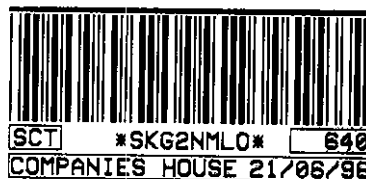


PHOENIX COMPLETION SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1995
(REGISTRATION NUMBER SC80233)



PHOENIX COMPLETION SERVICES LIMITED

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PHOENIX COMPLETION SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	Bruce Alexander Whyte Linda Jean Whyte Barry Jon Whyte Anthony Bruce Whyte
SECRETARIES	Peterkins
COMPANY NUMBER	SC80233
REGISTERED OFFICE	100 Union Street Aberdeen AB9 1QQ
REPORTING ACCOUNTANTS	Acumen Accountants and Advisors Limited Bon Accord House Riverside Drive Aberdeen AB11 7SL

PHOENIX COMPLETION SERVICES LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 October 1995.

PRINCIPAL ACTIVITY

The principal activity of the company is that of engineering consultants in the oil industry.

DIRECTORS

The directors who served during the year and their beneficial interest in the company's issued share capital were:

	Number of Ordinary Shares of 1 each	
	As at 31.10.95.	As at 01.11.94.
Bruce Alexander Whyte	8,780	10,000
Linda Jean Whyte	8,780	10,000
Barry Jon Whyte	1,220	-
Anthony Bruce Whyte	1,220	-



Peterkins
Secretaries

13 May 1996

PHOENIX COMPLETION SERVICES LIMITED

ACCOUNTANTS' REPORT

TO THE SHAREHOLDERS OF PHOENIX COMPLETION SERVICES LIMITED

We have examined, without carrying out an audit, the financial statements for the year ended 31 October 1995 set out on pages 6 to 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 7 the company's directors are responsible for the preparation of the financial statements, and they believe that the company is exempt from an audit. It is our responsibility to examine the financial statements and based on our examination to report our opinion as set out below, to the shareholders.

BASIS OF OPINION

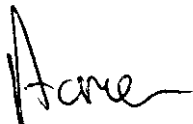
We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the financial statements with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the financial statements. Therefore our examination does not provide any assurance that the accounting records and the financial statements are free from material misstatement.

OPINION

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



ACUMEN ACCOUNTANTS AND ADVISORS LIMITED

Bon Accord House
Riverside Drive
Aberdeen
AB11 7SL

13 May 1996

PHOENIX COMPLETION SERVICES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1995

	NOTES	1995	1994
TURNOVER		107,814	171,838
COST OF SALES		28,497	65,039
GROSS PROFIT		79,317	106,799
ADMINISTRATIVE EXPENSES		42,028	43,553
OPERATING PROFIT	1	37,289	63,246
GAIN ON DISPOSAL OF INVESTMENTS		2,430	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		39,719	63,246
OTHER OPERATING INCOME	2	-	324
INCOME FROM INVESTMENTS	3	-	11
		39,719	63,581
INTEREST RECEIVABLE		2,419	182
INTEREST PAYABLE	4	1,500	1,485
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		40,638	62,278
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	11,400	23,729
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		29,238	38,549
DIVIDENDS	6	26,527	19,000
RETAINED PROFIT FOR THE YEAR		2,711	19,549
RETAINED PROFIT BROUGHT FORWARD		61,875	42,326
RETAINED PROFIT CARRIED FORWARD		64,586	61,875

The company made no recognised gains or losses in 1995 or 1994 other than the profit for the year.

The notes on pages 8 to 12 form part of these financial statements

PHOENIX COMPLETION SERVICES LIMITED

BALANCE SHEET AS AT 31 OCTOBER 1995

	NOTES	1995	1994
FIXED ASSETS			
Tangible Assets	7	30,623	40,002
Investments	8	-	7,745
		-----	-----
		30,623	47,747
CURRENT ASSETS			
Debtors	9	25,587	73,247
Cash at Bank and in Hand		48,798	18,455
		-----	-----
		74,385	91,702
CREDITORS: AMOUNTS FALLING DUE			
WITHIN ONE YEAR	10	16,745	50,642
		-----	-----
NET CURRENT ASSETS			
		57,640	41,060
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES			
		88,263	88,807
CREDITORS: AMOUNTS FALLING DUE AFTER			
MORE THAN ONE YEAR	11	3,677	6,932
		-----	-----
NET ASSETS			
		84,586	81,875
		=====	=====
CAPITAL & RESERVES			
Called up Share Capital	12	20,000	20,000
Profit & Loss Account		64,586	61,875
		-----	-----
SHAREHOLDERS' FUNDS			
	13	84,586	81,875
		=====	=====

The directors have taken advantage, in the preparation of these financial statements of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985. The financial statements were approved on 13 May 1996 and signed on its behalf.

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 October 1995 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

Bruce Alexander Whyte
Director

Linda Jean Whyte
Director

The notes on pages 8 to 12 form part of these financial statements.

PHOENIX COMPLETION SERVICES LIMITED

ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention and include the results of the company's operation as indicated in the director's report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

TURNOVER

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax.

TANGIBLE FIXED ASSETS AND DEPRECIATION

The tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Leasehold Premises	- over 25 years
Office Equipment	- over 10 years
Motor Vehicles	- over 4 years
Computer Equipment	- over 3 years

HIRE PURCHASE LOAN AGREEMENTS

Assets obtained under hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. Interest is charged to the profit and loss account on a straight line basis over the period of the contract.

PHOENIX COMPLETION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	1995	1994
1. OPERATING PROFIT		
The operating profit is stated after charging:		
Depreciation of Tangible Fixed Assets	9,942	11,198
Accountants' Remuneration	1,500	1,500
Directors Emoluments	40,176	40,270
	=====	=====
2. OTHER OPERATING INCOME	1995	1994
Rental Income	-	324
	=====	=====
3. INCOME FROM INVESTMENTS	1995	1994
Dividends Received	-	11
	=====	=====
4. INTEREST PAYABLE		
Included in interest payable is interest on hire purchase contracts.		
5. TAXATION	1995	1994
UK Current Corporation Taxation		
UK Corporation Tax @ 25% (1994 : 25%)	11,400	17,232
Corporation Tax underprovision from 1993	-	6,497
	-----	-----
	11,400	23,729
	=====	=====
6. DIVIDENDS	1995	1994
Interim Dividends	16,367	19,000
Final Dividends	10,160	-
	-----	-----
	26,527	19,000
	=====	=====

PHOENIX COMPLETION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT)

	LEASEHOLD PREMISES	OFFICE EQUIPMENT	MOTOR VEHICLES	COMPUTER EQUIPMENT	TOTAL
7. TANGIBLE FIXED ASSETS					
COST					
At 1 NOVEMBER 1994	26,029	25,201	29,639	1,550	82,419
Additions	-	563	-	-	563
Disposals	-	-	-	-	-
At 31 OCTOBER 1995	26,029	25,764	29,639	1,550	82,982
=====					
DEPRECIATION					
At 1 NOVEMBER 1994	7,923	22,643	11,041	810	42,417
Charge for the year	1,041	979	7,410	512	9,942
On Disposals	-	-	-	-	-
At 31 OCTOBER 1995	8,964	23,622	18,451	1,322	52,359
=====					
NET BOOK VALUE					
At 1 NOVEMBER 1994	18,106	2,558	18,598	740	40,002
=====					
At 31 OCTOBER 1995	17,065	2,142	11,188	228	30,623
=====					
8. INVESTMENTS					
At 1 November 1994					7,745
Disposals					(7,745)
At 31 October 1995					-
=====					

PHOENIX COMPLETION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT)

	1995	1994
9. DEBTORS		
Trade Debtors	23,735	46,645
Other Debtors	-	1,387
Corporation Tax Refund	-	4,791
Prepayments & Accrued Income	-	20,424
Directors Loan	1,852	-
	-----	-----
	25,587	73,247
	=====	=====

	1995	1994
10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Current Corporation Tax	4,768	12,482
Other Taxes and Social Security Costs	6,135	737
Trade Creditors	579	32,657
Directors Loan	-	11
Hire Purchase Loan Repayments	3,255	3,255
Other Creditors	508	-
Accruals	1,500	1,500
	-----	-----
	16,745	50,642
	=====	=====

	1995	1994
11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Hire Purchase Loan Repayments	3,677	6,932
	=====	=====

	1995	1994
12. CALLED UP SHARE CAPITAL		
Authorised		
Ordinary Shares of 1 each	20,000	20,000
	=====	=====
Issued		
Ordinary Shares of 1 each	20,000	20,000
	=====	=====

PHOENIX COMPLETION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT)

13. MOVEMENT ON SHAREHOLDERS' FUNDS

	1995	1994
Profit for year	29,238	38,549
Less: Dividends	26,527	19,000
	-----	-----
	2,711	19,549
Opening shareholders' funds	81,875	62,326
	-----	-----
Closing shareholders' funds	84,586	81,875
	=====	=====

14. CAPITAL COMMITMENTS

There were no capital commitments at either Balance Sheet date.