordance with the directions noted on the card, or, if no directions are indicated, it will be voted for the three nominees for Supervisory Director and in favor of the other proposals described in this proxy statement. Any shareholder giving a proxy has the power to revoke it (1) by giving written notice to John D. Denson, Secretary, in care of Core Laboratories LP, 6316 Windfern Road, Houston, Texas 77040, at any time before the proxy is voted, (2) by submitting a properly signed proxy card with a later date, or (3) by voting in person at the annual meeting.

The solicitation of proxies by the Supervisory Board will be conducted by mail. In addition, certain members of the Supervisory Board, officers and regular employees of our Company may solicit proxies in person, by facsimile, by telephone or by other means of electronic communication. Core Laboratories has retained Georgeson Shareholder Communications (Georgeson) to assist in the solicitation of proxies for a fee of \$10,000 plus out-of-pocket expenses. In addition to solicitation of proxies, Georgeson may provide advisory services as requested pertaining to the solicitation of proxies. Core Laboratories will also bear the cost of preparing and mailing proxy materials as well as the cost of soliciting proxies and will reimburse banks, brokerage firms, custodians, nominees and fiduciaries for their expenses in sending proxy materials to the beneficial owners of our common shares.

At the close of business on March 10, 2005, the record date for the determination of shareholders entitled to notice of and to vote at our annual meeting, there were [] common shares outstanding (other than shares held by the Company), each of which is entitled to one vote. Our common shares are the only class of our capital stock outstanding and entitled to notice of and to vote at the annual meeting. Under Dutch law, there is no specific quorum requirement for our annual meeting. Under Dutch law and our articles of association, common shares abstaining from voting and broker non-votes will not count as votes cast at the annual meeting but will count for the purpose of determining the number of shares represented at the meeting.

This proxy statement and the accompanying proxy card were first mailed to shareholders on or about March 15, 2005.

OWNERSHIP OF SECURITIES

Security Ownership by Certain Beneficial Owners and Management

The table below sets forth certain information, as of March 1, 2005, with respect to the common shares beneficially owned by:

each person known to us to own beneficially five percent or more of our outstanding common shares;

each Supervisory Director;

each nominee for election as Supervisory Director;

each of our executive officers; and

all Supervisory Directors and executive officers as a group.

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Name of Beneficial Owner(1)	Number of Common Shares Beneficially Owned	Percentage of Common Shares Outstanding(2)
Citigroup Inc.(3)	5,427,143	20.6%
David M. Demshur(4)**	870,678	3.1%
Richard L. Bergmark(4)**	554,402	2.0%
Monty L. Davis(4)**	332,142	1.2%
John D. Denson(4)**	257,783	*
Joseph R. Perna**	111,744	*
D. John Ogren**	81,000	*
Rene R. Joyce**	51,000	*
Jacobus Schouten**	41,000	*
Alexander Vriesendorp**	31,000	*
Michael C. Kearney	1,000	*
All Supervisory Directors and executive officers as a group**	2,331,749	8.5%

* Represents less than 1%.

** Includes the following common shares which may be acquired within 60 days through the exercise of stock options: Mr. Demshur, 545,000; Mr. Bergmark, 377,250; Mr. Davis, 283,250; Mr. Denson, 199,500; Mr. Perna, 60,000; Mr. Ogren, 31,000; Mr. Joyce, 31,000; Mr. Schouten, 41,000; Mr. Vriesendorp, 31,000; Total 1,599,000.

(1) Unless otherwise indicated, each person has sole voting power and investment power with respect to the common shares listed.

(2) Based on [27,581,171] common shares outstanding as of March 1, 2005.

(3) As reported on the Schedule 13G/A dated February 14, 2005, the common shares reported by Citigroup Inc. include 5,294,958 common shares reported by Citigroup Global Markets Holdings Inc., a wholly owned subsidiary of Citigroup. The common shares reported by Citigroup Global Markets Holdings include 3,611,458 common shares reported by Citigroup Financial Products Inc. and 1,683,500 common shares reported by Smith Barney Fund Management LLC, both of which are wholly owned subsidiaries of Citigroup Global Markets Holdings. The common shares reported by Citigroup Financial Products include 3,610,203 common shares reported by Citigroup Global Markets Inc., a wholly owned subsidiary of Citigroup Financial Products. The common shares reported by each of these five entities include shares for which such reporting person disclaims beneficial ownership. Citigroup has shared voting and shared dispositive power over 5,427,143 shares. Each of Citigroup Global Markets and Citigroup Financial Products have shared voting and shared dispositive power over 3,611,458 shares. Citigroup Global Markets Holdings has shared voting and shared dispositive power over 5,294,958 shares. Smith Barney Fund Management has shared voting and shared dispositive power over 1,683,500 shares. The business address of Citigroup Global Markets, Citigroup Financial Products and Citigroup Global Markets Holdings is 388 Greenwich Street, New York, NY 10013, the business address of Smith Barney Fund Management is 333 West 34th Street, New York, NY 10001 and the business address of Citigroup is 399 Park Avenue, New York, NY 10043.

(4)

The common share ownership figures for Messrs. Demshur, Bergmark, Davis, and Denson include 47,394, 49,259, 16,492 and 19,708 restricted shares, respectively, which shares have not yet been issued but for which Messrs. Demshur, Bergmark, Davis and Denson have voting power.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Supervisory Directors, executive officers and persons who own more than ten percent of our common shares to file initial reports of ownership and reports of changes in ownership (Forms 3, 4 and 5) of our common shares with the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE). Supervisory Directors, executive officers and greater than ten percent shareholders are required by SEC regulations to furnish us with copies of all such forms that they file.

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To our knowledge, based solely upon our review of the Section 16(a) filings that have been received by us, we believe that during the fiscal year ending December 31, 2004, our Supervisory Directors, executive officers and ten percent shareholders complied with the applicable Section 16(a) filing requirements, except that although Mr. Miller is not deemed an executive officer by the Company but the Company has determined that Mr. Miller is technically required to file Section 16(a) reports as a result of his designation as chief accounting officer. Accordingly, Mr. Charles B. Miller did not timely file one Form 3 in 2001 and eight Forms 4 covering a total of (i) eight transactions during 2001, 2002, 2003 and 2004, in which he received stock options and performance awards, (ii) four transactions in 2004 related to option exercises, (iii) one transaction in 2004 related to the acquisition of common shares and (iv) two transactions in 2004 related to the disposition of common shares.

Equity Compensation Plan Information

We have two main incentive plans, our Incentive Plan and our Nonemployee Director Plan, both of which have been approved by our shareholders. The table below provides information regarding our equity compensation plans as of December 31, 2004.

	Number of Common Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by our shareholders	4,070,202	\$ 13.53	985,457
Equity compensation plans not approved by our shareholders(1)			
Total	4,140,332	\$ 13.27	985,457

-
- (1) We have assumed outstanding stock options in connection with certain of our acquisitions. The aggregate number of our common shares to be issued upon exercise of such options on December 31, 2004 was 70,130 shares and the weighted average exercise price of such outstanding options was \$3.39. These shares were granted under plans administered by the companies acquired by us but we did not assume the stock option plans of these acquired companies, and since the closing of the acquisitions, no additional stock options under these plans have been granted, nor are any authorized to be granted under such plans. Because the assumption of these options did not require shareholder approval, we did not obtain such approval.

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SHAREHOLDER RETURN PERFORMANCE PRESENTATION

The following performance graph compares the performance of our common shares to the Standard & Poor's 500 Index and the Standard & Poor's Oil & Gas Equipment and Services Index (which has been selected as our peer group) for the period beginning December 31, 1999 and ending December 31, 2004. The graph assumes that the value of the investment in our common shares and each index was \$100 at December 31, 1999 and that all dividends were reinvested.

**Comparison of Yearly Cumulative Returns
Among Core Laboratories N.V.,
Peer Group Index and the S&P 500 Index**

There can be no assurance that our common share performance will continue into the future with the same or similar trends depicted in the graph above. We will not make or endorse any predictions as to future performance of our common shares.

INFORMATION ABOUT OUR SUPERVISORY DIRECTORS AND DIRECTOR COMPENSATION

Board of Supervisory Directors

Set forth below as of March 15, 2005 are the names, ages and biographical information for our Supervisory Directors, including individuals who have been nominated for reelection as a Supervisory Director:

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Nominees for Class I Supervisory Directors (Term to Expire 2005)

David M. Demshur, 49	Mr. Demshur joined our Company in 1979 and presently serves as our President and Chief Executive Officer and as Chairman of our Supervisory Board. Since joining our Company, Mr. Demshur has held various operating positions, including Manager of Geological Sciences from 1983 to 1987, Vice President of Europe, Africa and the Middle East from 1989 to 1991, Senior Vice President of Petroleum Services from 1991 to 1994 and Chief Executive Officer and President from 1994 to the present time. Mr. Demshur is a member of the Society of Petroleum Engineers, the American Association of Petroleum Geologists, Petroleum Exploration Society of Great Britain and the Society of Core Analysts Section of the Society of Professional Well Loggers Association. Mr. Demshur has served as a Supervisory Director since our initial public offering in 1995 and as Chairman of our Supervisory Board since May 2001.
Rene R. Joyce, 57	Mr. Joyce serves as the chief executive officer of Targa Resources, Inc. and as a member of its board of directors since March 1, 2004. Mr. Joyce served as an independent consultant in the energy industry from 2000 through February 29, 2004. Mr. Joyce served as president of Energy Services of Coral Energy, LLC from its acquisition by Shell Oil Company in 1998 until the end of 1999. From 1980 until 1998, Mr. Joyce served as president of the operating companies of Tejas Gas Corporation, Coral's predecessor and a listed company on the NYSE. Mr. Joyce is a member of the Louisiana State Bar Association and is an independent consultant in the energy industry. Mr. Joyce has served as a Supervisory Director since 2000.
Michael C. Kearney, 56	Mr. Kearney serves as executive vice president and chief financial officer of Tesco Corporation, a Canadian-based oil service company. From August 1998 until March 2004, Mr. Kearney served as the chief financial officer and vice president administration of Hydril Company, a manufacturer of products for petroleum drilling and production. Mr. Kearney has served as a Supervisory Director since 2004.

Continuing Class II Supervisory Directors (Term To Expire 2007)

D. John Ogren, 61	Mr. Ogren, served as the president of Production Operators, Inc. from 1994 until 1999. Production Operators was listed on the Nasdaq Stock Market prior to its acquisition by Camco International in 1997 and Schlumberger's acquisition of Camco International in 1998. From 1989 until 1991, Mr. Ogren served as senior vice president of Conoco Inc. and from 1992 until 1994, as senior vice president of E.I. duPont. Mr. Ogren is currently the non-executive chairman of WellDynamics, a Halliburton/Shell joint venture company, an advisory director of Intrepid Energy (U.K.) Ltd. and a director of John Wood Group PLC. He is a member of the Society of Petroleum Engineers. Mr. Ogren has served as a Supervisory Director since 2000.
Joseph R. Perna, 61	Mr. Perna joined our Company as General Manager in 1985. In 1991, he was promoted to Senior Vice President, with responsibility for certain laboratory services operations and the Technology Products Division, a position he held until his retirement on March 31, 1998. Mr. Perna has served as a Supervisory Director since our initial public offering in 1995.
Jacobus Schouten, 50	Mr. Schouten serves on the board of directors of various privately-held European companies. He has been a managing director of International Mezzanine Capital B.V., a private equity fund, since 1990. Mr. Schouten has served as a Supervisory Director since our initial public

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Continuing Class III Supervisory Directors (Term to Expire 2006)

Richard L. Bergmark, 51	Mr. Bergmark joined Western Atlas International, Inc. as Treasurer in 1987. From 1987 to 1994, our Company was operated as a division of Western Atlas. In 1991, Mr. Bergmark became the Area Manager for Finance and Administration for Europe, Africa and the Middle East operations of Western Geophysical, a division of Western Atlas. From our separation with Western Atlas in 1994 until 1999, he served as our Chief Financial Officer and Treasurer and in 1999 he was appointed Executive Vice President. Mr. Bergmark presently serves as our Executive Vice President, Chief Financial Officer and Treasurer and as a Supervisory Director. Mr. Bergmark has served as a Supervisory Director since our initial public offering in 1995.
Alexander Vriesendorp, 52	Mr. Vriesendorp has been a partner since 1996 of Shamrock Partners B.V. which serves as the manager for the Vreedenlust venture capital funds. From 1998 until 2001, Mr. Vriesendorp served as chief executive officer of RMI Holland B.V., a valve manufacturer, in The Netherlands. From 1991 until 1995, he served as chief executive officer of the Nienhuis Group, a manufacturer and distributor of Montessori materials in The Netherlands. Mr. Vriesendorp serves on the supervisory boards of various privately-held European companies. Mr. Vriesendorp has served as a Supervisory Director since 2000.

Director Compensation

Effective as of January 1, 2005, each Supervisory Director who is not our full-time employee is paid:

an annual retainer of \$30,000, payable semiannually in arrears; or if the Audit Committee chair, an annual retainer of \$45,000, or if the chair of either the Compensation Committee or Nominating and Governance Committee, an annual retainer of \$35,000;

\$1,500 per meeting of the Supervisory Board at which the individual is present in person;

\$1,500 per meeting for each committee meeting at which the individual is present in person; and

reimbursement for all out-of-pocket expenses incurred in attending any Supervisory Board or committee meeting.

Supervisory Directors who are our full-time employees receive no compensation for serving as Supervisory Directors.

Our 1995 Nonemployee Director Stock Option Plan, as amended, which we refer to as the Nonemployee Director Plan, provides for the issuance of up to 700,000 of our common shares to eligible Supervisory Directors. Under the Nonemployee Director Plan, each nonemployee director is generally granted an option to acquire 1,000 common shares on the date such individual first becomes an eligible director. In addition, an option to acquire 10,000 common shares will be granted to each nonemployee Supervisory Director (20,000 common shares if such nonemployee Supervisory Director is the Chairman) each year generally on the first date in the calendar year set by the Supervisory Board for the issuance of stock options to more than ten employees under our 1995 Long-Term Incentive Plan, as amended, which we refer to as the Incentive Plan. Supervisory Directors who are also our employees receive no grants under the Nonemployee Director Plan. Options granted will be exercisable for a period of up to ten years and will vest one year following the date of grant. The exercise price of options granted under the Nonemployee Director Plan will be equal to the market price of our common shares on the date of grant.

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CORPORATE GOVERNANCE

Board Structure

The Company has a two-tier board structure consisting of a Management Board and a Supervisory Board, each of which must consist of at least one member under the Company's articles of association. Under Dutch law, the Supervisory Board's duties include supervising and advising the Management Board in performing their management tasks. The Supervisory Board currently consists of eight Supervisory Directors. The Supervisory Directors are expected to exercise oversight of management with the Company's interests in mind. The Supervisory Board is divided into three classes, with each class subject to re-election every third year by the shareholders at the annual meeting.

The Management Board's sole member is Core Laboratories International B.V. As a Managing Director, Core Laboratories International B.V.'s duties include overseeing the management of the Company, consulting with the Supervisory Board on important matters and submitting certain important decisions to the Supervisory Board for its prior approval.

Supervisory Director Independence

In connection with determining the independence of each Supervisory Director of the Company, the Board inquired as to any transactions and relationships between each Supervisory Director and his or her immediate family and the Company and its subsidiaries, and reviewed and discussed the results of such inquiry. The purpose of this review was to determine whether any such relationships or transactions were material and, therefore, inconsistent with a determination that a Supervisory Director is independent, under the standards set forth by the NYSE and, to the extent consistent therewith, the Dutch Corporate Governance Code (the "Dutch Code"). Under the Dutch Code, the Supervisory Board is to be composed of members who are able to act critically and independently of each other and of the Management Board. As a result of this review, after finding no material transactions or relationships, the board affirmatively determined that all of our nonemployee Supervisory Directors, including the three Supervisory Directors nominated by the Nominating and Governance Committee for reelection, are independent under the applicable standards described above.

Supervisory Board Meetings

The Supervisory Board held four meetings in 2004. Each Supervisory Director attended at least 75% of the meetings of the Supervisory Board and of all committees on which he serves. Under our Corporate Governance Guidelines, Supervisory Directors are expected to diligently fulfill their fiduciary duties to shareholders, including preparing for, attending and participating in meetings of the Supervisory Board and the committees of which the Supervisory Director is a member. We do not require our Supervisory Directors to attend our annual meetings, which are held in The Netherlands. One of our Supervisory Directors attended our 2004 annual meeting.

Our non-employee Supervisory Directors have met separately in executive session without any members of management present. The Chairman of the Nominating and Governance Committee is the presiding Supervisory Director at each such session. If any of our non-employee Supervisory Directors were to fail to meet the applicable criteria for independence, then our independent Supervisory Directors would meet separately at least once a year in accordance with the rules of the NYSE.

Committees of the Supervisory Board

The Supervisory Board has three standing committees, the identities, memberships and functions of which are described below:

Audit Committee. The current members of the Audit Committee of our Supervisory Board are Messrs. Kearney (Chairman), Joyce and Perna. The Audit Committee's principal functions include making recommendations concerning the engagement of the independent accountants, reviewing with the independent accountants the plan and results of the auditing engagement, approving professional services provided by the independent accountants and reviewing the adequacy of our internal accounting controls. Each member of the Audit Committee is independent, as defined by Section 10A of the Exchange Act and by the corporate governance standards set forth by the NYSE and, to the extent consistent therewith, the Dutch Code. Each member of the Audit Committee is financially literate and Mr. Kearney qualifies as an audit committee financial expert under the rules promulgated pursuant to the Exchange Act. The Audit Committee held 4 meetings in 2004. See Report of the Audit Committee below.

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Compensation Committee. The current members of the Compensation Committee of our Supervisory Board are Messrs. Ogren (Chairman), Joyce and Perna. The Compensation Committee's principal functions include a general review of our compensation and benefit plans to ensure that they are properly designed to meet corporate objectives. The Compensation Committee reviews and approves the compensation of our Chief Executive Officer and our senior executive officers, granting of awards under our benefit plans and adopting and changing major compensation policies and practices. In addition to establishing the compensation for the Chief Executive Officer, the Compensation Committee reports its recommendations to the whole Supervisory Board for approval. On February 28, 2003, our Supervisory Board established an Options Subcommittee consisting of Messrs. Ogren (Chairman) and Joyce. The Options Subcommittee's principal function is to review and approve awards made pursuant to our Incentive Plan and Nonemployee Director Plan. The Compensation Committee held two meetings in 2004. The Compensation Committee has met once since the beginning of fiscal 2005 to make recommendations to the Supervisory Board regarding senior executive compensation. See Report of the Compensation Committee on Executive Compensation below.

Nominating and Governance Committee. The current members of the Nominating and Governance Committee are Messrs. Joyce (Chairman), Schouten and Vriesendorp. The Nominating and Governance Committee's principal functions include recommending candidates to the Supervisory Board for election or appointment as Supervisory Director and advising about, and recommending to the Supervisory Board, an appropriate set of corporate governance practices. Each member of the Nominating and Governance Committee is independent as defined by the corporate governance standards of the NYSE. The Nominating and Governance Committee held one meeting in 2004. The Nominating and Governance Committee has met once since the beginning of fiscal 2005 to recommend to the Supervisory Board the nominees for election at the annual meeting. See Report of the Nominating and Governance Committee below.

Compensation Committee Interlocks and Insider Participation

During 2004, no executive officer served as:

a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on our Compensation Committee;

a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as one of our Supervisory Directors; or

a director of another entity, one of whose executive officers served on our Compensation Committee or the board of directors of one of our subsidiaries.

Joseph R. Perna, a member of our Compensation Committee, was an officer of our Company until his retirement on March 1, 1998, more than seven years ago.

Shareholder Communications; Website Access to Our Corporate Documents

Shareholders can contact any Supervisory Director or committee of the Board of Supervisory Directors by writing them at John D. Denson, Secretary, in care of Core Laboratories LP, 6316 Windfern Road, Houston, Texas 77040. Comments or complaints relating to the Company's accounting, internal accounting controls or auditing matters will be referred to members of the Audit Committee.

Our Internet address is www.corelab.com. Our Corporate Governance Guidelines, our Code of Ethics, our Code of Business Conduct and the charters of our Supervisory Board committees are available on our website. We will also furnish copies of such information free of charge upon written request to our Investor Relations department.

We file Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K and Current Reports on Form 8-K with the SEC. These reports are available free of charge through our website as soon as reasonably practicable after they are filed electronically with the SEC. We may from time to time provide important disclosures to investors by posting them in the investor relations section of our website, as allowed by SEC rules. Materials we file with the SEC may also be read and copied at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website at www.sec.gov that contains reports, proxy and information statements, and other information regarding our Company that we file electronically with the SEC.

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Dutch Corporate Governance Code

On December 9, 2003, the Dutch Corporate Governance Committee presented its final corporate governance code, containing principles of good corporate governance and best practice provisions. The Dutch Code emphasizes the principles of integrity, transparency and accountability as the primary means of achieving good corporate governance. The Dutch Code includes certain principles of good corporate governance, supported by best practice provisions. Beginning on or after January 1, 2004, companies listed in the Netherlands are required to disclose in their annual report and accounts how they intend to incorporate the principles of the Dutch Code or, where relevant, to explain why they do not. The Management Board has reviewed the Dutch Code and generally agrees with its fundamental principles. As discussed above, the Company complies with U.S. corporate governance rules and, to the extent consistent therewith, the corporate governance principles of the Dutch Code. The Company intends to continue to monitor the developments in corporate governance and shall take such steps as it considers appropriate to further implement the provisions of the Dutch Code.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS AND EXECUTIVE COMPENSATION

Executive Officers

Currently, our executive officers consist of David M. Demshur, Monty L. Davis, Richard L. Bergmark, and John D. Denson. Biographical information regarding Messrs. Demshur and Bergmark is set forth above. The following biographies describe the business experience of Messrs. Davis and Denson. Our executive officers are not Managing Directors of our Company for purposes of Dutch law.

Monty L. Davis, who is 50 years of age, joined Western Atlas International in 1977, holding various management positions including Atlas Wireline Division Financial Controller for Europe, Africa and the Middle East from 1983 to 1987, Core Laboratories Division Vice President of Finance from 1987 to 1991, and Atlas Wireline Division vice president of finance and administration from 1991 to 1993. In 1993, Mr. Davis left our Company and joined Bovar Inc. of Calgary, Canada, an environmental waste disposal company, as chief financial officer. From 1994 to 1995 he served as chief operating officer and from 1995 to 1998 he served as president and chief executive officer of Bovar Inc. Mr. Davis rejoined our Company as Senior Vice President in 1998, and in 1999 was promoted to Chief Operating Officer, the position he currently holds.

John D. Denson, who is 47 years of age, joined our Company in 1992 and has served as our Vice President, General Counsel and Secretary since 1994. Mr. Denson is a member of the State Bar of Texas.

Summary Compensation Table

The following table summarizes, with respect to our Chief Executive Officer and each of our other executive officers, information relating to the compensation earned for services rendered in all capacities during fiscal years 2002 through 2004.

Annual Compensation(1)	Long-Term Compensation	
	Awards Securities	Payouts

Name and Principal Position	Fiscal Year	Salary	Bonus	Restricted Share Awards(2)	Underlying Options (Number)	LTIP Payouts	All Other Compensation (3)
David M. Demshur <i>President and Chief Executive Officer</i>	2004	\$ 490,639	\$ 330,000	\$ 817,250(4)		\$ 934,000(5)	\$ 32,825
	2003	454,423			140,000		18,177
	2002	447,923		665,886(4)			13,360
Richard L. Bergmark <i>Executive Vice President, Chief Financial Officer and Treasurer</i>	2004	\$ 291,469	\$ 130,000	\$ 467,000(4)		\$ 467,000(5)	\$ 16,859
	2003	269,654			80,000		10,525
	2002	270,805		692,089(4)			13,764
Monty L. Davis <i>Chief Operating Officer and Senior Vice President</i>	2004	\$ 275,039	\$ 100,000	\$ 116,750(4)		\$ 467,000(5)	\$ 15,001
	2003	259,692			80,000		10,388
	2002	260,319		231,713(4)			15,156
John D. Denson <i>Vice President, General Counsel and Secretary</i>	2004	\$ 238,446	\$ 90,000	\$ 350,250(4)		\$ 233,500(5)	\$ 13,138
	2003	216,731			60,000		8,668
	2002	214,160		276,897(4)			14,966

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- (1) During the years ending December 31, 2002, 2003 and 2004, perquisites for each individual named in the table above did not exceed the lesser of \$50,000 or 10% of the total annual salary and bonus reported for such individual. Accordingly, no such amounts are included in the table.
- (2) The aggregate number and year-end value of the restricted shares, if they had been issued, for Messrs. Demshur, Bergmark, Davis and Denson were 202,394 shares (\$4,725,900), 129,259 shares (\$3,018,198), 81,492 shares (\$1,902,838) and 64,708 shares (\$1,510,932), respectively, based on the closing price of our shares on December 31, 2004. These restricted shares include with respect to Messrs. Demshur, Bergmark, Davis and Denson awards in 2004 of 40,000, 20,000, 20,000 and 10,000 performance shares, respectively. Please see Long-Term Incentive Plan Table Awards in 2004.
- (3) Consists of matching contributions and contributions by our Company through our retirement plans and amounts paid under certain insurance plans.
- (4) The dollar value of the restricted share awards includes only the value of restricted shares that are not subject to performance-based criteria. Such restricted shares will generally vest three years from the date of grant assuming continued employment, continued ownership of the underlying common shares upon which the grant was based and certain other conditions. The table excludes the value of performance-based restricted share awards that are subject to performance-based criteria, in addition to lapse of time and/or continued service. If such performance-based restricted shares vest at the end of their three-year vesting period, then the dollar value of such vested shares will be disclosed in the table as a payout of long-term incentive compensation. Please see Long-Term Incentive Plan Table Awards in 2004.
- (5) Messrs. Demshur, Bergmark, Davis and Denson received awards in 2002 of 40,000, 20,000, 20,000 and 10,000 performance shares, respectively, which awards have vested.

2004 Option Exercises and Year-End Value Table

The following table sets forth for our executive officers information regarding options held by them at December 31, 2004.

Name	Shares Acquired on Exercise of Option	Value Realized	Securities Underlying Unexercised Options Held at December 31, 2004		Value of Securities Underlying Unexercised Options Held at December 31, 2004(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
David M. Demshur			400,000	240,000	\$ 1,791,125	\$ 1,488,400
Richard L. Bergmark			271,000	115,000	1,508,250	769,250
Monty L. Davis	23,000	\$ 331,081	225,000	135,000	616,950	842,630
John D. Denson	11,464	124,989	147,000	90,000	645,788	590,700

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- (1) Computed based on the difference between aggregate fair market value and aggregate exercise price. The fair market value of our common shares on December 31, 2004 was based on the average of the high and low sales prices on the NYSE on such date.

No stock options were granted to our named executive officers during 2004.

Long-Term Incentive Plans Awards in 2004

The following table sets forth performance restricted share awards granted in 2004 to our executive officers:

Name	Number of Shares, Units or Other Rights(1)(2)	Performance or Other Period Until Maturation or Payout
David M. Demshur	40,000	(1),(2)
Richard L. Bergmark	20,000	(1),(2)
Monty L. Davis	20,000	(1),(2)
John D. Denson	10,000	(1),(2)

- (1) Includes contingent rights to acquire common shares awarded to Messrs. Demshur (20,000), Bergmark (10,000), Davis (10,000) and Denson (5,000) that (assuming the executive officer's continued employment, death or disability while employed) will vest if our common shares perform at or above the 50th percentile of the common stock of the companies comprising the Philadelphia Oil Service Sector Index (OSX) at the end of the subsequent three-year period. If the our common shares perform at or above the 75th percentile of the companies comprising the index at the end of such period, then all of the performance restricted shares will vest. If our common shares perform between the 50th and 75th percentiles of the companies comprising the index, then an interpolated percentage of between 20% and 100% of the performance restricted shares will vest at the end of the three-year period. If a change in control occurs prior to the last day of the three-year performance period and while the executive officer is employed by us, then all of the performance restricted shares will vest as of the date of the change in control.
- (2) Includes contingent rights to acquire common shares awarded to Messrs. Demshur (20,000), Bergmark (10,000), Davis (10,000) and Denson (5,000) that are subject to a performance goal that is based on a calculated return on equity versus a pre-determined target return on equity of 18%. Pursuant to the agreement, return on equity is calculated by dividing earnings before interest and income tax from continuing operations for the performance period by ending shareholders' equity for the performance period (ROE). Unless there is a change in control, none of these 60,000 shares will be issued if the ROE for Core Laboratories is less than 12% for the three-year performance period. If our ROE for the performance period equals 12%, then 20% of the shares will be issued, and if our ROE for the performance period equals or exceeds 18%, then 100% of the shares will be issued. If our ROE for the performance period is greater than 12% but less than 18%, then the number of shares to be issued would be interpolated based on the terms of the agreement. If a change in control occurs prior to the last day of the performance period and while the executive officer is employed by us, then all of the executive officer's shares will vest as of the date of the change in control.

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Employment and Change of Control Agreements

David M. Demshur Employment Agreement. Mr. Demshur serves as our President and Chief Executive Officer pursuant to an employment agreement that is currently set to expire in 2006. Unless either party gives notice to terminate the agreement, the agreement will automatically renew each year on the anniversary of the effective date for a successive three-year term. Mr. Demshur's employment agreement entitles him to a base salary of \$420,000, subject to increase at the discretion of the Compensation Committee, and the opportunity to earn a yearly bonus of up to 150% of his then current annual base salary dependent upon his reaching certain performance objectives established by the Compensation Committee and described below under Executive Compensation Program Annual Incentive Compensation. The employment agreement provides that Mr. Demshur is entitled to participate in all of our Company's benefit plans and programs and also contains non-compete provisions in the event Mr. Demshur's employment with our Company is terminated.

Mr. Demshur's employment agreement also includes provisions governing the payment of severance benefits if his employment is terminated by him for any reason or by the Company for any reason other than upon his death or disability, for cause or upon a material breach of a material provision of his employment agreement. Any severance benefits shall be made as follows:

the payment of a lump sum amount equal to the sum of:

200% of his base salary as in effect immediately prior to the termination; and

two times 45% of the maximum annual incentive bonus he could have earned pursuant to his employment contract;

the provision of a benefits package for Mr. Demshur and his dependants which includes medical, hospital, dental, disability and life insurance plans and coverage at least as favorable as those provided immediately prior to the termination for as long as Mr. Demshur and his dependents are living;

the payment of a lump sum amount equal to the non-vested employer contributions allocated to his account under our 401(k) Plan that are forfeited as a result of the termination;

the full and immediate vesting of all of his outstanding stock options which options shall remain exercisable for a period of three months following such termination; and

the provision of outplacement services at a cost not to exceed 100% of the his annual base salary as in effect immediately prior to the termination.

If Mr. Demshur's employment is terminated as a result of his death or disability, Mr. Demshur (if living) and his dependents will be entitled to the benefits described under the second and forth bullet points above.

If Mr. Demshur's employment is terminated for any reason within three years following a change in control, as defined in his employment agreement, he will be entitled to the same benefits described above except that (A) the options vested pursuant to the fourth bullet point above shall remain exercisable for a period of one year and (B) the lump sum payment described in the first bullet point above shall be equal to the sum of:

300% of his base salary as in effect immediately prior to the change in control; and

three times the higher of (A) 45% of the maximum annual incentive bonus he could have earned pursuant to his employment contract or (B) the highest annual bonus he received in the three years prior to the change of

control.

Additionally, if any of the payments or benefits described above would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended, then Mr. Demshur will be entitled to receive a gross-up payment equal the amount of excise tax imposed plus all taxes imposed on the gross-up payment.

Richard L. Bergmark Employment Agreement. Mr. Bergmark serves as our Chief Financial Officer and Treasurer pursuant to an employment agreement that is currently set to expire in 2006. Mr. Bergmark's employment agreement entitles him to a base salary of \$236,250, subject to increase at the discretion of the Compensation Committee, and the opportunity to earn a yearly bonus of up to 100% of his then current annual base salary dependent upon his reaching certain performance objectives established by the Compensation Committee. The other terms of Mr. Bergmark's amended and revised employment agreement are substantially identical to those contained in Mr. Demshur's employment agreement described above.

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Monty L. Davis Employment Agreement. Mr. Davis serves as our Chief Operating Officer pursuant to an employment agreement that is currently set to expire in 2006. Mr. Davis' employment agreement entitles him to a base salary of \$231,000, subject to increase at the discretion of the Compensation Committee, and the opportunity to earn a yearly bonus of up to 100% of his then current annual base salary dependent upon his reaching certain performance objectives established by the Compensation Committee. The other terms of Mr. Davis' amended and revised employment agreement are substantially identical to those contained in Mr. Demshur's employment agreement described above.

John D. Denson Employment Agreement. Mr. Denson serves as our General Counsel, Vice President and Secretary pursuant to an employment agreement that is currently set to expire in 2006. Mr. Denson's employment agreement entitles him to a base salary of \$199,500, subject to increase at the discretion of the Compensation Committee, and the opportunity to earn a yearly bonus of up to 75% of his then current annual base salary dependent upon his reaching certain performance objectives established by the Compensation Committee. The other terms of Mr. Denson's amended and revised employment agreement are substantially identical to those contained in Mr. Demshur's employment agreement described above.

Supplemental Executive Retirement Plans

In 1998, we adopted the Core Laboratories Supplemental Executive Retirement Plan, which we refer to as the Group SERP, for the benefit of certain key employees and outside directors. The Group SERP was established to provide additional retirement income to the participants and death benefits to the participants' designated beneficiaries as a reward for the participants' contributions to our success and growth. Richard L. Bergmark, David M. Demshur and Joseph R. Perna participate in the Group SERP. Each participant is entitled to receive a retirement benefit of \$250,000 per year, which begins on the later of participant's retirement date or attaining the age of 65 years and is paid in annual installments until the participant's death. If a participant dies on or after his retirement date and prior to receiving 15 annual installments of his retirement benefit, then the participant's designated beneficiary is entitled to receive \$250,000 each year until such payments have been made for an aggregate of 15 years to both the participant and such designated beneficiary. If the participant dies before his retirement date, the designated beneficiary of the deceased participant is entitled to receive \$225,000 each year for 15 years. Each participant's benefit under the Group SERP is fully vested and fully accrued. Additionally, the participant may make a prior election to receive a lump sum payment upon a change of control of our Company equal to the discounted present value of the retirement benefits that would have been paid upon the participant's retirement. Benefits under the Group SERP may be forfeited only in the event of a participant's termination for cause.

In 1999, we adopted the Core Laboratories Supplemental Executive Retirement Plans for Monty L. Davis and John D. Denson, which we refer to as the Individual SERPs. The terms of the Individual SERPs are similar to that of the Group SERP except that the amount of the retirement benefit is determined using a formula that takes into consideration the participant's compensation, years of employment, and a five year vesting schedule. The following table represents the total estimated annual benefits payable to Messrs. Davis and Denson in fixed annual payments for life, subject to a minimum of 15 annual payments, under the Individual SERPs.

Individual Supplemental Executive Retirement Plan Table

Final Average Compensation	Years of Service				
	10	15	20	25	30
\$200,000	\$ 40,000	\$ 60,000	\$ 80,000	\$ 100,000	\$ 120,000

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\$225,000	\$ 45,000	\$ 67,500	\$ 90,000	\$ 112,500	\$ 135,000
\$250,000	\$ 50,000	\$ 75,000	\$ 100,000	\$ 125,000	\$ 150,000
\$275,000	\$ 55,000	\$ 82,500	\$ 110,000	\$ 137,500	\$ 165,000
\$300,000	\$ 60,000	\$ 90,000	\$ 120,000	\$ 150,000	\$ 180,000
\$325,000	\$ 65,000	\$ 97,500	\$ 130,000	\$ 162,500	\$ 195,000
\$350,000	\$ 70,000	\$ 105,000	\$ 140,000	\$ 175,000	\$ 210,000

Amounts shown as Final Average Compensation in this table represent the average annual covered compensation paid for five consecutive calendar years immediately preceding the year in which the individual's employment terminates. For 2004, covered compensation for Messrs. Davis and Denson in the Summary Compensation Table on page 9 is the same as the total of their salary amounts shown in that table. As of March 1, 2005, Messrs. Davis and

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Denson had 24 years and 13.5 years of credited service with the Company, respectively. The benefits listed in the table are not subject to any deduction for Social Security.

We have purchased insurance coverage on the lives of Messrs. Demshur, Bergmark, Davis, Denson and Perna to assist us in providing benefits under the Group and Individual SERPs. We are the owner and beneficiary of the insurance coverage for which all of the Group SERP premiums are fully paid and the Individual SERP final annual premiums of \$82,191 are due to be paid this year. Based on actuarial calculations (including a 12% earnings rate assumption), we expect that the death benefits paid to us under the insurance policies will be sufficient to cover the costs of the Group and Individual SERPs' benefits and the policy premium payments for these individuals. However, to the extent the death benefits under the policies are insufficient to cover those costs, we are obligated to pay the remainder out of our other general assets to absorb any shortfall.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The Compensation Committee's responsibilities are:

to establish the compensation program for our Chief Executive Officer and our other senior executive officers;

to oversee the administration of the incentive and stock option plans; and

to oversee the development of the compensation program for our Supervisory Directors.

Our Compensation Committee is comprised of Messrs. D. John Ogren, Rene R. Joyce and Joseph R. Perna. The Company has determined that each member of the Compensation Committee is independent under the standards set forth by the NYSE and, to the extent consistent therewith, the Dutch Code.

Executive Compensation Philosophy

The objective of the compensation program for officers and managers is to create strong financial incentives for corporate and division officers and managers to increase profits, revenues and operating efficiency, which we expect to lead to an increase in shareholder value. The following objectives guide the Compensation Committee in its deliberations:

provide a competitive compensation program that enables us to attract and retain key executives and Supervisory Board members;

ensure a strong relationship between our performance results and those of our divisions and the total compensation received by an individual;

balance our annual and longer term performance objectives;

encourage executives to acquire and retain meaningful levels of common shares; and

work closely with our Chief Executive Officer to ensure that the compensation program supports our management style, objectives and culture.

In addition to normal employee benefits, the executive total compensation program includes base salary, annual cash incentive compensation and longer term stock-based grants and awards.

Market Comparisons

Primary market comparisons for executive compensation are made to other oilfield service companies, adjusted for size and job responsibilities. The companies used for market comparisons in the development of the compensation program are broader than those used in the performance graph presented elsewhere in this proxy statement and are used because they are more representative of the market in which we compete for executive talent. Data sources include peer company proxy disclosures, oilfield industry surveys, national survey databases and general trend data provided by consultants.

Variable Incentives

Variable incentives, both annual and longer term, are major components of the program and are used to link pay with performance results appropriate to each executive officer or manager. Variable incentive awards and performance

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objectives are calibrated such that total compensation will approximate the market 50th percentile when our performance plans are achieved and exceed the 50th percentile when our performance plans are exceeded.

Internal Revenue Code Section 162(m)

Internal Revenue Code Section 162(m) imposes a \$1,000,000 limit, with certain exceptions, on the deductibility of compensation paid to each of our five highest paid executive officers. In particular, compensation that is determined to be performance-based is exempt from this limitation. To be performance based, incentive payments must use predetermined objective standards, limit the use of discretion in making awards and be certified by the Compensation Committee made up of outside directors. To date, we have not lost any tax deductions related to the limitations of Section 162(m). The Compensation Committee will continue to monitor these issues and will take appropriate action if it is warranted in the future.

Executive Compensation Program

The following is a discussion of each of the principal components of the executive total compensation program.

Base Salary. The base salary program targets the median of the primary comparison group for corporate and divisional officers and managers. Each executive is reviewed individually on an annual basis. Salary adjustments are based on the individual's experience and background, the individual's performance during the prior year, the general movement of salaries in the marketplace and our financial position. As a result of these factors, an executive's base salary may be above or below the targeted median at any point in time.

Annual Incentive Compensation. We administer an annual incentive plan for our corporate and divisional officers and managers. The goal of the plan is to reward participants based on our performance as a whole, the performance of the division for which they have direct responsibility and their individual contributions to our success. Under the plan, our executives have the opportunity to earn yearly cash bonuses based on such executive's achievement of certain performance objectives. Please see *Employment and Change of Control Agreements* for more information on the annual incentive plan.

For 2004, corporate participants were measured on earnings per share and earnings before interest and taxes, or EBIT, while division participants were also measured on working capital management. In addition, a discretionary component was included as part of the plan so that outstanding effort and dedication could be recognized. The measures were weighted substantially equally.

Deferred Compensation Plan. Core Laboratories LP, one of our principal subsidiaries, has adopted a deferred compensation plan that allows certain officers, including all of our executive officers, to defer a portion of their salary and bonus, as well as the amount of any reductions in their deferrals under the 401(k) Plan, due to certain limitations imposed by the Internal Revenue Code of 1986, as amended. The plan also provides for employer contributions to be made on behalf of participants equal in amount to certain forfeitures of, and/or reductions in, employer contributions that participants could have received under the 401(k) Plan in the absence of certain limitations imposed by the Internal Revenue Code. These employer contributions vest gradually over a period of five years. Discretionary employer contributions may also be made on behalf of participants in the plan and are subject to discretionary vesting schedules determined at the time of such contributions. Vesting in all employer contributions is accelerated upon the

death of the participant or a change in control. Employer contributions under the plan are forfeited upon a participant's termination of employment to the extent they are not vested at that time.

Stock Based Compensation. Stock ownership by corporate and divisional management is encouraged through the use of the Incentive Plan which provides for the award of our common shares and options to buy our common shares. The Compensation Committee and management believe that widespread common share ownership by key employees is an important means of encouraging superior performance and employee retention. Common share option grants or grants of restricted share awards are considered annually based on competitive multiples of base salary. Senior executives typically have a higher multiple and, as a result, have a greater portion of their total compensation linked to our long-term success. In determining the appropriate grant multiples, we target the market median among publicly-held oilfield service companies of similar size. In 2004, each of Messrs. Demshur, Bergmark, Davis and Denson received no stock option grants and received restricted share awards of 35,000, 20,000, 5,000 and 15,000 shares, respectively.

In 2004, certain members of our corporate and divisional management, including our executive officers, participated in a plan that will award performance restricted shares if certain targets are obtained. These performance restricted share awards represent the right to receive our common shares in the future. Assuming the employee's continued employment

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(or death or disability while employed), these awards will vest on December 31, 2005. None of these awards will vest unless our common shares perform better than the common stock of 50% of the companies comprising the Philadelphia Oil Service Sector Index (OSX) at the end of the subsequent three-year period that began on January 1, 2004. If our common shares perform better than 75% of the companies comprising the index at the end of such period, then all of the performance restricted shares will vest. If our common shares perform better than between 50% and 75% of the companies comprising the index, then an interpolated percentage of between 20% and 100% of the performance restricted shares will vest at the end of the three-year period. Upon a change in control of our Company, all of the performance restricted shares will vest.

In 2004, our executive officers were also awarded contingent rights to acquire common shares (Performance Shares) that are subject to a performance goal that is based on a calculated return on equity versus a pre-determined target return on equity of 18%. Pursuant to the agreement, return on equity is calculated by dividing earnings before interest and income tax from continuing operations for the performance period by ending shareholders equity for the performance period (ROE). Unless there is a change in control, none of these 60,000 shares will be issued if the ROE for Core Laboratories is less than 12% for the three-year performance period. If our ROE for the performance period equals 12%, then 20% of the shares will be issued, and if our ROE for the performance period equals or exceeds 18%, then 100% of the shares will be issued. If our ROE for the performance period is greater than 12% but less than 18%, then the number of shares to be issued would be interpolated based on the terms of the agreement. If a change in control of the Company occurs prior to the last day of the performance period and while the executive officer is employed by the Company, then all of the executive officer s Performance Shares will vest as of the date of the change in control. Messrs. Demshur, Bergmark, Davis and Denson received Performance Shares of 20,000, 10,000, 10,000 and 5,000, respectively.

Compensation of the Chief Executive Officer

Our Chief Executive Officer, David M. Demshur, participates in the executive compensation program described above. In establishing the base salary for Mr. Demshur, our Compensation Committee assessed the pay levels for chief executive officers in similar companies in the oilfield service industry and our profit performance. In 2004, Mr. Demshur s base salary was \$454,423. He received no stock options in 2004 and received a restricted share award of 35,000 shares.

In March of 2004, the Supervisory Board approved the charter of the Compensation Committee, which may be found on the Company s website, at <http://www.corelab.com/governance>.

Submitted by the Compensation Committee of the Board of Supervisory Directors.

Compensation Committee
D. John Ogren (Chairman)
Rene R. Joyce
Joseph R. Perna

REPORT OF THE NOMINATING AND GOVERNANCE COMMITTEE

The Nominating and Governance Committee currently consists of Messrs. Joyce, Schouten and Vriesendorp. The Company has determined that each member of the Nominating and Governance Committee is independent under the standards set forth by the NYSE and, to extent consistent therewith, the Dutch Code.

The Nominating and Governance Committee identifies and recommends to the Supervisory Board qualified candidates to serve as nominees for Supervisory Directors. Shareholders seeking to recommend Supervisory Director candidates for consideration by the Nominating and Governance Committee may do so by writing to the Company's Secretary at the address indicated on the cover page of this proxy, giving the recommended candidates' name, biographical data and qualifications. The Nominating and Governance Committee will consider all candidates submitted by shareholders within the time period set forth specified under "Shareholder Proposals" below.

Qualifications of Supervisory Directors. When identifying Supervisory Director nominees, the Nominating and Governance Committee may consider, among other factors: the person's reputation, integrity and independence (under applicable SEC, NYSE and Dutch Code standards); the person's skills and business, government or other professional acumen, bearing in mind the composition of the Board of Supervisory Directors and the current state of

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Core Laboratories and the industry generally at the time of determination; and the number of other public companies for which the person serves as director and the availability of the person's time and commitment to Core Laboratories. In the case of current Supervisory Directors being considered for renomination, the Nominating and Corporate Governance Committee will also take into account the Supervisory Director's tenure as a member of our Board of Supervisory Directors; the Supervisory Director's history of attendance at meetings of the Board of Supervisory Directors and committees thereof; and the Supervisory Director's preparation for and participation in such meetings.

Supervisory Director Nomination Process.

The Nominating and Governance Committee, the Chairman of the Supervisory Board, the Chief Executive Officer, or a Supervisory Director identifies a need to add a new board member that meets specific criteria or to fill a vacancy on the board. The Nominating and Governance Committee also reviews the candidacy of existing members of the Supervisory Board whose terms are expiring and who may be eligible for reelection to the Supervisory Board. The Nominating and Governance Committee also considers recommendations for nominees for directorships submitted by shareholders as provided below.

If a new board member is to be considered, the Nominating and Governance Committee initiates a search by seeking input from other Supervisory Directors and senior management, and hiring a search firm, if necessary. An initial slate of candidates that will satisfy specific criteria and otherwise qualify for membership on the Supervisory Board are identified by and/or presented to the Nominating and Governance Committee, which ranks the candidates. Members of the Nominating and Governance Committee review the qualifications of prospective candidate(s), and the Chairman of the Supervisory Board, the Chief Executive Officer, and all other Supervisory Board members have the opportunity to review the qualifications of prospective candidate(s).

The Nominating and Governance Committee recommends to the Supervisory Board the nominee(s) from among the candidate(s), including existing members of the Supervisory Board whose terms are expiring and who may be eligible for reelection to the Supervisory Board, and new candidates, if any, identified as described above.

The nominee(s) are nominated by the Supervisory Board.

In March of 2004, the Supervisory Board approved the Company's Nominating and Governance Committee Charter, which may be found on the Company's website, at <http://www.corelab.com/governance>.

Submitted by the Nominating and Governance Committee of the Board of Supervisory Directors.

Nominating and Governance Committee
Rene R. Joyce (Chairman)
Jacobus Schouten
Alexander Vriesendorp

REPORT OF THE AUDIT COMMITTEE

The Audit Committee currently consists of Messrs. Kearney, Perna, and Joyce. The Company has determined that: (1) each member of the Audit Committee is independent, as defined in Section 10A of the Exchange Act and under the standards set forth by the NYSE and, to extent consistent therewith, the Dutch Code; and (2) all current Audit Committee members are financially literate. In addition, Mr. Kearney qualifies as an audit committee financial expert

under the applicable rules promulgated pursuant to the Exchange Act and as defined in the Dutch Code.

During the last fiscal year, and earlier this year in preparation for the filing with the SEC of the Company's Annual Report on Form 10-K for the year ended December 31, 2004, the Audit Committee:

reviewed and discussed the Company's audited financial statements as of and for the year ended December 31, 2004 with management and with the independent auditors;

considered the adequacy of the Company's internal controls and the quality of its financial reporting, and discussed these matters with management, with the internal auditors and with the independent auditors;

reviewed and discussed with the independent auditors (1) their judgments as to the quality of the Company's accounting policies, (2) the written disclosures and the letter from the independent auditors required by

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Independence Standard No. 1, Independence Discussions with Audit Committees, as amended, by the Independence Standards Board, and the independent auditors' independence, and (3) the matters required to be discussed by Statements on Auditing Standards No. 61, Communication with Audit Committees, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants;

discussed with management, with the internal auditors and with the independent auditors the process by which the Company's chief executive officer and chief financial officer make the certifications required by the SEC in connection with the filing with the SEC of the Company's periodic reports, including reports on Forms 10-K and 10-Q;

pre-approved all auditing services and non-audit services to be performed for the Company by the independent auditors as required by the applicable rules promulgated pursuant to the Exchange Act, considered whether the rendering of non-audit services was compatible with maintaining PricewaterhouseCoopers LLP's independence, and concluded that PricewaterhouseCoopers LLP's independence was not compromised by the provision of such services (details regarding the fees paid to PricewaterhouseCoopers LLP in fiscal 2004 for audit services, audit-related services, tax services and all other services, are set forth at Audit Fee Summary below); and

based on the reviews and discussions referred to above, recommended to the Supervisory Board that the financial statements referred to above be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2004.

As recommended by the NYSE's corporate governance rules, the Audit Committee also considered whether, to assure continuing auditor independence, it would be advisable to regularly rotate the audit firm itself. The Audit Committee has concluded that the current benefits to the Company from continued retention of PricewaterhouseCoopers LLP warrant retaining the firm at this time. The Committee will, however, continue to review this issue on an annual basis.

In March of 2004, the Supervisory Board approved amendments to the Audit Committee's written charter, a copy of which may be found on the Company's website, at <http://www.corelab.com/governance>.

Notwithstanding the foregoing actions and the responsibilities set forth in the Audit Committee's charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles. Management is responsible for the Company's financial reporting process including its system of internal controls, and for the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States. The independent auditors are responsible for expressing an opinion on those financial statements. Committee members are not employees of the Company or accountants or auditors by profession. Therefore, the Committee has relied, without independent verification, on management's representation that the financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and on the representations of the independent auditors included in their report on the Company's financial statements.

The Committee meets regularly with management and the independent and internal auditors, including private discussions with the independent auditors and the Company's internal auditors and receives the communications described above. The Committee has also established procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (b) the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters. However, this oversight does not provide us with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and

regulations. Furthermore, our considerations and discussions with management and the independent auditors do not assure that the Company's financial statements are presented in accordance with generally accepted accounting principles or that the audit of the Company's financial statements has been carried out in accordance with generally accepted auditing standards.

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Submitted by the Audit Committee of the Board of Supervisory Directors.

Audit Committee

Michael C. Kearney (Chairman)

Rene R. Joyce

Joseph R. Perna

INFORMATION ABOUT OUR INDEPENDENT PUBLIC ACCOUNTANTS

Audit Fee Summary

Set forth below is a summary of the total fees paid to our independent public accountants, PricewaterhouseCoopers LLP, for fiscal 2003 and 2004. These fees consisted of:

	2004	2003
Audit Fees	\$ 2,453,238	\$ 1,382,525
Audit Related Fees	107,793	80,550
Tax Fees	0	0
All Other Fees	36,515	146,930
Total	\$ 2,597,546	\$ 1,610,005

Audit Fees. Audit fees consist primarily of the audit and quarterly reviews of the consolidated financial statements, assistance with and review of documents filed with the SEC, work performed by tax professionals in connection with the audit and quarterly reviews, and the audit of internal controls in order to comply with the Sarbanes-Oxley Act of 2002.

Audit-Related Fees. Audit-related fees consist primarily of statutory audits of subsidiaries required by governmental or regulatory bodies and attestation services required by statute or regulation; audit of a benefit plan; and certain agreed-upon procedures including accounting and research work necessary to comply with generally accepted auditing standards.

Tax Fees. Tax fees include professional services provided for preparation of federal and state tax returns, review of tax returns prepared by the Company, assistance in assembling data to respond to governmental reviews of past tax filings, and tax advice, exclusive of tax services rendered in connection with the audit.

All Other Fees. Other fees consist primarily of comfort letters, consents, research and consulting, and work performed related to other SEC filings.

MATTERS TO BE VOTED ON

Item 1. Election of Supervisory Directors

Our articles of association provide for one or more Supervisory Directors. Our Supervisory Board currently has eight members who are divided into three classes of Supervisory Directors. Each class is elected for a term of three years such that the term of one class of Supervisory Director expires at the annual meeting each year. At this year's annual meeting we will be electing three Class I Supervisory Directors. The Supervisory Board is proposing the election of Messrs. David Demshur, Rene R. Joyce and Michael Kearney as a Class I Supervisory Directors for a term expiring at the annual meeting in 2008. All of the Class I nominees for Supervisory Director are presently members of the Supervisory Board. Please see Information About Our Supervisory Directors and Director Compensation Board of Supervisory Directors for biographical information of our Supervisory Directors.

Candidates for Supervisory Director are recommended by the Nominating and Governance Committee to our Supervisory Board. Our Supervisory Board then nominates selected candidates, who are elected at the annual meeting by the affirmative vote of a majority of the votes cast at the meeting. Our shareholders may override the proposal of the Supervisory Board by a vote of two-thirds of the votes cast at the meeting if more than one-half of the outstanding share capital is present or represented. Under Dutch law and our articles of association, common shares abstaining from voting and broker non-votes will not count as votes cast at the annual meeting but will count for the purpose of determining the number of shares represented at the meeting.

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Unless otherwise instructed or unless authority to vote is withheld, the enclosed proxy will be voted for the election of the nominees listed above. If at the time of, or prior to, the annual meeting any of the nominees should be unable or decline to serve, the discretionary authority provided in the proxy may be used to vote for a substitute or substitutes designated by our Supervisory Board. The Supervisory Board has no reason to believe that any substitute nominees will be required. No proxy will be voted for a greater number of persons than the number of nominees named herein. Shareholders may not cumulate their votes in the election of Supervisory Directors.

The Supervisory Board recommends that shareholders vote FOR the nominees for Supervisory Director as set forth above, and proxies executed and returned will be so voted unless contrary instructions are indicated thereon.

Item 2. Confirmation and Adoption of Annual Accounts and Director Discharge from Liability

At the annual meeting, our shareholders will be asked to confirm and adopt our Dutch Statutory Annual Accounts for the fiscal year ending December 31, 2004, as required under Dutch law and our articles of association. In accordance with Article 408, Book 2 of the Dutch Civil Code, the Annual Accounts are our annual accounts and our participation and do not represent the consolidated accounts of our Company and subsidiaries as presented in our Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ending December 31, 2004.

In addition, in connection with the confirmation and adoption of our Dutch Statutory Annual Accounts and as permitted under Dutch law and our articles of association, our shareholders will be asked to discharge our supervisory directors and managing directors from any liability relating to the performance of their duties in connection with the review of our Dutch Statutory Annual Accounts for the year ending December 31, 2004. This request is made pursuant to Dutch law and is commonly made by many Dutch companies.

The affirmative vote of the majority of the votes cast at the annual meeting is required to confirm and adopt the Annual Accounts and discharge our directors from liability. Under Dutch law and our articles of association, common shares abstaining from voting and broker non-votes will not count as votes cast at the annual meeting.

The Supervisory Board recommends that shareholders vote FOR the confirmation and adoption of the Annual Accounts and the discharge of the managing directors and supervisory directors, and proxies executed and returned will be so voted unless contrary instructions are indicated thereon.

Item 3. Cancellation of Repurchased Shares

At the annual meeting, our shareholders will be asked to resolve to cancel all of the treasury shares we have repurchased up to the date of our annual meeting, which amount may not exceed 2,803,879 of our common shares or 10% of our issued share capital. According to the Dutch Civil Code, we can only hold 10% of our issued share capital at one time. This restriction is not typical for a company domiciled in the United States but is imposed on us as a result of our being organized under the laws of The Netherlands. As of December 31, 2004, we held approximately 1,836,941 of our common shares as treasury shares. If our shareholders do not resolve to cancel the above described shares, we would only be able to repurchase on the open market an additional 937,494 common shares under our Share Repurchase Program on the open market. Management believes it is in the best interest of our shareholders for the Supervisory Board and management to have the flexibility to purchase additional common shares in the open market should market conditions warrant. Upon the affirmative vote of our shareholders, the shares will be cancelled in the manner described in Article 2:99(2) and 2:100 of the Dutch Civil Code.

The affirmative vote of the majority of the votes cast at the annual meeting is required to cancel our repurchased shares if more than one-half of our issued share capital is represented at the annual meeting. If less than one-half of our issued share capital is represented at the annual meeting, then the affirmative vote of two-thirds of the votes cast at the annual meeting is required to approve the cancellation of our repurchased shares. Under Dutch law and our articles of association, common shares abstaining from voting and broker non-votes will not count as votes cast at the annual meeting.

The Supervisory Board recommends that shareholders vote FOR the cancellation of our repurchased shares, and proxies executed and returned will be so voted unless contrary instructions are indicated thereon.

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Item 4. Extension of Authority of Management Board Until October 15, 2006 To Repurchase Shares

Under Dutch law and our articles of association, and subject to certain Dutch statutory provisions, we may repurchase up to 10% of our issued share capital in open market purchases at any price that does not exceed \$200.00 per share or its equivalent in other currencies. This \$200.00 limit is an arbitrary number used to satisfy Dutch statutory provisions and our articles of association and is not reflective of the price that would actually be paid in any such repurchase unless the market price of our common shares approximated such amount on the date of repurchase. Any such purchases are subject to the approval of the Supervisory Board and the authorization of our shareholders at the annual meeting, which authorization must be renewed every 18 months. In connection with our initial public offering in September 1995, our shareholders authorized our Management Board to make such repurchases for a period of 18 months. At each annual meeting subsequent to 1995, our shareholders have renewed that authorization such that the current period is set to expire on December 1, 2005. In 2004, we repurchased approximately 2,378,500 of our common shares for an aggregate purchase price of approximately \$51.3 million. In 2005 through February 25, we have repurchased approximately 259,000 of our common shares for an aggregate purchase price of approximately \$6.1 million. We believe that it is in the best interest of our Company and shareholders to have the flexibility to repurchase shares in the future if the Supervisory Board deems it advisable to do so. **This authority is similar to that generally afforded under state law to public companies domiciled in the United States.**

At the annual meeting, our shareholders will be asked to approve a further extension of this authority for an additional 18-month period from the date of the annual meeting until October 15, 2006.

The affirmative vote of the majority of the votes cast at the annual meeting is required to extend the authorization of the Management Board to repurchase up to 10% of our issued share capital for an additional 18-month period from the date of the annual meeting. Under Dutch law and our articles of association, common shares abstaining from voting and broker non-votes will not count as votes cast at the annual meeting.

The Supervisory Board recommends that shareholders vote FOR the extension of the authority of the Management Board to repurchase up to 10% of our issued share capital until October 15, 2006 at a price not to exceed \$200.00 per share, and proxies executed and returned will be so voted unless contrary instructions are indicated thereon.

Item 5. Extension of Authority of Supervisory Board To Issue Shares of Core Laboratories N.V. Until April 15, 2010

Our authorized share capital consists of 100 million common shares and 3 million preference shares, each share with a par value of EUR 0.01. Under Dutch law and our articles of association, the Supervisory Board has the power to issue shares of our authorized share capital as long as the Supervisory Board has been designated and authorized by the shareholders to do so at the annual meeting. An authorization of the Supervisory Board to issue shares may be effective for a period of up to five years and may be renewed on an annual rolling basis. In connection with our initial public offering in September 1995, our shareholders authorized the Supervisory Board to issue shares and/or rights with respect to our shares for a five-year period. At each annual meeting subsequent to 1995, our shareholders have extended the period such that the current period is set to expire on June 1, 2009.

At the annual meeting, our shareholders will be asked to approve a further extension of this authority for a five-year period from the date of the annual meeting until April 15, 2010. **This authority to issue shares is similar to that generally afforded under state law to public companies domiciled in the United States.** Management believes that retaining the flexibility to issue shares for acquisition, financing or other business purposes in a timely manner without first obtaining specific shareholder approval is important to our continued growth. Furthermore, our

common shares are listed on the NYSE and, accordingly, the issuance of additional shares will remain subject to the rules of the NYSE. In particular, the NYSE requires shareholder approval for the issuance of shares of common stock in excess of twenty percent of the shares outstanding except for public offerings for cash or bona fide private offerings at a price greater than both the book and market value of a company's common stock. The authority of the Supervisory Board to issue shares as described in this proxy statement does not include the power to increase the total number of authorized shares of Core Laboratories N.V.

The affirmative vote of the majority of the votes cast at the annual meeting is required to extend the authority of the Supervisory Board to issue shares and/or to grant rights (including options to purchase) with respect to our common and/or preference shares for a five-year period from the date of the annual meeting. Under Dutch law and our articles of

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association, common shares abstaining from voting and broker non-votes will not count as votes cast at the annual meeting.

The Supervisory Board recommends that shareholders vote FOR the extension of the authority of the Supervisory Board to issue shares and/or to grant rights (including options to purchase) with respect to our common and/or preference shares until April 15, 2010, and proxies executed and returned will be so voted unless contrary instructions are indicated thereon.

Item 6. Extension of Authority of Supervisory Board To Limit or Eliminate Preemptive Rights Until April 15, 2010

Holders of our common shares (other than our employees and employees of our subsidiaries who are issued common shares pursuant to the exercise of options granted under the Incentive Plan and the Nonemployee Director Plan) have a pro rata preemptive right of subscription to any of our common shares issued for cash unless such right is limited or eliminated by our Supervisory Board. Holders of our common shares have no pro rata preemptive subscription right with respect to any common shares issued for consideration other than cash. If designated and authorized by our shareholders at the annual meeting, the Supervisory Board has the power to limit or eliminate such rights. Such an authorization may be effective for up to five years and may be renewed for successive five-year periods. In connection with our initial public offering in September 1995, our shareholders authorized the Supervisory Board to limit or eliminate the preemptive rights of holders of our common shares for a five-year period. At each annual meeting subsequent to 1995, our shareholders have extended this period such that the current period is set to expire on June 1, 2009.

At the annual meeting, our shareholders will be asked to approve a further extension of this authority for a five-year period from the date of the annual meeting until April 15, 2010 to limit or eliminate preemptive rights. **Preemptive rights are uncommon for public companies domiciled in the United States.** Management believes that if the Supervisory Board is not granted the authority to limit preemptive rights, the ability of our Company to engage in equity financing transactions would be significantly affected. Any limits or waivers of preemptive rights would apply equally to all holders of our common shares. Furthermore, as long as our common shares remain listed on the NYSE, any issuance of common shares will remain subject to the rules of the NYSE, including limitations on our ability to issue shares without shareholder approval. See Item 5 above for a discussion of the NYSE rules regarding stock issuances.

The affirmative vote of the majority of the votes cast at the annual meeting is required to extend the authority of the Supervisory Board to limit or eliminate the preemptive rights of holders of our common shares for a five-year period from the date of the annual meeting. Under Dutch law and our articles of association, common shares abstaining from voting and broker non-votes will not count as votes cast at the annual meeting.

The Supervisory Board recommends that shareholders vote FOR the extension of the authority of the Supervisory Board to limit or eliminate preemptive rights of holders of our common shares until April 15, 2010, and proxies executed and returned will be so voted unless contrary instructions are indicated thereon.

Item 7. Ratification of Appointment of PricewaterhouseCoopers LLP As Independent Public Accountants of the Company For 2005

The Supervisory Board has appointed the firm of PricewaterhouseCoopers LLP as our independent public accountants for the year ending December 31, 2005 subject to ratification by our shareholders.

PricewaterhouseCoopers LLP has acted as our independent public accountants since April 2002. We have invited representatives of PricewaterhouseCoopers LLP to the annual meeting and we expect one such representative to attend. If such representative should attend we expect that he or she will be available to respond to questions.

The affirmative vote of the majority of the votes cast at the annual meeting is required to ratify the appointment of PricewaterhouseCoopers LLP as our independent public accountants for 2005. Under Dutch law and our articles of association, common shares abstaining from voting and broker non-votes will not count as votes cast at the annual meeting.

In the event the appointment is not ratified, our Supervisory Board will consider the appointment of other independent accountants. Our Supervisory Board may terminate the appointment of PricewaterhouseCoopers LLP as our independent accountants without the approval of our shareholders whenever our Supervisory Board deems such termination necessary or appropriate.

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The Supervisory Board recommends that the shareholders vote FOR the ratification of PricewaterhouseCoopers LLP's appointment as our independent public accountants for 2005 and proxies executed and returned will be so voted unless contrary instructions are indicated thereon.

Item 8. Other Matters To Be Voted On

The Supervisory Board does not know of any other matters that are to be presented for action at the annual meeting. However, if any other matters properly come before the annual meeting or any adjournment thereof, it is intended that the enclosed proxy will be voted in accordance with the judgment of the persons voting the proxy.

OTHER PROXY MATTERS

Information About Our 2006 Annual Meeting

Any shareholder who desires to submit a proposal for inclusion in the proxy material for presentation at the 2006 annual meeting of shareholders must forward such proposal to our Secretary at the address indicated on the cover page of this proxy statement, so that the Secretary receives it no later than November 1, 2005. Any notice of a proposal to be considered at the 2006 annual meeting should also be submitted to our Secretary. Any such notice will be considered untimely if not received by the Secretary on or before January 19, 2006.

Incorporation by Reference

The information contained in this proxy statement in the sections entitled Shareholder Return Performance Presentation, Report of the Compensation Committee and Report of the Audit Committee shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filings with the Securities and Exchange Commission, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

Other Information

A copy of our Annual Report on Form 10-K for the year ended December 31, 2004, including the financial statements, schedules and exhibits thereto, may be obtained without charge by written request to John D. Denson, Secretary, in care of Core Laboratories LP, 6316 Windfern Road, Houston, Texas 77040.

By Order of the Board of Supervisory Directors,

Jacobus Schouten
Supervisory Director

Amsterdam, The Netherlands
March 15, 2005

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CORE LABORATORIES N.V.

This Proxy is being solicited on behalf of the Board of Supervisory Directors of Core Laboratories N.V. for the Annual Meeting of Shareholders to be held on Friday, April 15, 2005.

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The undersigned hereby constitutes and appoints Jacobus Schouten and John D. Denson, and each or either of them, his true and lawful attorneys and proxies with full power of substitution, for and in the name, place and stead of the undersigned, to attend the Annual Meeting of Shareholders of Core Laboratories N.V. to be held at the law offices of Nauta Dutilh N.V., Strawinskylaan 1999, 1077 XV, Amsterdam, The Netherlands, on Friday, April 15, 2005 at 2:00 p.m., local time, and any adjournment(s) thereof, with all powers the undersigned would possess if personally present and to vote thereof, as provided on the reverse side of this card, the number of shares the undersigned would be entitled to vote if personally present. In accordance with their discretion, said attorneys and proxies are authorized to vote upon such other matters and issues as may properly come before the meeting or any adjournment thereof.

THIS PROXY IS BEING SOLICITED ON BEHALF OF THE BOARD OF SUPERVISORY DIRECTORS. THIS PROXY WILL BE VOTED AS DIRECTED. IN THE ABSENCE OF DIRECTION, THIS PROXY WILL BE VOTED FOR THE THREE NOMINEES FOR SUPERVISORY DIRECTOR AND FOR PROPOSALS 2, 3, 4, 5, 6 AND 7.

(To be signed and continued on the reverse side.)

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Please mark your
vote as in this
x example.

	FOR	WITHHELD	Supervisory Directors recommend a vote for the election of the following Supervisory Directors:
1. Election of Supervisory Directors.			Nominees:
	<input type="radio"/>	<input type="radio"/>	David M. Demshur Rene R. Joyce Michael C. Kearney

For, except vote withheld from the following nominee:

	FOR	AGAINST	ABSTAIN
2. Confirmation and adoption of Annual Accounts and discharge of directors.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	FOR	AGAINST	ABSTAIN
3. Approval of cancellation of our repurchased shares.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	FOR	AGAINST	ABSTAIN
4. Approval of extension of authority of Management Board to repurchase up to 10% of the issued share capital of the Company until October 15, 2006.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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	FOR	AGAINST	ABSTAIN
5. Approval of extension of authority of Supervisory Board to issue shares and/or to grant rights (including options to purchase) with respect to our common and/or preference shares until April 15, 2010.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Approval of extension of authority of Supervisory Board to limit or eliminate preemptive rights of holders of common shares until April 15, 2010.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Ratification of appointment of PricewaterhouseCoopers LLP as the Company's independent public accountants for the year ended December 31, 2005.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

NOTE: Such other business as may properly come before the meeting or any adjournment thereof shall be voted in accordance with the discretion of the attorneys and proxies appointed hereby.

SIGNATURE: _____

DATE: _____

SIGNATURE: _____

DATE: _____

NOTE: Please sign exactly as name appears thereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.