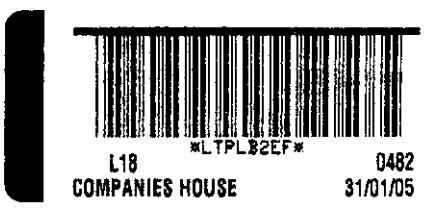
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Exploration and Production Services (Holdings) Limited
Annual report
for the year ended 31 March 2004



Exploration and Production Services (Holdings) Limited

Annual report
for the year ended 31 March 2004

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Directors' report for the year ended 31 March 2004

The directors present their report and the audited financial statements of the company for the year ended 31 March 2004.

Principal activity and business review

The principal activity of the company continues to be that of a holding company. The main activities of the company's subsidiary undertakings are the provision of specialised exploration and production services to the international oil and gas industry. Fluctuations in the price of crude oil affected industry trading conditions over the year. The directors are satisfied with the performance of the subsidiaries during this period and consider them to be well placed to exploit opportunities by expanding their existing product lines and introducing new products.

Results and dividends

The company's profit for the financial year was £16,497,000 (2003: £9,084,000). An interim dividend of £2,500,000 was paid in the year (2003: £nil) and the directors recommend the payment of a final dividend of £14,000,000 (2003: £8,000,000).

Directors and their interests

The directors who served during the year were as follows:

C P Ainger	
G F Coutts	(appointed 30 September 2003)
J H Dawson	(resigned 30 September 2003)

The directors have no interests in the shares of the company required to be disclosed under Schedule 7 of the Companies Act 1985. The directors who held office at 31 March 2004 were also directors of Expro International Group PLC, the ultimate parent undertaking, and their interests in the shares of group companies are disclosed in the accounts of that company.

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. The directors also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2004 and that applicable accounting standards have been followed.

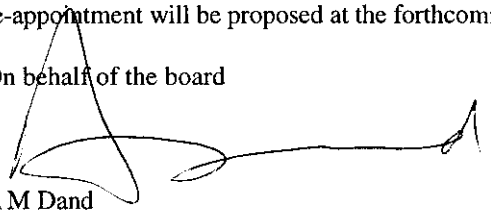
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. The directors are also responsible for the system of internal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

Directors' report for the year ended 31 March 2004 (continued)

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

On behalf of the board



A M Dand
Secretary

27th January 2005

Reading Bridge House
Reading
Berkshire
RG1 8PL

Independent auditors' report to the members of Exploration and Production Services (Holdings) Limited

We have audited the financial statements of Exploration and Production Services (Holdings) Limited for the year ended 31 March 2004 which comprise the profit and loss account, statement of recognised gains and losses, the balance sheet and the related notes numbered 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte and Touche LLP
Chartered Accountants and Registered Auditors
Reading

31 January 2005

Profit and loss account for the year ended 31 March 2004

	Note	2004 £'000	2003 £'000
Administrative expenses		**(1,141)**	-
Income from shares in group undertakings		**18,500**	11,000
Profit on ordinary activities before finance charges	3	**17,359**	11,000
Net finance charges	5	**(849)**	(1,916)
Profit on ordinary activities before taxation		**16,510**	9,084
Tax on profit on ordinary activities	6	**(4)**	-
Profit on ordinary activities after tax		**16,506**	9,084
Dividends	7	**(16,500)**	(8,000)
Retained profit for the year		**6**	1,084

All results above are derived from continuing operations and there are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Statement of total recognised gains and losses for the year ended 31 March 2004

	2004 £'000	2003 £'000
Profit for the financial year	**6**	1,084
Gain on foreign currency translation	**25**	-
Gain on overseas borrowings	**2,373**	-
Total recognised gains and losses relating to the year	**2,404**	1,084

The accompanying accounting policies and notes are an integral part of this profit and loss account and statement of total recognised gains and losses.

Balance sheet as at 31 March 2004

	Note	2004 £'000		2003 £'000	
Fixed assets					
Investments	8	**34,309**		32,565	
Investments in joint ventures	8	**2,452**		1,360	
			36,761		33,925
Current assets					
Debtors	9	**43,667**		38,103	
Cash at bank and in hand		**9,445**		5,063	
			53,112		43,166
Creditors – Amounts falling due within one year	10		**(52,200)**		(35,277)
Net current assets			**912**		7,889
Creditors – Amounts falling due after more than one year	11		**(27,519)**		(34,064)
Net assets			**10,154**		7,750
Capital and reserves					
Called-up share capital	12		**800**		800
Share premium account	13		**2,222**		2,222
Capital redemption reserve	13		**2,500**		2,500
Profit and loss account	13		**4,632**		2,228
Equity shareholders' funds	14		**10,154**		7,750

The accompanying accounting policies and notes are an integral part of this balance sheet.

The financial statements on pages 4 to 12 were approved by the board of directors on 27th January 2005 and were signed on its behalf by:



C P Ainger
Director

Notes to the financial statements for the year ended 31 March 2004

1 Principal accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the year and the preceding year, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Consolidated accounts

The company's ultimate parent undertaking, Expro International Group PLC, prepares consolidated accounts. The company has therefore taken advantage of the exemption from the obligation to prepare and deliver group accounts. Accordingly the financial statements present information about the company as an individual undertaking and not about its group.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Foreign currency

Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The taxation liabilities of the company are reduced wholly or in part by the surrender of tax losses to fellow group undertakings. Deferred taxation is accounted for in accordance with FRS 19 'Deferred Tax' on a non-discounted basis. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Notes to the financial statements (continued)

2 Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Expro International Group PLC and is included in the consolidated financial statements of Expro International Group PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Expro International Group PLC group or investees of the Expro International Group PLC group.

3 Profit on ordinary activities before taxation

The audit fees for the year and the preceding year have been borne by the company's ultimate parent undertaking. Other than the directors there were no employees of the company in either the current or previous financial years.

4 Directors' emoluments

The directors received the following remuneration paid by Expro International Group PLC in respect of their services to group companies:

	Year ended 31 March 2004				2003
	Fees & other remuneration £'000	**Bonus £'000**	**Benefits in kind £'000**	**Aggregate emoluments £'000**	Aggregate emoluments £'000
C P Ainger	**148**	**20**	**10**	**178**	138
G F Coutts	**281**	**-**	**1**	**282**	217
J H Dawson	**175**	**-**	**9**	**184**	337
	604	**20**	**20**	**644**	692

The directors do not believe it is appropriate to allocate their remuneration in respect of services provided to Exploration and Production Services (Holdings) Limited.

Notes to the financial statements (continued)

5 Net finance charges

	2004	2003
	£'000	£'000
Interest payable on bank loans and overdrafts	(1,402)	(2,116)
Group interest receivable	123	123
Other interest receivable	430	77
	(849)	(1,916)

6 Tax on profit on ordinary activities

The effective tax rate for the year differs from the standard UK rate of 30% as follows:

	2004	2003
	£'000	£'000
Profit on ordinary activities before tax	16,510	9,084
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	4,953	2,725
Effects of:		
Losses surrendered to fellow subsidiaries	601	575
Non-taxable UK source dividends	(2,250)	(1,200)
Foreign tax creditable against foreign dividends	(3,300)	(2,100)
	4	-

There is no unprovided deferred tax (2003: £nil).

7 Dividends

	2004	2003
	£'000	£'000
Interim dividend paid £3.13 (2003: £nil) per ordinary share	2,500	-
Final dividend paid £17.50 (2003: £10.00) per ordinary share	14,000	8,000
	16,500	8,000

Notes to the financial statements (continued)

8 Investments

	Subsidiary undertakings £'000	Joint ventures £'000	Total £'000
At 1 April 2003	32,565	1,360	33,925
Additions	1,744	1,092	2,836
At 31 March 2004	**34,309**	**2,452**	**36,761**

Principal investments which are held either directly or through an intermediate holding company are;

		Proportion of ordinary shares held by;	
Subsidiary undertakings	**Country of Incorporation**	**Company**	**Subsidiaries**
Expro North Sea Limited	England and Wales	100%	
Exploration and Production Services (North Sea) Limited	England and Wales	100%	
Expro Group Integrated Services Limited	England and Wales	100%	
Expro Overseas Limited	England and Wales	100%	
Ecodrill Ventures Limited	Scotland	100%	
Tronic Limited	England and Wales		100%
Expro Group Canada Inc.	Canada		100%
Expro International Limited	Guernsey	100%	
Expro Gulf Limited	Cyprus		100%
Expro (B) Sdn. Bhd.	Brunei		60%
Exprotech (Malaysia) Sdn. Bhd.	Malaysia	49%	
Exprotech (Singapore) Pte Limited	Singapore	100%	
Expro Overseas Inc.	Panama		100%
Expro Overseas Limited	Cyprus		100%
Expro Americas Inc	USA		100%
EGIS Australia Pty Limited	Australia		100%
Expro Group Australia Pty Limited	Australia		100%
Expro International B.V.	Netherlands	100%	
P T Expro Indonesia	Indonesia	100%	
Ecodrill Nigeria Limited	Nigeria		60%
Expro Americas Holdings	USA		100%
Expro International Services B.V.	Netherlands		100%
Surface Production Systems Inc.	USA		100%
Expro Oil and Gas Service Company (Tianjin) Limited	China		100%

Notes to the financial statements (continued)

8 Investments (continued)

Joint ventures	Country of Incorporation	Proportion of ordinary shares held by: Company	Subsidiaries
Expro Swire Production Limited	British Virgin Islands		50%
Expro Swire Production Pte Limited	Singapore		50%
QuantX Wellbore Instrumentation Limited	England and Wales	50%	
QuantX Wellbore Instrumentation (International) Limited	Cayman Islands	50%	
QuantX Wellbore Instrumentation LLC	USA		50%

The addition to investments in joint ventures in the year of £1,092,000 reflects the transfer of the interest in 50% of the issued share capital of QuantX Wellbore Instrumentation Limited at book value from the company's subsidiary undertaking Expro North Sea Limited.

The addition to investments in subsidiaries in the year of £1,744,000 represents the acquisition of the entire issued share capital of Expro Oil and Gas Services Company (Tianjin) Limited. This company had no assets and liabilities at the date of acquisition and had not traded prior to acquisition.

9 Debtors

	2004 £'000	2003 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	**43,021**	37,939
Other debtors	**646**	164
	43,667	38,103

10 Creditors - Amounts falling due within one year

	2004 £'000	2003 £'000
Amounts owed to group undertakings	**52,200**	35,255
Other creditors	**-**	22
	52,200	35,277

Notes to the financial statements (continued)

11 Creditors - Amount falling due after more than one year

	2004	2003
	£'000	£'000
Bank loans	**27,519**	34,064

	2004	2003
	£'000	£'000
Bank loans are repayable as follows:		
Between two and five years	**16,727**	20,178
After five years	**10,792**	13,886
	27,519	34,064

Interest on loans is payable at rates between 1.4% and 1.75% above LIBOR.

12 Called-up share capital

	2004	2003
	£'000	£'000
Authorised		
1,000,000 ordinary shares of £1 each	**1,000**	1,000
2,500,000 6.5% redeemable cumulative preference shares of £1 each	**2,500**	2,500
	3,500	3,500
Allotted, called up and fully paid		
800,000 ordinary shares of £1 each	**800**	800
	800	800

13 Reserves

	Share premium account	Capital redemption reserve	Profit and loss account
	£'000	£'000	£'000
At 1 April 2003	2,222	2,500	2,228
Retained profit for the financial year	-	-	6
Gain on foreign currency translation	-	-	2,398
At 31 March 2004	**2,222**	**2,500**	**4,632**

Notes to the financial statements (continued)

14 Reconciliation of movement in equity shareholders' funds

	2004	2003
	£'000	£'000
Profit for the financial year	**16,506**	9,084
Dividends	**(16,500)**	(8,000)
Retained profit for year	**6**	1,084
Gain on foreign currency translation	**2,398**	-
Net addition to shareholders funds	**2,404**	1,084
Opening equity shareholders' funds	**7,750**	6,666
Closing equity shareholders' funds	**10,154**	7,750

15 Guarantees and financial commitments

The company, along with other group undertakings, has guaranteed and secured by a floating charge on its own assets, the overdrafts and other liabilities of certain group undertakings. There are additional third party liabilities amounting to £3,863,000 (2003: £1,346,000) guaranteed by the company and other group undertakings.

16 Ultimate parent undertaking

The immediate and ultimate parent undertaking and controlling party is Expro International Group PLC. Copies of Expro International Group PLC consolidated financial statements can be obtained from the Company Secretary at Reading Bridge House, Reading Bridge, Reading, Berkshire, RG1 8PL.

The parent company and only group which prepares consolidated accounts, in which Exploration and Production Services (Holdings) Limited is included, is Expro International Group PLC.