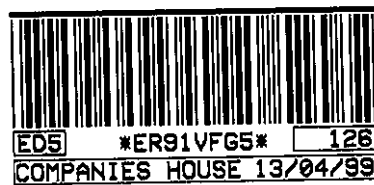


Companies
House

Company Registration No. 1478867 (England and Wales)

ANGLO-AMERICAN EXPLORATION CO. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1997



ANGLO-AMERICAN EXPLORATION CO. LIMITED

COMPANY INFORMATION

Directors	N J B Cooper G Azezian
Secretary	N J B Cooper
Company number	1478867
Registered office	93 Knatchbull Road London SE5 9QU
Accountants	Edwards & Co. Mitre House 177 Regent Street London W1R 8BB

ANGLO-AMERICAN EXPLORATION CO. LIMITED

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ANGLO-AMERICAN EXPLORATION CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1997

The directors present their report and financial statements for the year ended 30 September 1997.

Principal Activities

The principal activity of the company continued to be that of holding interests in oil and gas producing properties in Oklahoma.

Directors

The following directors have held office since 1 October 1996:

N J B Cooper
G Azezian

Directors' Interests

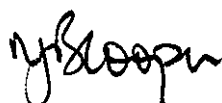
The directors' beneficial interests in the shares of the company were as stated below:

	Shareholding £1 Ordinary	Shareholding £1 Redeemable
N J B Cooper	45 "B"	15 "B"
G Azezian	50 "C"	30 "C"

Small Companies Exemptions

In the preparation of the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part VII of the Companies Act 1985.

By order of the Board



N J B Cooper
Director
9 April 1999

ANGLO-AMERICAN EXPLORATION CO. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1997

	Notes	1997 £	1996 £
Turnover		3,402	2,366
Administrative expenses		(8,159)	(23,002)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(4,757)	(20,636)
Tax on loss on ordinary activities	2	-	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation	8	<u>(4,757)</u>	<u>(20,636)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ANGLO-AMERICAN EXPLORATION CO. LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1997

	Notes	1997 £	£	1996 £	£
Fixed assets					
Investments	3		13,158		13,158
Current assets					
Debtors	4	821		2,393	
Cash at bank and in hand		6,254		11,745	
		<u>7,075</u>		<u>14,138</u>	
Creditors: amounts falling due within one year	5	<u>(4,967)</u>		<u>(7,273)</u>	
Net current assets			<u>2,108</u>		<u>6,865</u>
Total assets less current liabilities			<u>15,266</u>		<u>20,023</u>
Creditors: amounts falling due after more than one year	6		<u>(150,000)</u>		<u>(150,000)</u>
			<u>(134,734)</u>		<u>(129,977)</u>
Capital and reserves					
Called up share capital	7		240		240
Other reserves	8		(10,493)		(10,493)
Profit and loss account	8		(124,481)		(119,724)
Shareholders' funds	9		<u>(134,734)</u>		<u>(129,977)</u>
Equity interests			<u>(134,779)</u>		<u>(130,022)</u>
Non-equity interests			45		45
			<u>(134,734)</u>		<u>(129,977)</u>

ANGLO-AMERICAN EXPLORATION CO. LIMITED

BALANCE SHEET

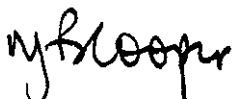
AS AT 30 SEPTEMBER 1997

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 9 April 1999



N J B Cooper
Director

ANGLO-AMERICAN EXPLORATION CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Taxation

There is no liability to corporation tax due to losses in the year.

3 Fixed asset investments

	Unlisted investments £
Cost	
At 1 October 1996 & at 30 September 1997	118,198
Provisions for diminution in value	
At 1 October 1996 & at 30 September 1997	105,040
Net book value	
At 30 September 1997	13,158
At 30 September 1996	13,158

Investments include A&T Production Co. Promissory Notes at a cost of £105,040 which are fully provided against. Other investments represent the cost of C&K Venture Leasehold Interests which, in the directors' opinion, have a realisable value of at least cost of £13,158 as shown in the accounts.

ANGLO-AMERICAN EXPLORATION CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

4 Debtors	1997	1996
	£	£
Trade debtors	821	2,393
	<u> </u>	<u> </u>
5 Creditors: amounts falling due within one year	1997	1996
	£	£
Other creditors	4,967	7,273
	<u> </u>	<u> </u>
6 Creditors: amounts falling due after more than one year	1997	1996
	£	£
Other creditors	150,000	150,000
	<u> </u>	<u> </u>
Analysis of loans		
Not wholly repayable within five years other than by instalments	150,000	150,000
	<u> </u>	<u> </u>
Loan maturity analysis		
In five years or more	150,000	150,000
	<u> </u>	<u> </u>

The other creditors are loan notes (15 at £10,000 each) , which are unsecured, interest free and subordinated.

ANGLO-AMERICAN EXPLORATION CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

7	Share capital	1997	1996
		£	£
	Authorised		
	100 "A" Ordinary shares of £ 1 each	100	100
	45 "B" Ordinary shares of £ 1 each	45	45
	50 "C" Ordinary shares of £ 1 each	50	50
	15 "B" Redeemable shares of £ 1 each	15	15
	30 "C" Redeemable shares of £ 1 each	30	30
	760 Undesignated ordinary shares of £ 1 each	760	760
		<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	100 "A" Ordinary shares of £ 1 each	100	100
	45 "B" Ordinary shares of £ 1 each	45	45
	50 "C" Ordinary shares of £ 1 each	50	50
	15 "B" Redeemable shares of £ 1 each	15	15
	30 "C" Redeemable shares of £ 1 each	30	30
		<u>240</u>	<u>240</u>
8	Statement of movements on reserves		
		Other reserves	Profit and loss account
		£	£
	Balance at 1 October 1996	(10,493)	(119,724)
	Retained loss for the year	-	(4,757)
	Balance at 30 September 1997	<u>(10,493)</u>	<u>(124,481)</u>
9	Reconciliation of movements in shareholders' funds	1997	1996
		£	£
	Loss for the financial year	(4,757)	(20,636)
	Opening shareholders' funds	(129,977)	(109,341)
	Closing shareholders' funds	<u>(134,734)</u>	<u>(129,977)</u>

ANGLO-AMERICAN EXPLORATION CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

10 Contingent liabilities

The company has provided indemnity to James Finlay Bank Limited secured by a floating charge over the assets and undertaking of the company in the event that A & T Production Co. default in their obligation to the bank of \$116,500 plus interest at 13.5% per annum. Amounts called in during the year amounted to £6,679. All liabilities under the indemnity have been discharged.

11 Transactions with directors

At the balance sheet date, included in creditors due after more than one year is £100,000 (1996:£100,000) due to G Azezian and £50,000 (1996: £50,000) due to N J B Cooper.