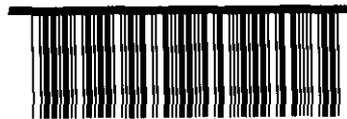


TRIBERT TANKERS LONDON LIMITED

COMPANY REGISTRATION NO. 943591

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999



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TRIBERT TANKERS LONDON LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 1999.

Principal activity and review of business:

The company did not trade during the year.

The results of the company are disclosed on page 4. The result for the year has been transferred to reserves. The directors do not recommend the payment of a dividend for the year ended 31 December 1999 (1998 - £nil).

Directors and directors' interests:

The directors who held office during the year were:

R M Gradon
N J Monteith
M Owen

According to notifications received by the Company relating to the interests of the directors and their families in the share capital and debentures of group companies, there were the following interests in the stock of the ultimate holding company, The Peninsular and Oriental Steam Navigation Company:

	Deferred Stock		Deferred Stock under option			
	1999	1998	1999	Granted in year	Exercised in year	1998
N J Monteith	4,493	4,085	27,778	5,800	-	21,978
M Owen	17,303	16,545	11,442	3,800	-	7,642

In addition M Owen had an interest in £600 (1998 £600) 5.5% concessionary stock and £1 (1998 £nil) 6.75% convertible stock at 31 December 1999.

The interests of R M Gradon in shares and debentures of group companies and of awards under the P&O Long Term Incentive Plan are disclosed in the directors' report of the Company's ultimate holding company, The Peninsular and Oriental Steam Navigation Company.

Under section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

79 Pall Mall
London
SW1Y 5EJ

11 October 2000

On behalf of the Board



M OWEN
Director

TRIBERT TANKERS LONDON LIMITED

**DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
PREPARATION OF THE ACCOUNTS**

The following statement, which should be read in conjunction with the statement of auditors' responsibilities included in the report of the auditors on page 3, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

The directors are required by the Companies Act 1985 to prepare accounts for each financial year 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 the profit or loss for the financial year.

In preparing the accounts on pages 4 to 7, the directors are required to select appropriate accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent and state whether all accounting standards which they consider to be applicable have been followed. The directors are also required to use a going concern basis in preparing the accounts unless this is inappropriate.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the accounts comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF
TRIBERT TANKERS LONDON LIMITED

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

London
11 October 2000

KPMG Audit Plc
Registered Auditor
Chartered Accountants

TRIBERT TANKERS LONDON LIMITED**PROFIT AND LOSS ACCOUNT****FOR YEAR ENDED 31 DECEMBER 1999**

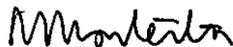
	Notes	1999 £	1998 £
Exchange (loss)/gain		(402,040)	143,952
Profit/(loss) on ordinary activities before and after taxation	6	<u>(402,040)</u>	<u>143,952</u>

The company has no recognised gains or losses other than those detailed above. All of the above transactions relate to discontinued business activities. A statement of the movements in reserves and shareholders' funds is included within note 6 to the financial statements.

TRIBERT TANKERS LONDON LIMITEDBALANCE SHEET AT 31 DECEMBER 1999

	Notes	1999 £	1998 £
CURRENT ASSETS			
Debtors: due after more than one year	3	1,397,530	1,397,530
Creditors: amounts falling due within one year	4	(329,203)	(318,916)
NET CURRENT ASSETS		<u>1,068,327</u>	<u>1,078,614</u>
Creditors: amounts falling due after more than one year	4	(12,536,082)	(12,144,329)
NET LIABILITIES		<u>(11,467,755)</u>	<u>(11,065,715)</u>
CAPITAL AND RESERVES			
Called up share capital	5	100	100
Other reserves	6	8,393,171	8,795,211
Profit and loss account	6	(19,861,026)	(19,861,026)
EQUITY SHAREHOLDERS FUNDS		<u>(11,467,755)</u>	<u>(11,065,715)</u>

These financial statements were approved by the Board of Directors on 11 October 2000 and were signed on its behalf by N J Monteith.



N J MONTEITH
Director

TRIBERT TANKERS LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies that have been adopted in preparation of these financial statements are given below.

Basis of preparation of financial statements

- (a) The financial statements are prepared on the historical cost basis and in accordance with applicable accounting standards and are presented in pounds sterling.
- (b) The financial statements have been drawn up on a going concern basis as the ultimate parent company has undertaken to continue to support the company and its activities.
- (c) Under Financial Reporting Standard 1 (Revised), the Company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of a company which has produced a group cash flow statement in accordance with the provisions of the standard.
- (d) Transactions in foreign currencies are translated into sterling at the exchange rate in operation at the date of the transaction, or where appropriate at contracted forward rates. Monetary assets and liabilities denominated in foreign currencies are translated at closing rates ruling at the balance sheet date. All translation differences and realised foreign exchange differences are taken to the profit and loss account.

2. PROFIT AND LOSS ACCOUNT

- (a) Auditors' remuneration is dealt with on a group basis and no amount has been specifically recharged to this company (1998 - nil).
- (b) The directors do not receive any remuneration for their services to the Company; their emoluments for work within the group are paid by other group companies and are dealt with in the accounts of those companies (1998 - nil).
- (c) The Company had no employees during the year (1998 - none).

3. DEBTORS

<u>Due after more than one year</u>	1999	1998
	£	£
Amounts owed by parent and fellow subsidiary undertakings	1,397,530	1,397,530
	<hr/>	<hr/>

TRIBERT TANKERS LONDON LIMITED**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

4. CREDITORS

Amounts falling due within one year	1999 £	1998 £
Amounts owed to previously connected companies	329,203	318,916
	<hr/>	<hr/>

Amounts falling due after more than one year	1999 £	1998 £
Amounts owed to parent and fellow subsidiary undertakings	12,536,082	12,144,329
	<hr/>	<hr/>

The amount of £12,536,082 (1998 - £12,144,329) is subordinated to the claims of all other creditors, except for those loans from a previously connected company as referred to above.

The above liabilities are interest free and have no set repayment date.

5. SHARE CAPITAL	1999 £	1998 £
Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

6. EQUITY SHAREHOLDERS' FUNDS

	Share Capital £	Profit and loss account £	Foreign exchange reserves £	Total £
Balance at 1 January 1999	100	(19,861,026)	8,795,211	(11,065,715)
Movement in the year	-	(402,040)	-	(402,040)
Transfer of exchange	-	402,040	(402,040)	-
Balance at 31 December 1999	<hr/> <u>100</u>	<hr/> <u>(19,861,026)</u>	<hr/> <u>8,393,171</u>	<hr/> <u>(11,467,755)</u>

9. ULTIMATE PARENT COMPANY

The Company's ultimate holding company is The Peninsular and Oriental Steam Navigation Company, incorporated by Royal Charter in Great Britain and therefore not registered. Its accounts are available to the public from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.

The company is a wholly owned subsidiary of The Peninsular and Oriental Steam Navigation Company and as such, the company has taken advantage of the exemption available under Financial Reporting Standard 8, not to disclose transactions with other group companies.