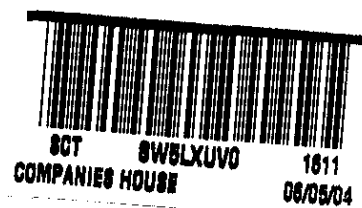


NRG RESOURCES

LIMITED

FINANCIAL ACCOUNTS FOR THE YEAR

1st FEBRUARY 2003 TO 31st JANUARY 2004



REGISTERED NUMBER : SC 227813

NRG RESOURCES LTD.

YEAR ENDED 31st JANUARY 2004

DIRECTOR

M. Cassidy

COMPANY SECRETARY

Mrs. M.A. Cassidy

REGISTERED OFFICE

Suite C,
Woodburn House,
4/5 Golden Square,
Aberdeen,
AB10 1RD.

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The following does not form part of the Statutory Accounts :

- | | |
|-----|----------------------------------|
| 10. | Detailed Profit and Loss Account |
|-----|----------------------------------|

NRG RESOURCES LTD.REPORT OF THE DIRECTORFOR THE YEAR ENDED 31st JANUARY 2004

The Director presents the Annual Report of the affairs of the Company, together with the Accounts for the above year.

PRINCIPAL ACTIVITY

The Company's principal activity during the year remained the provision of petroleum engineering consultancy services to the onshore and offshore oil industry together with general commercial trading.

No goods were exported from the United Kingdom during the year.

DIRECTOR

The Director during the year under review who was beneficially interested in the shares in the Company at the beginning and end of the year was :-

Ordinary Shares of £ 1 each

31st January 2004 1st February 2003

M. Cassidy

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POLITICAL OR CHARITABLE DONATIONS

No political or charitable donations were made during the year.

The Director has taken advantage, in the preparation of the above report, of the exemptions applicable to small Companies conferred by Schedule 8 Part 2 of the Companies Act 1985.

SIGNED ON BEHALF OF THE BOARD

30th March 2004

Date.....Director..........
M. Cassidy

NRG RESOURCES LTD.PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31st JANUARY 2004

	Notes	2004	2003
	-----	-----	-----
		£	£
		-	-
TURNOVER		148,122	156,409
Administrative expenses		57,931	46,534
		-----	-----
		90,191	109,875
Other Operating Income	2	2,000	-
		-----	-----
OPERATING PROFIT	3	92,191	109,875
Interest Receivable	4	738	229
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		92,929	110,104
Tax on profit on ordinary activities	5	17,692	20,799
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		75,237	89,305
Dividends	6	91,500	46,500
		-----	-----
(LOSS)/RETAINED PROFIT FOR THE YEAR/PERIOD		(16,263)	42,805
Retained Profit brought forward		42,805	-
		-----	-----
Retained Profit carried forward		£ 26,542	£ 42,805
		=====	=====

All amounts relate to continuing activities.

The Company realised no gains or losses other than the loss for the year.

The notes set out on pages 4 to 9 form an integral part of these Accounts.

NRG RESOURCES LTD.BALANCE SHEET - 31st JANUARY 2004

	Notes	2004	2003
	-----	-----	-----
		£	£
FIXED ASSETS		-	-
Tangible assets	9	1,840	1,833
CURRENT ASSETS			
Debtors	10	16,687	16,096
Cash at bank and in hand		35,186	53,018
		-----	-----
		51,873	69,114
CREDITORS		-----	-----
Amounts falling due within one year	11	27,169	28,140
		-----	-----
NET CURRENT ASSETS		24,704	40,974
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 26,544	£ 42,807
		=====	=====
CAPITAL AND RESERVES			
Called-up Share Capital	12	2	2
Profit and Loss Account	14	26,542	42,805
		-----	-----
		£ 26,544	£ 42,807
		=====	=====

The Director has taken advantage, in the preparation of these financial statements, of the total exemption conferred by section 249A(1) Companies Act 1985. No notice of requirement for audit has been deposited by any member under section 249B(2) Companies Act 1985 in relation to the Company's Accounts for the year ended 31st January 2004. The Director acknowledges his responsibilities for both ensuring that the Company keeps accounting records which comply with section 221 Companies Act 1985 and for preparing Accounts which give a true and fair view of the state of affairs of the Company as at 31st January 2004 and of its loss for the year then ended in accordance with the requirements of section 226 Companies Act 1985, and which otherwise comply with the requirements of the Act relating to Accounts, so far as applicable to the Company. The Director has taken advantage, in the preparation of these financial statements, of the exemptions conferred by section 246 Companies Act 1985 on the basis that the Company qualifies as a small Company.

Approved on behalf of the Company :

30th March 2004

Date.....Director..........
M. Cassidy

The notes set out on pages 4 to 9 form an integral part of these Accounts.

NRG RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st JANUARY 20041. ACCOUNTING POLICIESa) Basis of accounting

These Accounts have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

b) Cash flow statement

The Company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small Company.

c) Turnover

Turnover represents sales to external customers at invoiced amount less value added tax.

d) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rate and method is as follows :-

Equipment	15% Reducing balance
-----------	----------------------

e) Deferred taxation

Provision is made for deferred taxation except where, in the opinion of the Director, it is not likely to become payable in the foreseeable future.

2. OTHER OPERATING INCOME

	2004	2003
	----	----
Rents Received	£ 2,000	£ -
	=====	=

NRG RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st JANUARY 20043. OPERATING PROFIT

Operating profit is stated after charging :-	2004	2003
	----	----
	£	£
Administrative expenses including :-	-	-
Depreciation	325	323
Director's Remuneration	39,200	31,000
	=====	=====

4. INTEREST RECEIVABLE

	2004	2003
	----	----
	£	£
	-	-
Deposit Account Interest	648	229
Other Interest Receivable	90	-
	---	---
	£ 738	£ 229
	===	===

5. TAXATION

	2004	2003
	----	----
	£	£
U.K. Corporation Tax at 20% on the profit adjusted for tax purposes	-	-
U.K. Corporation Tax at 19% on the profit adjusted for tax purposes	-	3,258
	17,692	17,541
	-----	-----
	£ 17,692	£ 20,799
	=====	=====

6. DIVIDENDS

	2004	2003
	----	----
Ordinary Shares - paid £ 45,750 per share (2003 - £ 23,250 per share)	£ 91,500	£ 46,500
	=====	=====

NRG RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st JANUARY 20047. DIRECTOR'S EMOLUMENTS

	2004 ----	2003 ----
Management Remuneration	£ 39,200 =====	£ 31,000 =====

During the year the Director loaned funds to the Company and the balance owing to the Director at 31st January 2004 was £ 1,354.

8. STAFF

	2004 ----- £	2003 ----- £
Aggregate amounts paid in respect of :-	-	-
Salaries and Wages	4,620	3,850
Social Security Costs	-	-
Other Pension Costs	-	-
	----- £ 4,620 =====	----- £ 3,850 =====

The average number of persons employed during the year (including the Director) by the Company was 2.

NRG RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st JANUARY 20049. TANGIBLE FIXED ASSETS

	Equipment -----
COST	
As at 1st February 2003	2,156
Addition in year	332

As at 31st January 2004	2,488

DEPRECIATION	
As at 1st February 2003	323
Charge in year	325

As at 31st January 2004	648

NET BOOK VALUE	
As at 31st January 2004	£ 1,840
	=====
As at 31st January 2003	£ 1,833
	=====

10. DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 ----	2003 ----
	£	£
	-	-
Trade Debtors	16,100	15,469
Prepayments	557	564
Accrued Income	30	63
	-----	-----
	£ 16,687	£ 16,096
	=====	=====

NRG RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st JANUARY 200411. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	----	----
	£	£
	-	-
U.K. Corporation Tax	17,692	20,799
Value Added Tax	5,873	5,939
Other Taxes and Social Security	1,657	-
Other Creditors	593	590
Director's Current Account	1,354	812
	-----	-----
	£ 27,169	£ 28,140
	=====	=====

12. SHARE CAPITAL

	2004	2003
	----	----
Authorised Share Capital -		
Ordinary Shares of £ 1 each	£ 1,000	£ 1,000
	=====	=====
Issued and Fully Paid Share Capital -		
Ordinary Shares of £ 1 each	£ 2	£ 2
	=	=

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	----	----
	£	£
	-	-
Profit for the year/period	75,237	89,305
Dividends	91,500	46,500
	-----	-----
Net (reduction from)/addition to shareholders' funds	(16,263)	42,805
Opening shareholders' funds	42,807	-
Share issue during year/period	-	2
	-----	-----
Closing shareholders' funds	£ 26,544	£ 42,807
	=====	=====

NRG RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st JANUARY 200414. RESERVES

	Profit and Loss Account -----
	£
	-
As at 31st January 2003	42,805
(Loss for the year)	(16,263)

As at 31st January 2004	£ 26,542
	=====

NRG RESOURCES LTD.DETAILED PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31st JANUARY 2004

	2004	2003
	-----	-----
	£	£
	-	-
Turnover	148,122	156,409
Other Income : Rents Received	2,000	-
: Deposit Account Interest	648	229
: Corporation Tax repayment supplement	85	-
: PAYE repayment supplement	5	-
	-----	-----
	150,860	156,638
Administrative expenses		
Company Formation Expenses	-	300
Salaries and Wages	4,620	3,850
Protective Clothing	-	75
Rent	6,000	4,500
Equipment Repairs	30	-
Repairs to Office	210	-
Telephone	578	843
Printing, Postage, Stationery and Advertising	7	194
Insurance	669	481
Accountancy	1,580	1,400
Professional Fees	-	350
Bank Charges	21	14
Sundries	30	-
Gifts	289	-
Depreciation of Equipment	325	323
Director's Remuneration :		
- M. Cassidy	39,200	31,000
- National Insurance Contributions	4,372	3,204
	-----	-----
Total administrative expenses	57,931	46,534
	-----	-----
Net Profit before taxation	£ 92,929	£ 110,104
	=====	=====