NRG RESOURCES

LIMITED

FINANCIAL ACCOUNTS FOR THE YEAR

1st FEBRUARY 2004 TO 31st JANUARY 2005



REGISTERED NUMBER : SC 227813

NRG RESOURCES LTD.

YEAR ENDED 31st JANUARY 2005

DIRECTOR
M. Cassidy

COMPANY SECRETARY
Mrs. M.A. Cassidy

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

INDEX TO ACCOUNTS

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1.	Report of the Director
2.	Profit and Loss Account
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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 DIRECTOR

FOR THE YEAR ENDED 31st JANUARY 2005

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 2005	1st February 2004
M. Cassidy	1	1

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

Date 16th May 2005 Director M. Cassidy

NRG RESOURCES LTD.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st JANUARY 2005

	Notes	2005	2004
		£	£
TURNOVER		169,916	148,122
Administrative expenses		70,578	57,931
		99,338	90,191
Other Operating Income	2	5,000	2,000
OPERATING PROFIT	3	104,338	92,191
Interest Receivable	4	509	738
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		104,847	92,929
Tax on profit on ordinary activities	5	20,051	17,692
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		84,796	75,237
Dividends	6	110,000	91,500
LOSS FOR THE YEAR		(25,204)	(16,263)
Retained Profit brought forward		26,542	42,805
Retained Profit carried forward		£ 1,338	£ 26,542

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 2005

	Notes		2005		2004
			£		£
FIXED ASSETS			-		-
Tangible assets	9		1,742		1,840
CURRENT ASSETS					
Debtors	10	28,473		16,687	
Cash at bank and in hand		21,079		35,186	
		49,552		51,873	
CREDITORS					
Amounts falling due within one year	11	49,954		27,169	
NET CURRENT (LIABILITIES)/ASSETS			(402)		24,704
TOTAL ASSETS LESS CURRENT LIABILITIES			£ 1,340		£ 26,544
CAPITAL AND RESERVES					
Called-up Share Capital	12		2		2
Profit and Loss Account	14		1,338		26,542
			£ 1,340		£ 26,544

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 2005. 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 2005 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 :

Date 16th May 2005 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 ACCOUNTS

FOR THE YEAR ENDED 31st JANUARY 2005

1. ACCOUNTING POLICIES

a) 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

	2005	2004
Rents Received	£ 5,000	£ 2,000

NRG RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st JANUARY 2005

3. OPERATING PROFIT

Operating profit is stated after charging :-	2005	2004
	£	£
Administrative expenses including :-	-	-
Depreciation	307	325
Director's Remuneration	50,400	39,200

4. INTEREST RECEIVABLE

	2005	2004
	£	£
	-	-
Deposit Account Interest	485	648
Other Interest Receivable	24	90
	£ 509	£ 738

5. TAXATION

	2005	2004
U.K. Corporation Tax at 19% on the profit adjusted for tax purposes	£ 20,051	£ 17,692

6. DIVIDENDS

	2005	2004
Ordinary Shares - paid £ 55,000 per share (2004 - £ 45,750 per share)	£ 110,000	£ 91,500

NRG RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st JANUARY 2005

7. DIRECTOR'S EMOLUMENTS

	2005	2004
Management Remuneration	£ 50,400	£ 39,200

During the year the Director loaned funds to the Company and the balance owing to the Director at 31st January 2005 was £ 625.

8. STAFF

	2005	2004
	£	£
Aggregate amounts paid in respect of :-	-	-
Salaries and Wages	4,728	4,620
Social Security Costs	-	-
Other Pension Costs	-	-
	£ 4,728	£ 4,620

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

NRG RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st JANUARY 2005

9. TANGIBLE FIXED ASSETS

	Equipment
COST	
As at 1st February 2004	2,488
Addition in year	209
As at 31st January 2005	2,697
DEPRECIATION	
As at 1st February 2004	648
Charge in year	307
As at 31st January 2005	955
NET BOOK VALUE	
As at 31st January 2005	£ 1,742
As at 31st January 2004	£ 1,840

10. DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Trade Debtors	28,376	16,100
Prepayments	65	557
Accrued Income	32	30
	£ 28,473	£ 16,687

NRG RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st JANUARY 2005

11. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Bank Overdraft	17,485	-
U.K. Corporation Tax	20,051	17,692
Value Added Tax	9,453	5,873
Other Taxes and Social Security	1,646	1,657
Other Creditors	694	593
Director's Current Account	625	1,354
	£ 49,954	£ 27,169

12. SHARE CAPITAL

	2005	2004
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

	2005	2004
	£	£
Profit for the year	84,796	75,237
Dividends	110,000	91,500
Net reduction from shareholders' funds	(25,204)	(16,263)
Opening shareholders' funds	26,544	42,807
Closing shareholders' funds	£ 1,340	£ 26,544

NRG RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st JANUARY 2005

14. RESERVES

	Profit and Loss Account
	£
As at 31st January 2004	26,542
(Loss for the year)	(25,204)
As at 31st January 2005	£ 1,338

NRG RESOURCES LTD.

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st JANUARY 2005

	2005	2004
	£	£
Turnover	169,916	148,122
Other Income : Rents Received	5,000	2,000
: Deposit Account Interest	485	648
: Corporation Tax repayment supplement	24	85
: PAYE repayment supplement	-	5
	175,425	150,860

Administrative expenses

Salaries and Wages	4,728	4,620
Travel and Subsistence	160	-
Medical	48	-
Rent	5,500	6,000
Equipment Repairs	-	30
Repairs to Office	-	210
Telephone	354	578
Printing, Postage, Stationery and Advertising	194	7
Insurance	779	669
Accountancy	1,680	1,580
Bank Charges	38	21
Sundries	30	30
Gifts	-	289
Entertaining	513	-
Depreciation of Equipment	307	325
Director's Remuneration :		
- M. Cassidy	50,400	39,200
- National Insurance Contributions	5,847	4,372
Total administrative expenses	70,578	57,931
Net Profit before taxation	£ 104,847	£ 92,929