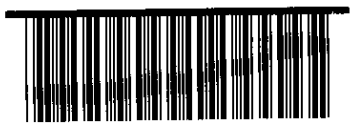
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The Alberta Estates Limited

Director's report and accounts
for the year ended 31 December 2001



The Alberta Estates Limited

Registered in Scotland - Company No 45014

Director	Ian Wright
Secretaries	Henderson Loggie Chartered Accountants Royal Exchange Panmure Street Dundee DD1 1DZ

Director's report

The director presents his report and accounts for the year ended 31 December 2001.

Principal activity

The company's principal activity during the year was holding an interest in minerals in lands in the Province of Alberta, Canada, comprising some 634 acres.

Directors and their interests

The director at 31 December 2001 and his interest in the share capital of the company (all beneficially held except those marked with an asterisk which were held as trustees) were as follows:

	At 31.12.01 **Ordinary shares**	At 01.01.01 Ordinary shares
Ian Wright	**3,767**	1

Director's responsibilities for the accounts

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Director's report (continued)

Auditors

The company has taken advantage of the exemption from audit under Section 249A of the Companies Act, 1985.

Small company exemptions

The director has taken advantage of the exemptions conferred by Part VII of Schedule 8 to the Companies Act, 1985.

By order of the board.

Henderson Loggie
Secretaries
16 July 2002

The Alberta Estates Limited

Profit and loss account for the year ended 31 December 2001

	Notes	2001 £	2000 £
Income from petroleum and natural gas leases	2	**282**	267
Administrative expenses		**(969)**	(1,208)
Operating loss	3	**(687)**	(941)
Income from investments	4	**786**	775
Profit/(loss) on ordinary activities before taxation		**99**	(166)
Tax on profit/(loss) on ordinary activities	5	**(70)**	(67)
Profit/(loss) for the financial year		**29**	(233)
Dividends	6	**-**	-
		29	(233)
Retained profit brought forward		**10,153**	10,386
Retained profit carried forward		**10,182**	10,153

There were no recognised gains or losses other than the profit for the year £29 *(2000 - loss - £233).*

Balance sheet as at 31 December 2001

	Notes	2001 £	2000 £
Fixed assets			
Mineral rights	7	**246**	246
Investments	8	**6,855**	6,855
		7,101	7,101
Current assets			
Taxation		**232**	535
Cash at bank		**4,599**	4,267
Net current assets		**4,831**	4,802
Total assets less current liabilities		**11,932**	11,903
Capital and reserves			
Called up share capital	9	**1,750**	1,750
Profit and loss account		**10,182**	10,153
		11,932	11,903

Balance sheet as at 31 December 2001 (continued)

The director:

1. confirms that for the period ended 31 December 2001 the company was entitled to the exemption under Subsection (1) of Section 249A;

2. confirms that no notice requiring an audit has been deposited under Subsection (2) of Section 249B in relation to the accounts for the financial year; and

3. acknowledges his responsibility for:

(a) ensuring that the company keeps accounting records which comply with Section 221, and

(b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of the Companies Act, 1985 relating to accounts, so far as applicable to the company.

The director has taken advantage of the exemptions conferred by Part I of Schedule 8 of the Companies Act, 1985, applicable to small companies in the preparation of the accounts, and has done so on the grounds that the company is entitled to the benefit of those exemptions as a small company.

The accounts were approved by the board of director on 16 July 2002 and signed on its behalf by

I Wright
Director

Notes to the accounts

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1 Accounting policies

Accounting convention

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

2 Leases

A five year petroleum and natural gas lease was entered into in June 1997.

3 Operating profit

	2001	2000
	£	£
The operating profit is stated after charging:		
Directors' remuneration	**Nil**	Nil

4 Income from investments

Listed	**555**	555
Bank interest	**231**	220
	786	775

5 Tax on profit on ordinary activities

Canadian tax	**70**	67
Corporation tax	**-**	-
	70	67

Notes to the accounts (continued)

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6 Dividends

	2001 £	2000 £
Dividend proposed	-	-

7 Mineral rights

Mineral rights are stated at cost.

8 Investments

	2001 £	2000 £
Listed investments	**6,855**	6,855
Unlisted investments	-	-
	6,855	6,855

Valuation
Listed investments – market value £7,270 *(2000 - £7,373)*

9 Share capital

	Authorised		Allotted, called up and fully paid	
	2001 No.	2000 No.	2001 £	2000 £
Ordinary shares of 5p each	**35,000**	35,000	**1,750**	1,750