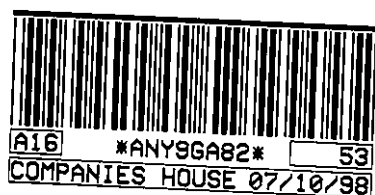


REGISTERED NUMBER  
00898391  
England & Wales

HALSO PETROLEUM LIMITED

ABBREVIATED ACCOUNTS

31ST DECEMBER 1997



REPORT OF THE AUDITORS TO  
HALSO PETROLEUM LIMITED  
UNDER SECTION 247B OF THE  
COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the statutory accounts of the company for the year ended 31st December 1997 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the statutory accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

*Howard Vine & Co*

HOWARD VINE & Co.  
Chartered Accountants and Registered Auditors  
Solihull

24th July 1998

HALSO PETROLEUM LIMITED  
ABBREVIATED BALANCE SHEET  
31ST DECEMBER 1997

	Notes	£	1997	£	£	1996	£
<b>FIXED ASSETS</b>							
Tangible assets	2			259102			278811
Investments				250			250
				<hr/>			<hr/>
				259352			279061
<b>CURRENT ASSETS</b>							
Stocks		179807			126166		
Debtors		1238488			703284		
Cash in hand		267			1089		
		<hr/>			<hr/>		
			1418562		830539		
<b>CREDITORS</b>							
Amounts falling due within one year	3	1342841			849399		
		<hr/>			<hr/>		
<b>NET CURRENT ASSETS / (LIABILITIES)</b>				75721		-18860	
				<hr/>		<hr/>	
				335073		260201	
<b>CREDITORS</b>							
Amounts falling due after more than one year				-		7092	
				<hr/>		<hr/>	
<b>NET ASSETS</b>				335073		253109	
				<hr/>		<hr/>	
Financed by:							
<b>CAPITAL AND RESERVES</b>							
Called up share capital	4			5000		5000	
Profit and loss account				330073		248109	
				<hr/>		<hr/>	
				335073		253109	
				<hr/>		<hr/>	

*The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies*

Signed on behalf of  
the board of directors

.....  
P A OSBORN  
Director

Approved by the board: 24th July 1998

HALSO PETROLEUM LIMITED  
NOTES TO THE ABBREVIATED ACCOUNTS  
31ST DECEMBER 1997

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared under the historical cost basis of accounting.

(b) Depreciation of fixed assets

Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is charged so as to write off their full cost less estimated residual value over their expected useful lives at the following rates :

Freehold buildings	- 2% of cost per annum
Short leasehold premises	- over term of the lease
Motor vehicles	- 20% to 25% of cost per annum
Plant and equipment, fixtures and fittings and computer equipment	- 15% to 25% of cost per annum

(c) Stocks

Stocks are valued at the lower of cost and net realisable value.

Cost is determined principally on the first in first out basis. Net realisable value is the price at which the stock can be realised in the normal course of business.

(d) Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

(e) Hire Purchase and Lease Transactions

Assets acquired under hire purchase agreements are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the term of the lease.

HALSO PETROLEUM LIMITED  
 NOTES TO THE ABBREVIATED ACCOUNTS  
 FOR THE YEAR ENDED 31ST DECEMBER 1997

2. FIXED ASSETS

	Tangible Fixed Assets	Investments	Total
	£	£	£
Cost			
At 1 January 1997	719,753	250	720,003
Additions	49,187		49,187
Disposals	(34,948)		(34,948)
At 31 December 1997	733,992	250	734,242
Depreciation			
At 1 January 1997	440,942		440,942
Provision for year	58,609		58,609
Adjustment for disposals	(24,661)		(24,661)
At 31 December 1997	474,890		474,890
Net book value			
At 31 December 1997	259,102	250	259,352
At 31 December 1996	278,811	250	279,061

3. CREDITORS

Creditors include bank overdraft £105,381 which was secured (1996 : £210,672).

4. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
Authorised, allotted and fully paid 5,000 ordinary shares of £1 each	5,000	5,000