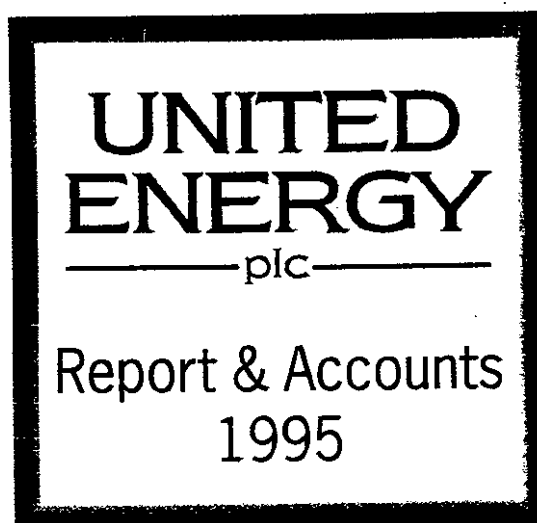


1712354



1712354



**United Energy** is an international energy company specialising in development of proved and near proved oil and gas reserves in the USA and electricity generation from waste products in the UK.

Since the beginning of the decade, **United Energy** has demonstrated sustained growth despite weak product prices and is strongly focused on enhancing shareholder value.

<b>Contents</b>	<b>Page</b>
Highlights	1
Chairman's Statement	2
Board of Directors	4
Management Report	5
Proved Oil and Gas Reserves	10
Directors' Report	11
Directors' Responsibility Statement	15
Auditors' Report	15
Remuneration Committee's Report	16
Consolidated Profit and Loss Account	17
Consolidated Balance Sheet	18
Company Balance Sheet	19
Consolidated Cash Flow Statement	20
Consolidated Statement of Total Recognised Gains and Losses	20
Notes to the Accounts	21
Notice of Annual General Meeting	33
Form of Proxy	35
Directors and Advisers	37

### **The Annual General Meeting of Shareholders**

The Annual General Meeting of United Energy plc will be held at the offices of Peel Hunt & Company Limited, 62 Threadneedle Street, London EC2R 8HP on 12 June 1996 at 11.00 am.

### **Oil and Gas Terms used in this Report**

bbl	barrel
bbl/d	barrels of oil per day
mbbl	thousand barrels of oil
boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
mboe	thousand barrels of oil equivalent
mmboe	million barrels of oil equivalent
mscf	thousand cubic feet
mmscf	million standard cubic feet
mmbtu	million British thermal units

## Highlights

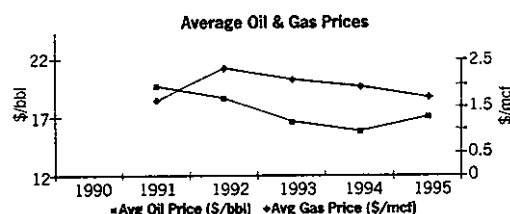
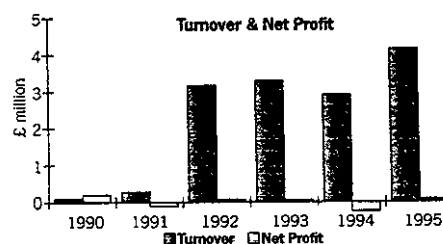
### Highlights

1995

- Group returns to profitability.
- Turnover increased by 64%.
- Oil & Gas production up by 62%.
- Reserve base increased by 86%.
- Operating cashflows more than double at 5.4p per share.

### Subsequent to Year End

- CNG pays \$2.4 million in settlement of litigation.
- Agrigen interest provides foothold in UK power generation sector.
- Existing borrowing base supports further acquisitions of over \$5 million.



### Profit and Loss Account

	1995 £'000	1994 £'000
Turnover	4,125	2,520
Profit/(loss)	111	(379)
Earnings/(loss) per share	0.3p	(1.1p)

### Cashflow Statement

Net operating cashflow	1,902	932
------------------------	-------	-----

### Balance Sheet

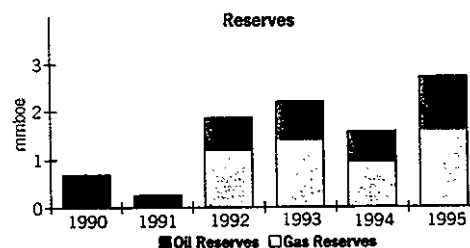
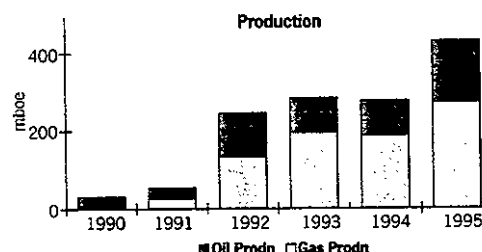
Shareholders' funds	5,210	4,678
---------------------	-------	-------

### Production

Crude oil (mmbbl)	292.8	182.5
Natural gas (mmscf)	1,112.2	679.4
Average daily production (boepd)	1,310.0	810.2

### Reserves, proven only

Crude oil (mmbbl)	1,655.9	982.7
Natural gas (mmscf)	7,639.5	3,525.8
Barrels of oil equivalent (mboe)	2,929.2	1,570.2



## Chairman's Statement



The significant production increase and return to profit in 1995 was welcome and the strong start to 1996 points to a good year ahead.

*Dear Shareholder,*

1995 was an important year for your Company with a return to profit resulting from significant improvements in both the reserve base and production volumes. The accounts show a 64% increase in turnover to £4.125 million and a net profit after taxation of £111,000.

### US Operations

In the USA, AmBrit Energy Corp, our wholly owned subsidiary, has been successful in adding value to the Renown and Woodbine property packages acquired in early 1995. In house engineering studies have identified a development drilling opportunity on the Hare lease in Texas. No value was attributed to the Hare lease at the time of acquisition but a high level of drilling activity on offsetting leases in 1995 has resulted in productive wells surrounding our acreage on all four sides. We expect to begin drilling the Hare well in July 1996. In addition, we have identified good waterflood potential in the Frisco Field, Louisiana and it is our intention to initiate a staged flood in the fourth quarter of 1996.

The CNG litigation was brought to a successful close in March 1996 with a settlement agreed at \$2.05 million after lawyers' contingency fees, which has improved evaluated net assets per share by 3.5p.

In April 1996, we acquired a substantial working interest in, and operatorship of, the Ham Gossett Oil Field. This is a project based acquisition which, despite low initial production rates, has multiple opportunities to significantly increase production volumes.

During the year the US management team was strengthened with the appointment of Jim Buron as Senior Vice President of Production and Operations. Jim has been instrumental in many of the improvements we have seen in the second half.

### UK Power Generation

In the UK, in January 1996, we acquired a 30% interest in Agrigen together with options over up to a further 15% of the share capital, providing your Company with a foothold in the power generation sector. Agrigen holds a government awarded contract to supply 8.825 megawatts of electricity per hour to the local regional electricity company from a poultry litter fired power station to be located in Northampton. Planning permission has already been obtained and a turnkey contract is in the process of being tendered for with a target date for plant commissioning of the first quarter 1998. The supply contract stipulates an electricity price of over twice the current pool price for a 15 year term increased annually by the RPI. We anticipate this will contribute to the Group's profits and cashflows from 1998 onwards.

This acquisition will improve the Group's strategic balance as well as providing a base for growth in the power generation sector.

### The Future

The first quarter of 1996 has shown significant improvement over previous years with production well ahead and higher oil and gas prices contributing to stronger cashflows and improved performance. Furthermore, our gearing is down to approximately 50% which, together with a stronger borrowing base as a result of reserve improvements, will enable acquisitions in excess of \$5 million to be made this year without requiring further funds from shareholders. In addition, the Hare development well, combined with the Agrigen and the Ham Gossett acquisitions, indicate that 1996 should be an exciting year for United Energy.

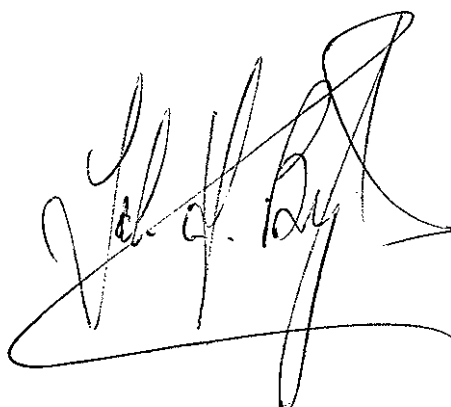
The achievements of 1995 and the year to date reflect the considerable effort that has been made by the teams on both sides of the Atlantic and I am pleased that we have been able to maintain continuity of key management over a very demanding period.

The Group has a goal for 1996 to reach a production level of over 2,000 boepd and I know your Board and management teams are committed to a year of further enhancements in shareholder value.

*Sincerely,*



John F Billington  
Chairman  
29 April 1996



## Board of Directors



Left to right: Derek Howard-Orchard, John Billington, Tony Hoskinson, Tony Haywood, Nick Tamblyn

**John F Billington** Non-Executive Chairman joined the Board in December 1991 and was appointed Chairman in July 1992. John built up a company with almost 150 pharmacy and drugstore outlets as well as manufacturing and wholesaling activities; this business was sold to Lloyds Chemists plc in 1987. He holds a number of other directorships. Age 51.

**Nick Tamblyn** Chief Executive and Finance Director was appointed to the Board in May 1992. Nick is a chartered accountant and joined the Company from KPMG where he was a Partner. Age 38.

**Derek Howard-Orchard** Group Technical Director joined the Board in February 1990. Derek is a petroleum engineer with 16 years experience as a consultant to international oil and energy companies. He is President of the Group's US operations, spending a significant proportion of his time in the USA. Age 44.

**Tony Hoskinson** Director and Secretary joined the Board in September 1989 and is responsible for the Company's statutory obligations and shareholder liaison. Age 54.

**Tony Haywood** Non-Executive Director joined the Board of AmBrit as Technical Director in 1989 and joined the Board of United Energy on AmBrit's acquisition in February 1992. He became a Non-Executive Director in October 1992. Tony is a geologist with 25 years worldwide experience. Age 50.

## Management Report

### Financial Review

Turnover for the year increased by 64% to over £4 million resulting in a return to profitability. The £672,000 improvement in operating profits was particularly pleasing given the continued weakness in product prices. Combined average product prices were well below 1993 levels and no better than those seen in 1994.

Despite the increased production and reserve base, administrative expenses fell by 9% reflecting the benefit of increased overhead recovery from AmBrit operated wells and continued tight control over costs. Net interest expenses were approximately double those from the previous year but should benefit as gearing is reduced. Interest rates in the US averaged approximately 9.5% during 1995 which was above the levels experienced during 1994. The margin which the Group pays over US prime rate was reduced during the second half of the year to ½%, reflecting the strong relationship the Group has with its principal Banker. Production costs remained stable at approximately £2.92 per boe resulting in cashflows before overheads of £5.71 per boe.

Cashflows from operations at £1.9m were more than double those from the previous year. Subsequent to year end, net gearing has fallen from the peak of 91% reported in the 1995 Interim Results to around 50% after the Ham Gossett acquisition. As a result of the significant reduction in gearing, the Group presently has freely available lines of credit amounting to over £3 million.

The evaluated net assets per share, using unescalated 12 month average prices has increased by 16.5% to 16.2p. Using unescalated year end pricing and taking into account the CNG settlement, the evaluated net assets per share increase further to 24.5p, representing a 75% premium to the book net assets per share.

During the year oil prices received averaged 17.11 \$/bbl, up from 15.60 \$/bbl in 1994. Gas prices remained low during the first half of 1995 but increased in the second half for an average of 1.76 \$/mcf, down from 2.07 \$/mcf in 1994. However, both oil and gas prices have strengthened considerably over the winter with average prices during the first quarter of 1996 at 18.32 \$/bbl and 2.89 \$/mcf contributing to strong cashflows and increased profitability.

### Operational Review

Following the acquisitions in 1995 production increased by 62% to an average of 1,310 boepd. Current production rates are above this value but are less than the peak of over 1,500 boepd in the fourth quarter of 1995 after rationalisation of our property portfolio in early 1996. Following the divestment of United Energy's UK assets in late 1994, 99% of the Group's production is in the USA and AmBrit now operates properties comprising of approximately 38% of the reserve base.

The Frisco Field and adjacent wells, located in Pointe Coupee Parish, Louisiana and operated by AmBrit, accounts for around a third of the Group's daily production. Much of our activity in 1995 was concentrated in this area with two workovers increasing production by 190 boepd. AmBrit holds a working interest in excess of 90% in both of these wells. In addition, our internal engineering studies have identified the Wilcox "C" sand as a strong waterflood candidate. We have already acquired an offsetting inactive well at nominal cost, which we will convert into a water injector, and plan to implement a staged flood in the fourth quarter of 1996.

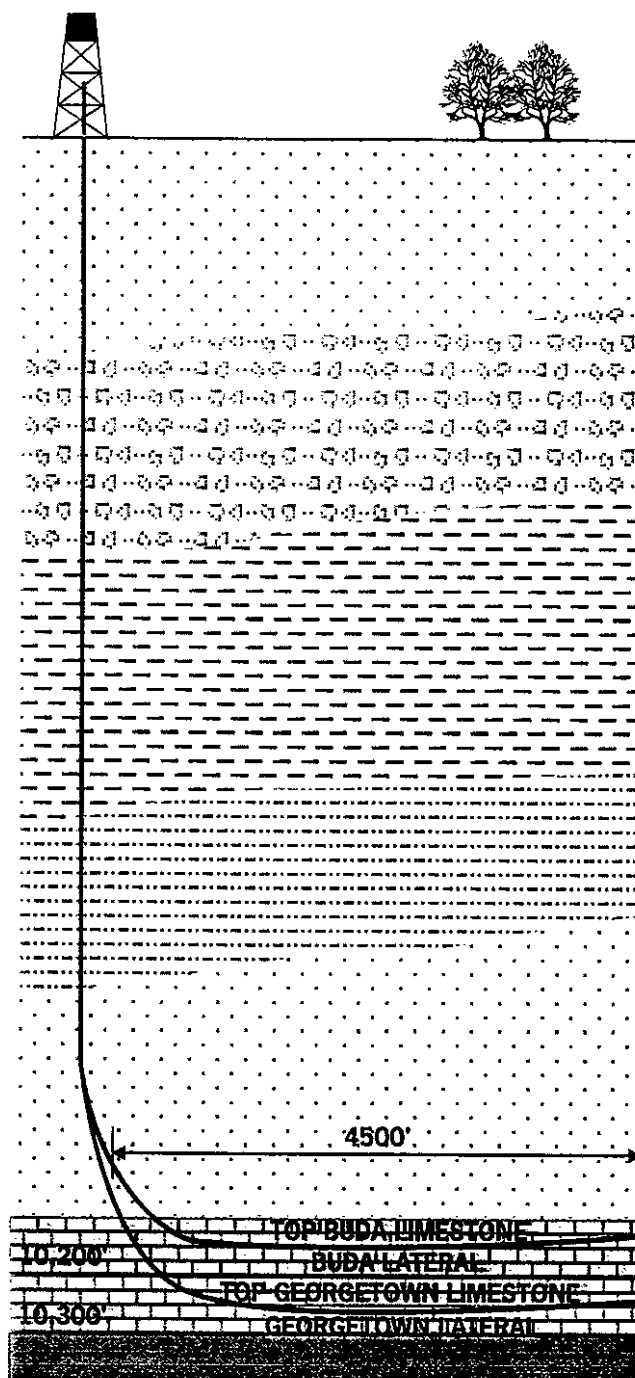
In the Renown acquisition the K T Hare well, located in Grimes County, Texas, was ascribed no value, but we now consider it has good potential. In 1994, the Hare lease was offset by a prolific horizontal well producing from the Georgetown formation and in 1995 a high level of horizontal drilling activity to the Georgetown and Buda formations by other operators resulted in our acreage being surrounded on all sides by commercial wells. We have maximised our acreage position and formed a unit in which we now hold a 35% working interest. The Hare #2, a deviated well with dual 4500 ft horizontal sections penetrating the Georgetown and Buda formations, is planned for July 1996 and is expected to take 45 days to drill. The well will be operated by Patterson Petroleum, who operate three of the four immediate offset wells and have extensive experience in the area. Reserves for this well have not been carried in the 1995 reserve evaluation but are likely to be material even if the well is only moderately successful.

Subsequent to the year end, AmBrit recompleted the Daigle #3 well in the Church Point Field, Acadia Parish, Louisiana, with a resultant increase in production from 32 boepd to over 300 boepd. AmBrit holds an 87.5% working interest in this well.

Towards the end of 1995, the Wilcox WX F unit in the Larto Lake Field, Catahoula Parish, Louisiana reached its economic limit, despite attempts to improve productivity. However, the three wells producing from the 5,200 ft sand remain commercial.

The development of the Johnson Ranch Field in Foard & Cottle Counties, Texas was curtailed during 1995 following a rapid decline in production from the development wells drilled in late 1994. Further infill drilling was postponed in favour of installing a pilot waterflood and this has now been completed with injection commencing in early February 1996. We expect to see a response to the water injection prior to year end.

The two major fields in which we have a minority interest, the Texaco operated Hatters Pond Unit in Mobile County, Alabama and the Exxon operated West Broussard Field in Lafayette Parish, Louisiana continue to produce above expectations.





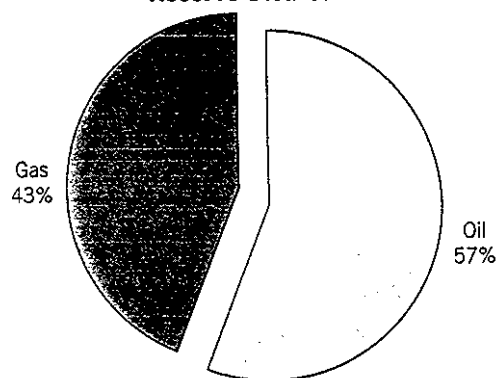
## Reserves

This year saw a change in our Petroleum Engineers from Netherland Sewell & Associates, Inc to The Scotia Group, Inc. We have enjoyed a long and effective relationship with Netherland Sewell, but increased annual evaluation costs associated with the recent acquisitions together with their unavailability to perform a technical audit at the time of the acquisitions forced us to look elsewhere. We have left Netherland Sewell on good terms and they continue to be of assistance to us.

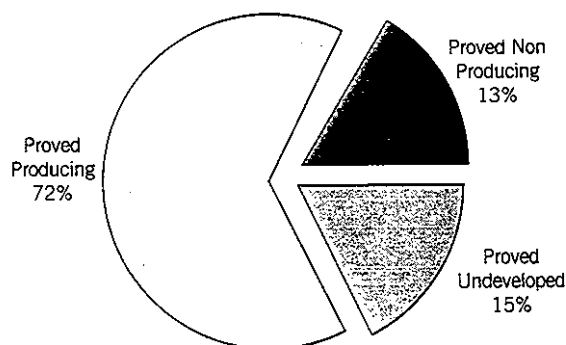
The Scotia Group have an impressive domestic and international client list which spans both oil and gas companies and financial institutions.

The Scotia Group estimated the Group's 1995 year-end proved reserves to be 1,655.9 mmbbls of oil and 7,639.5 mmscf of gas equating to approximately 2,929.2 mboe. This represents an increase of 86% over the 1994 proved reserves of 1,570.2 mboe. At the year end our reserves were split 57% oil and 43% gas with 72% of the total reserves in the proved producing category. During 1996 we intend to make further gas acquisitions to maintain parity on our oil/gas split.

**Reserve Distribution**



**Reserve Category Distribution**



Reserves attributed to the Renown and Woodbine properties have increased since their acquisition from 1,723 mboe to 1,814 mboe at year end, with reserve improvements more than offsetting production for the year of 324 mboe.

The appraised value of the Group's oil and gas reserves at 31 December 1995, on an unescalated basis using 12 month average prices, is £9.37 million; an increase of £4.22 million over the previous year. Using year end pricing this value would increase by 19% to £11.17 million.

At year end 1995, the group had interests in 393 gross wells (80.7 net) for an average ownership of 20.5%. This compares with 485

gross wells (70.3 net) last year for an average ownership of 14.5%. The increase in average ownership reflects the rationalisation of our property portfolio which took place during the latter part of the year.

## Agrigen

In January 1996, the Company announced the purchase of a 30% shareholding in Agrigen for £150,000 with options over up to a further 15% of the share capital for a consideration of up to £300,000. In addition, your Company has made a loan of £200,000 to Agrigen which is interest bearing and secured by a debenture over Agrigen's assets. The share purchase and the loan were funded from the Company's cash resources and a placing for cash of 1,739,130 new shares. The shares were placed with parties associated with our Chairman, Mr John Billington, at a price of 11.5p which represented the mid-market price on 29 January 1996, the date the shares were issued.

Agrigen was established in 1993 to take advantage of a government initiative to encourage the use of environmentally friendly sources of electricity. Agrigen holds a NFFO3 contract to supply 8.825 megawatts of electricity per hour to a local regional electricity company from a poultry litter fired power station to be

located at Nunn Mills, Northampton. The electricity is to be supplied at a contracted price of 5.39 per kilowatt hour increased by RPI from October 1995 for a 15 year period from the date of commissioning the facility. This price is significantly higher than the typical pool prices currently paid by the RECs for electricity. Day to day management of this project has transferred to the Group's Cheltenham office and Trevor Willison, Agrigen's Managing Director, is working with United's management team towards agreeing the terms of acquiring the site for the plant and the terms of various supply contracts.

### **CNG Settlement**

The long running litigation with CNG was settled out of court in March 1996, with CNG paying AmBrit \$2.4 million (£1.57 million) to include purchase of the Pennsylvania and West Virginia properties which had an evaluated book value slightly below £0.1 million. After the lawyers' contingency fees the amount due to United Energy is \$2.05 million (£1.34 million) which has improved evaluated net assets per share by 3.5p.

Although the settlement is less than the claimed amount, it is significant in relation to the Group's net assets. The Board believes the settlement is fair, given the information that has been made available as the case has been progressed and the advice received from our attorneys.

In accordance with the Group's accounting policy, the benefits arising from the settlement are to be recognised in the 1996 accounts as a deduction from the oil and gas interests cost pool on the Consolidated Balance Sheet. No benefits arising in respect of this settlement have been recognised in the 1995 accounts.

### **Acquisitions and Disposals**

We continued to pursue acquisitions throughout the year, although much of the first half was spent performing detailed due diligence and closing the Woodbine and Renown acquisitions. Having acquired an operating base associated with the Frisco Field we are seeking to consolidate our position in Louisiana and Texas and build on our expertise and knowledge in that area.

Following integration of the acquired properties we performed a technical and strategic review of our property portfolio and targeted the lower value and management intensive properties for disposal. To date we have sold the bulk of these properties at a price in excess of our year end appraised value and are also entertaining substantial offers on two of our larger non strategic properties.

In April 1996, AmBrit acquired a 74.8% working interest in the Ham Gossett Oil Field, Kaufman County, Texas for US\$ 0.70 million in cash (£0.45 million). This field is located some 35 miles south west of AmBrit's offices in Dallas and is a project oriented acquisition which offers a number of opportunities to rapidly increase the low current production base of 36 bbl/d net. The acquisition price is more than adequately underpinned by proved reserves of 164 mbbl and as AmBrit will assume operatorship of the field we will be able to progress a fast track development. Implementation of a number of identified projects, targeted to commence before the mid-year should result in a significant increase in production and additional reserves booked at year end.

As reported in last year's Report and Accounts, we acquired, at minimal cost, the right to participate in a Far Eastern trading venture, contingent upon its successful development. We now see little prospect of this opportunity being progressed.

Looking forward, the reduced gearing and strengthened borrowing base will support acquisitions in excess of \$5 million in 1996 without recourse to shareholders, providing further opportunities for significant growth.

### **Transition to the Official List**

As the Unlisted Securities Market will cease operating on 31 December 1996, we will move up to a Full Listing on the London Stock Exchange, coinciding with the publication of the 1995 Report and Accounts.

**Free Share Sale Facility**

Your Board has been considering for some time the problem faced by shareholders with small holdings, which are uneconomic in relation to the cost of disposal through their broker or bank, when they wish to sell their shares.

To assist such shareholders, a special Free Share Sale Facility has been arranged through stockbrokers, John Siddall & Son Limited, for shareholders with registered shareholdings on 29 April 1996 of 1,000 or less shares in the Company, enabling them to sell their shares without dealing expenses for a fixed period following publication of the Report and Accounts. A Circular is enclosed with the Report and Accounts explaining the Facility in detail.

**Staff**

During the year we strengthened the US management team by the appointment of Mr Jim Buron as Senior Vice President, Production and Operations. Mr Buron was formerly Northern Production Manager for Dalen Resources Oil and Gas Co., with responsibility for approximately 380 operated wells producing in excess of 20,000 boepd. Mr Buron, who is 43 years old, trained with Amoco, subsequently gaining experience with a number of US independents on onshore operations as well as acquisitions and divestments.

As part of the management changes Mr Nick Tamblyn was appointed Chief Executive of the Group with Mr Derek Howard-Orchard remaining President of AmBrit Energy Corp and Group Technical Director.

## Proved Oil and Gas Reserves

	Oil (mbbl)	Gas (mmscf)
<b>Net proved reserves for key properties at 1 January 1995, as estimated by Netherland, Sewell &amp; Associates, Inc:</b>		
- proved developed reserves	685.8	3,291.4
- proved undeveloped reserves	296.9	234.4
<b>Total Proved Reserves at 1 January 1995</b>	<b>982.7</b>	<b>3,525.8</b>
<b>Changes during the year:</b>		
- revisions	166.3	1,098.5
- production	(292.8)	(1,112.2)
- acquired in the year*	829.7	4,482.3
- disposals	(30.0)	(354.9)
<b>Total proved reserves at 31 December 1995 as estimated by Scotia Group, Inc, and analysed as follows:</b>	<b>1,655.9</b>	<b>7,639.5</b>
- proved developed reserves	1,266.3	7,282.8
- proved undeveloped reserves	389.6	356.7

\*Although these acquisitions had effective dates of 1 October 1994 and 1 January 1995 respectively, in accordance with our accounting policy production volumes are only carried from March 1995, the month in which we entered into the legal agreement to acquire the properties.

### Estimation and Valuation of Proved Oil and Gas Reserves

The 1995 Reserve Estimation and Valuation was performed by The Scotia Group, Inc on all the Group's properties. The 1994 Reserve Estimation and Evaluation was performed by Netherland, Sewell and Associates Inc, on all the Group's properties. Oil prices used for the evaluation were based on a 12 month average of West Texas Intermediate posted prices of 16.77 \$/bbl adjusted by lease for gravity and transportation fees with the exception of the Greek properties which used a 12 month average of received prices. Similarly, gas prices are based on a 12 month average price for Texas Gulf Onshore Spot of 1.57 \$/mmbtu. Oil and gas prices, operating costs and capital expenditures are held constant for the economic life of the property.

As has been noted in previous Reports and Accounts, the basis for SEC evaluations employed by the majority of other oil and gas companies with predominately US production is to use year end pricing. United Energy's position is that in most cases this presents a distorted view as year end product prices are usually favourably influenced by seasonal factors and the year's average product prices more accurately reflect the true position. Actual year end spot prices were 18.00 \$/bbl for West Texas Intermediate and 1.94 \$/mmbtu for Texas Gulf Onshore Spot gas. These values represent a significant increase over the average prices used for our reserve evaluation and had United Energy adopted this pricing regime the Appraised Value of Proved Oil and Gas Reserves on an unescalated basis would be £11.17 million.

The evaluation of Proved Oil and Gas Reserves (Escalated) was performed by The Scotia Group, Inc, with oil and gas prices escalated at 6% per annum to a maximum of 40 \$/bbl and 4 \$/mmbtu respectively. Similarly, operating costs and capital expenditures are escalated at 4% per annum until the termination of the product price escalation.

The appraised value of proved oil and gas reserves is estimated by the Group to be equal to the estimated future net revenue discounted at 10% per annum. The Appraised Value on an unescalated and escalated basis as shown below, was calculated by The Scotia Group, Inc. using 12 month average oil and gas prices.

Written down Book Value of Proved Oil and Gas Reserves	£8.90 million
Appraised Value of Proved Oil and Gas Reserves (Unescalated)	£9.37 million
Appraised Value of Proved Oil and Gas Reserves (Escalated)	£11.86 million

## Directors' Report

The Directors present their report and the audited accounts of the Group for the year ended 31 December 1995.

### Activities

The Company is the holding company of a Group whose principal activities are the development and production of oil and gas interests in the United States of America. The Directors intend to expand and develop these existing activities whilst seeking further opportunities for growth in the wider energy sector.

### Review of Business

A review of the Group's progress, developments during the year and future prospects is contained in the Chairman's Statement on Pages 2 and 3 and the Management Report on Pages 5 to 9, both of which should be read in conjunction with this report.

### Results and Dividend

The results of the Group for the year ended 31 December 1995 are set out in the profit and loss account on Page 17.

The Directors do not propose to recommend the payment of a dividend (1994: £nil).

### Fixed Assets

The changes in the fixed assets of the Group are set out in Notes 9, 10 and 11 to the accounts.

### Subsequent Events

Details of post balance sheet events are set out in Note 22 to the accounts.

### Share Capital

The changes in the share capital of the Company are set out in Note 16 to the accounts.

### Directors

The Directors of the Company during the year were as follows:

JF Billington	(Chairman, Non-Executive)
N J Tamblin	(Chief Executive and Financial Director)
D Howard-Orchard	(Group Technical Director)
JA Hoskinson	(Director and Secretary)
AB Haywood	(Non-Executive)

In accordance with the Company's Articles of Association Mr D Howard-Orchard retires by rotation at the Annual General Meeting and, being eligible, will offer himself for re-election. The services of Mr Howard-Orchard are provided through North Sea Hydrocarbons Limited which has an agreement with the Company which is terminable by not less than 36 months' written notice by either party.

### Directors' Interests in the Company

The Directors at 31 December 1995 had, according to the register of directors' interests maintained in accordance with Section 325 of the Companies Act 1985, the following interests in the share capital of the Company:

	At 31 December 1995			At 1 January 1995		
	Ordinary shares of 10p each	Warrants	Share options	Ordinary shares of 10p each	Warrants	Share options
Beneficial:						
JF Billington	5,773,329	890,410	453,703	5,773,329	890,410	453,703
AB Haywood	70,312	-	200,000	70,312	-	200,000
JA Hoskinson	295,100	15,962	703,125	295,730	15,962	703,125
D Howard-Orchard	124,850	4,452	862,500	69,850	4,452	862,500
NJ Tamblyn	144,312	-	500,000	77,000	-	200,000
Non Beneficial:						
JA Hoskinson	198,750	24,444	-	173,750	74,444	-

Details of the share options and warrants to subscribe for the Company's ordinary shares are set out in Note 16 to the accounts. The warrants expired on 11 February 1996 and none of the Directors exercised their warrants between the year end and the expiry date.

On 15 January 1996, Mr N J Tamblyn increased his shareholding by 15,000 shares and now holds 159,312 shares (0.41%). On 30 January 1996, as a consequence of a Private Placing in connection with the acquisition of a shareholding in Agrigen Limited, Mr J F Billington increased his interests in the Share Capital of the Company by 1,739,132 shares and now holds 7,512,461 shares (19.73% of the enlarged share capital). There were no other changes in the Directors' registered interests in the share capital of the Company during the period 1 January 1996 to 29 April 1996. None of the Directors had any interest in the shares of any subsidiary undertaking at 31 December 1995 or since.

### Substantial Shareholdings

At 29 April 1996 the Company was aware of the following other holdings of 3% or more in its ordinary shares:

	Number of Shares	%
Renown Petroleum Inc	2,079,633	5.36
Ansbacher Nominees Limited	2,025,460	5.22
West Ashby Investments Limited	1,846,263	4.76
State Street Nominees Ltd JD38	1,486,270	3.83
Cut-Off Investments LP	1,310,152	3.38

Other than the interests set out above the Directors are not aware of any other person with a beneficial holding or interest of 3% or more in the issued ordinary share capital of the Company.

### Directors' Interests in Transactions

Other than as set out in Note 5 there were no disclosable contracts or arrangements involving the Directors during the year ended 31 December 1995.

### Annual General Meeting

As at the previous general meetings a resolution will be proposed to renew the Directors' authority to allot relevant securities until the next Annual General Meeting or, if earlier, the date 15 months after the passing of the resolution. The authority sought will be in respect of securities up to an aggregate nominal amount of £1,293,056.60 representing approximately 33% of the issued share capital of the Company at the date hereof. The Directors have no present intention of exercising this authority.

At the Annual General Meeting held on 1 June 1995 the Directors were empowered to allot for cash, until the conclusion of the next Annual General Meeting or, if earlier, the date 15 months after the passing of the resolution, equity securities up to an aggregate nominal amount of £168,313.90. At this year's Annual General Meeting, in accordance with the limits prescribed by the organising bodies representing the interests of institutional shareholders, a special resolution will be proposed to renew this power in respect of equity securities up to an aggregate nominal amount of £193,959.40 (representing 5% of the present issued share capital) until the next Annual General Meeting or, if earlier, the date 15 months after the passing of the resolution.

The authority for the Company to purchase its own ordinary shares given last year expires at the Annual General Meeting and your Directors propose that it should be renewed and extended in the terms of Resolution 7 in respect of up to 3,879,169 ordinary shares. This figure represents approximately 10% of the issued share capital of the Company at the date hereof. The authority will expire at the Annual General Meeting to be held in 1997.

The Directors intend to use the authority now sought only if they are satisfied such purchases would be in the long term interests of shareholders. They consider it prudent that they should be able to act at short notice and make such purchases should market conditions and the price of the ordinary shares so justify.

A resolution is also being proposed at this year's Annual General Meeting to make the changes to the Company's Articles of Association required in connection with the transition to the Official List referred to below.

### **Free Share Sale Facility and Stockbroker Arrangement**

The Directors are aware of the large number of shareholders with small holdings, the value of which is uneconomic in relation to the cost of disposing of those shares through their broker or bank. To assist such shareholders, the Directors have arranged for stockbrokers, John Siddall and Son Limited, to provide a Free Share Sale Facility for holders of 1,000 shares or less, enabling them to sell their shares without dealing expenses for a fixed period following publication of the Report and Accounts. Enclosed with the Report and Accounts is a Circular which explains more fully how eligible shareholders, whose registered shareholding on 29 April 1996 was 1,000 shares or less, may take advantage of this Facility.

As part of this arrangement, John Siddall & Son Limited will be appointed joint broker alongside our existing stockbrokers, Peel Hunt & Company Limited. John Siddall & Son Limited was established in Manchester in 1883 and has subsequently opened offices in London and a number of smaller centres. Over the years they have developed a strong private client base, particularly in the North of England, which will complement Peel Hunt's strong institutional connections.

### **Transition to the Official List**

The Stock Exchange has announced the intended closure of the Unlisted Securities Market ("USM") on which the Company's shares are traded on 31 December 1996, the USM having been superseded by the establishment of the Alternative Investment Market ("AIM").

The Stock Exchange has adopted a European Directive to enable USM issuers whose shares have been traded on the USM and whose shares qualify to be listed on the London Stock Exchange, to have their shares admitted to the Official List during the course of this year. Following publication of the Report and Accounts for 1995 your Company intends applying to the Stock Exchange to be admitted to the Official List.

In connection with this application, the Company is required to propose certain very minor amendments to its Articles of Association to bring them into line with current Stock Exchange regulations. Details of the changes are set out in Resolution 8 of the Notice of Annual General Meeting.

### **CREST**

CREST is a new electronic system, designed by the Bank of England, for settling transactions when shares are bought or sold on the London Stock Exchange. CREST will be gradually introduced from 15 July 1996 over a period of seven months and it is expected that the shares of United Energy will be admitted to the CREST system in December 1996.

A leaflet prepared by CRESTCo Limited entitled "CREST - What it means for you. The Private Shareholder" is enclosed with this report.

The Regulations permitting shares to be made available in electronic form were laid before Parliament last November and became operative in February 1996. In accordance with the Regulations, your Board passed the necessary Resolution on 23 April 1996 to permit the Company's Ordinary Shares to be traded in CREST at a provisional entry date of 9 December 1996.

### **Auditors**

Our auditors KPMG have indicated to the Directors that a limited liability company, KPMG Audit Plc, is to undertake part of their audit business. Accordingly a resolution is to be proposed at the Annual General Meeting for the appointment of KPMG Audit Plc as auditors of the Company.

### **Corporate Governance**

The Company complies with the Code of Best Practice incorporated in the report of the Cadbury Committee on the Financial Aspects of Corporate Governance, save that:

- i. The Company only has two non-executive directors and not the minimum of three recommended by the Code. The Board believes that the extra cost of a third non-executive director is not presently warranted by a Group of United Energy's size, although this matter will be kept under review in the light of future Group developments.
- ii. The present non-executive directors do not have formal fixed term contracts, although the Board has agreed that all new non-executive directors will be appointed on formal fixed term contracts currently envisaged not to exceed two years.

The Board normally meets at least monthly and has a formal schedule of matters reserved to it. In addition, the Audit and Remuneration Committees, which comprise Mr J F Billington and Mr A B Haywood, meet at least twice yearly.

The provisions of the Cadbury Code of Best Practice relating to internal controls became fully effective from 1 July 1995. Set out below is a description of the Group's position since that date.

The systems of internal control are designed to allow the Board to monitor the Group's overall financial position and help to protect its assets. The Directors are responsible for this process, such systems can provide only reasonable and not absolute assurance against material misstatement or loss. The principal procedures that have been established and which are considered appropriate for a Group of its size include controls of expenditure, income, budgeting and forecasting, monthly financial reporting, sensitivity analysis, regular reconciliations and the close involvement of senior management.

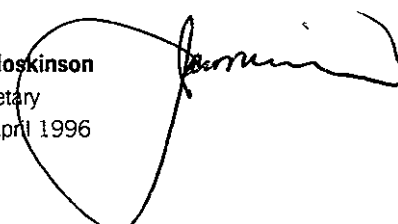
The Audit Committee has reviewed the effectiveness of internal control with both management and the Auditors' and has reported on it to the Board.

The auditors, KPMG, have confirmed that in their opinion, with respect to the Directors' statement on internal financial control above and on going concern on Page 15, the Directors have provided the disclosures required by paragraph 4.5 and 4.6 of the Code (as supplemented by the related guidance for directors) and such statements are not inconsistent with the information of which they are aware from their audit work on the accounts; and that the Directors' other statements on Corporate Governance appropriately reflect the Company's compliance with the other paragraphs of the Code specified for their review. They have carried out their review in accordance with the Bulletin issued by the Auditing Practices Board, which does not require them to perform any additional work necessary to express a separate opinion on the effectiveness of either the Company's system of internal financial control or corporate governance procedures, or on the ability of the Group to continue in operational existence.

By Order of the Board



**JA Hoskinson**  
Secretary  
29 April 1996



50 Stratton Street  
London W1X 6NX



## Directors' Responsibilities Statement

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

## Auditors' Report

**To the members of United Energy plc**

We have audited the accounts on Pages 17 to 32.

### Respective responsibilities of directors and auditors

As described above the Company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group'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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group as at 31 December 1995 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

Chartered Accountants

Registered Auditors

London, 29 April 1996



## Remuneration Committee's Report

On 17 July 1995, the Study Group chaired by Sir Richard Greenbury presented its Report on Directors' Remuneration. The key themes of the Report were stated to be accountability, responsibility, full disclosure, alignment of Director and shareholder interests, and improved company performance. The themes within the Report are broadly welcomed.

The way forward suggested by the Report included a recommendation that the Remuneration Committee should report and account directly to shareholders, on the Board's behalf, for the Committee's decisions. This, consequently, is the first such report to shareholders. The Company's Remuneration Committee consists solely of the two non-executive directors and is chaired by myself. Whenever appropriate, independent advice is taken by the Committee. The Remuneration Committee has been constituted in accordance with Section A of the Code of Best Practice included in the Report and has given full consideration to the provisions in Section B of the Code in determining the Directors' remuneration package.

The Committee has specific responsibility for determining the remuneration of each of the executive directors and in calculating the individual salary package particular attention is paid to ensuring that an appropriate balance is maintained between reward and performance taking into account the special factors which relate to natural resource companies whereby the Company itself is unable to influence the price of oil and gas, or predict the impact of severe weather patterns, mechanical failure, and the uncertainties associated with reservoir, geological and geophysical interpretations. Details of the emoluments paid to individual Directors are set out in Note 5 to the accounts. The remuneration of Non-Executive Directors is determined by the Board.

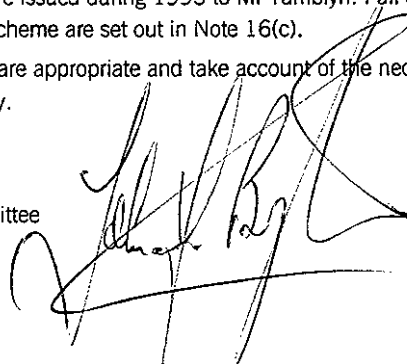
The Committee is aware of the fact that it does not comply with the recommendations of the Report concerning directors' contracts of employment, in that two Directors, Messrs Hoskinson and Howard-Orchard, both have three year rolling contracts of employment. These contracts were in place before the publication of both the Cadbury and Greenbury Reports. Following the creation of the Remuneration Committee it reviewed the impact of these rolling contracts and determined that no changes were, at that time required, and on further review in each subsequent year it has not believed that it is necessary to alter the present arrangements due to the potential cost implications. The present policy of the Remuneration Committee provides that all future rolling contracts of employment for Directors shall not exceed two years and fixed contracts shall not exceed three years. It will continue to review the present arrangements for Messrs Hoskinson and Howard-Orchard and, when appropriate, these contracts will be amended as part of an overall salary review.

The Company operates a Bonus Pool for directors based on a minimum profit on ordinary activities before taxation of £538,000 for 1995. The present participants of this scheme are myself, Messrs Tamblyn, Howard-Orchard and Hoskinson. No payment has been made to any participant under this scheme. The Bonus Pool is allocated by the Remuneration Committee in relation to individual performance in any year in which payment is made. Your Board of Directors consider that my involvement in the Bonus Scheme is appropriate, given that as detailed in Note 5 to the accounts, I receive no fees or benefits from the Company. The Company also operates an Employee Share Option Scheme, under the rules of this Scheme, up to 3.9 million ordinary shares are available to be issued at the date of this report. A total of 2.7 million ordinary shares have presently been issued of which 300,000 were issued during 1995 to Mr Tamblyn. Full details of the options issued under the Employee Share Option Scheme are set out in Note 16(c).

The Committee considers that the current arrangements are appropriate and take account of the necessary factors which affect both the individual and the Company.



**John F Billington**  
Chairman, Remuneration Committee  
29 April 1996



**Consolidated Profit and Loss Account for the Year Ended 31 December 1995**

	Notes	1995 £'000	1994 £'000
<b>Turnover</b>	2	<b>4,125</b>	2,520
Cost of sales:			
Production costs		(1,386)	(865)
Depletion of oil and gas interests		(1,527)	(1,035)
Abandonment		-	(9)
		<b>(2,913)</b>	(1,909)
<b>Gross profit</b>		<b>1,212</b>	611
Administrative expenses		(715)	(786)
<b>Operating profit/(loss)</b>	2	<b>497</b>	(175)
Provision against investment		(13)	-
Loss on disposal of freehold property		-	(24)
Interest receivable		20	3
Interest payable and other charges	3	(393)	(183)
<b>Profit/(loss) on ordinary activities before taxation</b>	4	<b>111</b>	(379)
Taxation	7	-	-
<b>Profit/(loss) on ordinary activities after taxation</b>	17	<b>111</b>	(379)
<b>Earnings/(loss) per share</b>	8	<b>0.3p</b>	(1.1p)

All items dealt with in arriving at the operating profit/(loss) for 1995 and 1994 relate to continuing operations. The result as shown in the profit and loss account is not materially different from the result on an unmodified historic cost basis.

The notes on Pages 21 to 32 form part of these accounts.

**Consolidated Balance Sheet at 31 December 1995**

	Notes	1995 £'000	1994 £'000
<b>Fixed assets</b>			
Intangible exploration assets	9(a)	13	13
Oil and gas interests	9(b)	8,896	5,173
Other tangible assets	9(b)	57	57
Investments	11(b)	61	73
		<b>9,027</b>	<b>5,316</b>
<b>Current assets</b>			
Debtors	12	1,080	464
Cash at bank		541	561
		<b>1,621</b>	<b>1,025</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(940)</b>	<b>(555)</b>
<b>Net current assets</b>		<b>681</b>	<b>470</b>
<b>Total assets less current liabilities</b>		<b>9,708</b>	<b>5,786</b>
<b>Creditors: amounts falling due after more than one year</b>	14	<b>(4,477)</b>	<b>(1,087)</b>
<b>Provisions for liabilities and charges</b>	15	<b>(21)</b>	<b>(21)</b>
<b>Net assets</b>		<b>5,210</b>	<b>4,678</b>
<b>Capital and reserves</b>			
Called up share capital	16(a)	3,705	3,366
Share premium account	17(b)	244	210
Other reserves: capital reserve		928	928
Profit and loss account	17(c)	333	174
<b>Shareholders' funds-equity</b>		<b>5,210</b>	<b>4,678</b>

The accounts on Pages 17 to 32 were approved by the Board of Directors on 29 April 1996 and were signed on its behalf by:

**JF Billington**  
Chairman

**NJ Tamblin**  
Chief Executive

The notes on Pages 21 to 32 form part of these accounts.

**Company Balance Sheet at 31 December 1995**

	Notes	1995 £'000	1994 £'000
<b>Fixed assets</b>			
Oil and gas interests	9(c)	77	100
Other tangible assets	9(c)	11	9
Investments in Group undertakings	11(a)	2,346	2,346
Other investments	11(b)	61	73
		<b>2,495</b>	<b>2,528</b>
<b>Current assets</b>			
Debtors	12	3,669	3,069
Cash at bank		165	418
		<b>3,834</b>	<b>3,487</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(1,606)</b>	<b>(1,543)</b>
<b>Net current assets</b>		<b>2,228</b>	<b>1,944</b>
<b>Total assets less current liabilities</b>		<b>4,723</b>	<b>4,472</b>
<b>Provisions for liabilities and charges</b>	15	-	(1)
<b>Net assets</b>		<b>4,723</b>	<b>4,471</b>
<b>Capital and Reserves</b>			
Called up share capital	16(a)	3,705	3,366
Share premium account	17(b)	244	210
Profit and loss account	17(c)	774	895
<b>Shareholders' funds-equity</b>		<b>4,723</b>	<b>4,471</b>

The accounts on Pages 17 to 32 were approved by the Board of Directors on 29 April 1996 and were signed on its behalf by:

**JF Billington**  
Chairman

**NJ Tamblyn**  
Chief Executive

The notes on Pages 21 to 32 form part of these accounts.

**Consolidated Cash Flow Statement for the Year Ended 31 December 1995**

	Notes	1995 £'000	1994 £'000
<b>Net cash inflow from operating activities</b>	18(a)	<b>1,902</b>	<b>932</b>
<b>Returns on investments and servicing of finance</b>			
Interest received	20	3	
Interest paid	(393)	(183)	
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(373)</b>	<b>(180)</b>
<b>Investing activities</b>			
Expenditure on oil and gas interests	(5,248)	(905)	
Sale of oil and gas interests	340	1,354	
Purchase of other investments	(1)	(73)	
Purchases of other fixed assets	(23)	(11)	
Sale of other fixed assets	-	217	
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(4,932)</b>	<b>582</b>
<b>Net cash (outflow)/inflow before financing</b>		<b>(3,403)</b>	<b>1,334</b>
<b>Financing</b>			
Loans repaid	18(b)	(922)	(1,443)
Additional loans drawn	18(b)	4,305	369
<b>Net cash inflow/(outflow) from financing</b>		<b>3,383</b>	<b>(1,074)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	18(c)	<b>(20)</b>	<b>260</b>

**Consolidated Statement of Total Recognised Gains and Losses for the Year Ended 31 December 1995**

	1995 £'000	1994 £'000
Profit/(loss) for the financial year	111	(379)
Exchange difference on translation of overseas operations/investment	36	(335)
Exchange gain on related borrowings	12	40
<b>Total recognised gains and losses relating to the year</b>	<b>159</b>	<b>(674)</b>

## Notes to the Accounts for the year ended 31 December 1995

### 1. Accounting policies

#### Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### Basis of consolidation

The Group accounts consolidate the accounts of United Energy plc and all its subsidiary undertakings up to 31 December each year. The results of acquired subsidiary undertakings are included in the consolidated profit and loss account from the date of their acquisition.

A separate profit and loss account for the Company is not presented as permitted by Section 230 of the Companies Act 1985. The loss for the financial year dealt with in the accounts of the holding company was £121,000 (1994: loss £61,000).

#### Capital reserve on consolidation

The capital reserve arising on consolidation represents the excess of the fair value of the net assets acquired over the fair value of the consideration arising on the acquisition of AmBrit International PLC in February 1992, having applied the merger relief provisions of Section 131 of the Companies Act 1985. The capital reserve is non-distributable.

#### Turnover

Turnover comprises the value of sales of oil and gas produced from the Group's directly owned producing interests, net of sales taxes, together with other related income.

#### Oil and gas interests

The full cost method of accounting is used to record interests in oil and gas properties. Under this method the acquisition cost of leaseholds and licences, legal costs in establishing title, geological and geophysical costs, attributable overheads and other direct costs of exploration, appraisal and development of oil and gas reserves are capitalised and accumulated in a single full cost pool.

The costs of properties under appraisal, called intangible exploration assets, are assessed periodically to determine whether impairment has occurred or commerciality has been proven. When impairment has occurred, or when commerciality is determined and a decision to develop the field has been taken, these costs are transferred to tangible fixed assets.

All tangible fixed assets and future development costs are depleted using the unit-of-production method, based on proved commercial reserves. Any changes in commercial reserve estimates are adjusted over the remaining life of the field from the start of the year. Any disposal proceeds are deducted from the cost pool.

At each year end the net aggregate carrying value of tangible oil and gas interests is reviewed and compared to the estimated undiscounted future net revenues from these assets. This estimate is made using unescalated average prices for the year (net of any production taxes), proved oil and gas reserves and includes any projected development and abandonment costs. Where, in the opinion of the Directors, there is a permanent shortfall between appraised value and capitalised costs, the difference is written-off through the profit and loss account as additional depletion.

## 1. Accounting policies (continued)

### Depreciation

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis to write off the cost of assets over their estimated useful lives at the following rates per annum:

Fixtures and fittings and motor vehicles	-	20 per cent
Leasehold improvements	-	8.5 per cent

### Abandonment

The Group provides, where appropriate, for abandonment costs in respect of each field, on a unit-of-production basis, based on proved commercial reserves. Any change in estimates is adjusted for from the start of the year.

Potential plugging and abandonment liabilities for the US interests are fully offset by the potential salvage value from the equipment. The 1994 abandonment provision was in respect of Humbly Grove which was sold during that year.

### Leases

All leases entered into by the Group are operating leases, and the rentals charges are charged directly to the Profit and Loss account on a straight line basis over the life of the lease.

### Foreign currency translation

The accounts of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account, with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against investments denominated in foreign currencies, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments.

Transactions by UK companies with third parties are translated into sterling at the exchange rate prevailing at the date of each transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at the balance sheet date. Any exchange gain or loss is dealt with through the profit and loss account, except to the extent it represents a hedged position or is used to provide finance for a foreign investment, in which case it is taken to reserves.

### Deferred taxation

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to crystallise in the foreseeable future. It is calculated at the rate at which it is estimated that tax will be payable. No provision is made for the tax that would arise were accumulated profits of overseas subsidiaries remitted to the UK.

## 2. Geographical information

	Turnover		Operating profit/(loss)		Assets employed	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000	1995 £'000	1994 £'000
United States of America	4,068	2,068	645	(125)	4,350	4,105
United Kingdom	57	452	(148)	(50)	860	573
	<b>4,125</b>	<b>2,520</b>	<b>497</b>	<b>(175)</b>	<b>5,210</b>	<b>4,678</b>

Turnover by destination is not materially different from turnover by origin.



**3. Interest payable and other charges**

	1995 £'000	1994 £'000
Interest payable on bank overdraft and other loans wholly repayable within five years	390	176
Interest payable on bank loan repayable after more than five years	-	4
Other charges	3	3
	<b>393</b>	<b>183</b>

**4. Profit/(loss) on ordinary activities before taxation**

The Profit/(loss) on ordinary activities before taxation is stated after charging:

	1995 £'000	1994 £'000
Amortisation of oil and gas interests	1,527	1,035
Depreciation of tangible fixed assets	24	39
Auditors' remuneration - for audit work	32	30
- non audit work	47	15
Operating leases payments - property	53	38
Loss on disposal of freehold	-	24
Provision against investments	13	-

**5. Directors' emoluments**

The remuneration of the Directors comprised:

	Salary & Fees £'000	Benefits £'000	Bonus Pool £'000	Total £'000	1994 £'000
<b>Executive Directors</b>					
N J Tamblyn	62,133	-	-	62,133	60,279
D Howard-Orchard	62,133	-	-	62,133	60,279
J A Hoskinson	30,208	-	-	30,208	29,305
Sub Total	<u>154,474</u>	<u>-</u>	<u>-</u>	<u>154,474</u>	<u>149,863</u>
<b>Non-Executive Directors</b>					
J F Billington (Chairman)	-	-	-	-	-
A B Haywood	7,500	-	-	7,500	7,500
Sub Total	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>7,500</u>
Total	<u>161,974</u>	<u>-</u>	<u>-</u>	<u>161,974</u>	<u>157,363</u>

**5. Directors' emoluments (continued)**

The emoluments of the Directors fell within the following ranges:

	<b>1995 Number</b>	<b>1994 Number</b>
£ nil - £ 5,000	1	1
£ 5,001 - £10,000	1	1
£25,001 - £30,000	-	1
£30,001 - £35,000	1	-
£60,001 - £65,000	2	2

The Group continues not to provide pension contributions or cars in respect of Directors' and the present Chairman, Mr J F Billington, provides his services without charge to the Group. Details of the Directors share options are set out in Note 16(c).

The services of Mr D Howard-Orchard are provided through North Sea Hydrocarbons Ltd, a company of which he is a director and shareholder. The Company's agreement with North Sea Hydrocarbons Ltd is terminable by not less than 36 months written notice by either party.

Mr N J Tamblyn's service agreement is terminable by not less than 24 months' written notice by either party.

Trojan Investments Ltd was paid for the services of Mr J A Hoskinson, a company of which he is a director and shareholder. The Company's agreement with Trojan Investments Ltd is terminable by not less than 36 months written notice by either party.

The services of Mr A B Haywood as a non-executive director are provided under an annual agreement.

**6. Staff numbers and costs**

The aggregate payroll costs of the Group including Directors comprised:

	<b>1995 £'000</b>	<b>1994 £'000</b>
Wages and Salaries	436	367
Social Security costs	57	44
Other Pension Costs	-	-
	<b>493</b>	<b>411</b>

The average number of persons, including Directors, employed by the Group during the year was 13 (1994: 12).

**7. Taxation**

No charge for UK corporation tax or US Federal income tax arises on the results for the year due to the availability of losses for taxation purposes.

At 31 December 1995 the Group had net operating losses available for offset against future profits subject to United States Federal Tax of approximately £5.8 million, of which approximately £3.5 million are readily available for use against future trading profits, subject to certain conditions and time limits. In addition to these losses, the Group has losses in excess of £1 million in the UK which are available for use against future trading profits. Due to the availability of losses, the Group has no liability to deferred tax (1994:£nil).

**8. Earnings/(loss) per share**

The calculation of earnings per share is based on the profit on ordinary activities after taxation of £111,000 (1994: loss - £379,000) and on the weighted average number of 35,445,901 ordinary shares in issue during the year (1994: 33,662,772). Diluted earnings per share are not disclosed on the basis that it results in a greater value than the basic earnings per share.

9. Group intangible exploration assets and tangible fixed assets

(a) Intangible exploration assets:

At 1 January 1995 and 31 December 1995

£'000  
13

(b) Group tangible fixed assets:

	Oil & gas interests £'000	Leasehold improvements fixtures, fittings & motor vehicles £'000	Total £'000
Cost:			
At 1 January 1995	8,655	163	8,818
Exchange adjustments	66	1	67
Additions (Note 10)	5,548	23	5,571
Disposals	(340)	-	(340)
<b>At 31 December 1995</b>	<b>13,929</b>	<b>187</b>	<b>14,116</b>
Depletion and depreciation:			
At 1 January 1995	3,482	106	3,588
Exchange adjustments	24	-	24
Charge for the year	1,527	24	1,551
<b>At 31 December 1995</b>	<b>5,033</b>	<b>130</b>	<b>5,163</b>
Net book value:			
<b>At 31 December 1995</b>	<b>8,896</b>	<b>57</b>	<b>8,953</b>
At 1 January 1995	5,173	57	5,230

At 1 January and 31 December 1995 the principal tangible oil and gas interests were located in the USA. Tangible oil and gas interests include assets of £287,000 not subject to depletion.

**9. Group intangible exploration assets and tangible fixed assets (continued)**  
**(c) Company tangible fixed assets**

	Oil & gas £'000	Leasehold improvements fixtures & interests £'000	Total fittings £'000
Cost:			
At 1 January 1995	140	60	200
Additions	-	3	3
<b>At 31 December 1995</b>	<b>140</b>	<b>63</b>	<b>203</b>
Depreciation:			
At 1 January 1995	40	51	91
Charge for the year	23	1	24
<b>At 31 December 1995</b>	<b>63</b>	<b>52</b>	<b>115</b>
Net book value:			
<b>At 31 December 1995</b>	<b>77</b>	<b>11</b>	<b>88</b>
At 1 January 1995	100	9	109

**10. Expenditure on oil and gas interests**

Group expenditure on oil and gas interests during the year comprised:

	£'000
Producing interests purchased	5,075
Development	473
	-
<b>Total expenditure</b>	<b>5,548</b>

**11. (a) Investments in subsidiary undertakings**

Company:	1995 £'000	1994 £'000
Cost of shares	2,634	2,634
Provision against subsidiary undertakings	(288)	(288)
	<b>2,346</b>	<b>2,346</b>

There have been no movements on the investments in subsidiary undertakings during the year.

**11. (a) Investments in subsidiary undertakings (continued)**

At 31 December 1995 the Company had the following principal subsidiary undertakings:

Name of Company	Country of incorporation and principal place of business	Proportion of ordinary shares held	Nature of business
AmBrit International PLC*	England	100%	Holding company
AmBrit Resources Ltd	England	100%	Direct investment in oil and gas properties
AmBrit Energy Corp.	USA	100%	Direct investment in oil and gas properties

\*Owned directly by the Company

A complete list of Group companies will be included in the Company's Annual Return.

**11. (b) Other investments**

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Unquoted shares at cost	13	12	13	12
Loans	61	61	61	61
Provision against investment	(13)	-	(13)	-
	<b>61</b>	<b>73</b>	<b>61</b>	<b>73</b>

The other investments comprise the Company's investment in an Anglo-Vietnamese coal trading business. The loan is due for repayment during 1996.

**12. Debtors: amounts falling due within one year**

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Trade debtors	1,027	408	54	38
Amounts owed by subsidiary undertakings	-	-	3,609	3,026
Other debtors	18	43	6	5
Prepayments and accrued income	35	13	-	-
	<b>1,080</b>	<b>464</b>	<b>3,669</b>	<b>3,069</b>

Included in the amounts owed by subsidiary undertakings at 31 December 1995 is an amount due in over one year of £468,000 (1994:Nil).

**13. Creditors: amounts falling due within one year**

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Trade creditors	774	403	34	26
Amounts owed to subsidiary undertakings	-	-	1,506	1,467
Taxation and social security	6	5	6	5
Other creditors	2	7	3	2
Accruals and deferred income	158	140	57	43
	<b>940</b>	<b>555</b>	<b>1,606</b>	<b>1,543</b>

**14. Creditors: amounts falling due after more than one year**

	<b>Group 1995 £'000</b>	<b>1994 £'000</b>
Bank loan (secured)	<b>4,477</b>	1,087
Borrowings at 31 December 1995 were repayable as follows:		
Between one and two years	-	1,087
Between two and five years	<b>4,477</b>	-
	<b>4,477</b>	1,087

The bank loans represent drawings against a £6.4 million facility of which a total of £4.48 million had been drawn at 31 December 1995. Of the undrawn facility, £1 million was available to be drawn at the year end based on the assets charged to the bank at that time. The loan is repayable by 31 December 1999. Interest is payable at a rate of ½% above US Prime Rate. The loan is secured on the Group's producing oil and gas assets located in the USA.

**15. Provisions for liabilities and charges**

There was no movement on the Group provisions for liabilities and charges during the year which are in respect of litigation.

	<b>Group Litigation £'000</b>
At 1 January 1995 and 31 December 1995	<b>21</b>

The Company provision of £1,000 at 31 December 1994 was utilised during the year.

At 31 December 1995 the Company and the Group had no deferred taxation liability (1994:£nil).

**16. Called up share capital**

(a) Share capital	<b>1995 £'000</b>	<b>1994 £'000</b>
<b>Authorised:</b>		
55,000,000 (1994: 45,000,000) ordinary shares of 10p each	<b>5,500</b>	4,500
<b>Allotted, called up and fully paid:</b>		
37,052,568 (1994: 33,662,780) ordinary shares of 10p each	<b>3,705</b>	3,366

The Company's authorised share capital was increased to £5,500,000 during the year by the creation of 10,000,000 new ordinary shares of 10p each.

As disclosed to shareholders in the Circular dated 29 March 1995, the Company issued 3,389,785 ordinary shares of 10p each in connection with the acquisition of the Renown oil and gas properties. The value of the shares at the date of issue was £373,000 based on a market price of 11p per share. During the year the Company also issued 3 ordinary shares of 10p each upon the exercise of 3 warrants at an exercise price of 40p each.

**16. Called up share capital (continued)**

(b) Warrants

At 31 December 1995 there were 1,838,745 (1994: 1,838,748) warrants outstanding to subscribe for ordinary shares of 10p each. The final subscription period was the 42 days commencing 31 December 1995 and expired on 11 February 1996. The subscription rights of all warrants that remained outstanding after that date have now lapsed.

(c) Share options

The maximum number of options available for issue by the Company under the Rules of the United Energy plc No.2 Executive Share Option Scheme is 3,879,189 shares. At 31 December 1995 options had been granted under the rules of this Scheme on 2,719,328 ordinary shares (1994: 2,419,328) as follows:

Exercise Price	40p	42.5p	17p	12p	27p	15p	Total
Date of Grant:	10.8.90	21.2.92	13.8.92	4.11.92	14.6.93	6.7.95	
JF Billington	-	-	225,000	-	228,703	-	453,703
AB Haywood	-	-	100,000	100,000	-	-	200,000
JA Hoskinson	300,000	178,125	225,000	-	-	-	703,125
D Howard-Orchard	400,000	237,500	225,000	-	-	-	862,500
NJ Tambllyn	-	-	200,000	-	-	300,000	500,000
	700,000	415,625	975,000	100,000	228,703	300,000	2,719,328

The mid-market price of the Company's ordinary shares at 29 December 1995 was 11 pence per share and the shares had traded in the range 8 to 14 pence per share during 1995. No options were exercised or lapsed during the year, the only movement is detailed in the table above.

At 31 December 1995 the following options over the Company's ordinary shares were outstanding:

	Number of shares	Exercise price	Period during which options exercisable
(i) The United Energy plc No.2 1990 Executive Share Option Scheme	700,000 415,625 975,000 100,000 228,703 300,000	40p 42.5p 17p 12p 27p 15p	10.8.1993 - 9.8.1997 21.2.1995 - 20.2.1999 13.8.1995 - 12.8.1999 4.11.1995 - 3.11.1999 14.6.1996 - 13.6.2000 6.7.1998 - 5.7.2002
(ii) J M V Butterfield Trust	400,000 237,500	40p 42.5p	10.8.1993 - 9.8.1997 21.2.1995 - 20.2.1999
(iii) A P O Alderton	396,875 225,000	32p 32p	10.8.1993 - 9.8.1997 13.8.1995 - 12.8.1999

**17. Shareholders' funds**

**a) Movement in shareholders' funds**

	Group		Company	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Shareholders' funds at 1 January 1995	4,678	5,352	4,471	4,532
Profit/(loss) for the financial year	111	(379)	(121)	(61)
Other recognised gains and losses for the year	48	(295)	-	-
Share capital issued	373	-	373	-
<b>Shareholders' funds at 31 December 1995</b>	<b>5,210</b>	<b>4,678</b>	<b>4,723</b>	<b>4,471</b>

**17. Shareholders' funds (continued)**

**b) Share premium account**

	<b>Group and Company £'000</b>
At 1 January 1995	210
Arising on issue of shares	34
	<hr/>
<b>At 31 December 1995</b>	<b>244</b>

**c) Profit and loss account**

	<b>Group £'000</b>	<b>Company £'000</b>
At 1 January 1995	174	895
Profit/(loss) for the financial year	111	(121)
Exchange difference on translation of overseas operations/investments	36	-
Exchange gains on related loans/borrowings	12	-
	<hr/>	<hr/>
<b>At 31 December 1995</b>	<b>333</b>	<b>774</b>

**18. Cash flow**

**a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities:**

	<b>1995 £'000</b>	<b>1994 £'000</b>
Operating profit/(loss)	497	(175)
Depreciation	24	39
Amortisation of oil and gas interests	1,527	1,035
Abandonment provision	-	9
Exchange differences	12	(27)
(Increase)/decrease in debtors	(616)	203
Increase/(decrease) in creditors	458	(134)
Movement in other provisions	-	(18)
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>1,902</b>	<b>932</b>



**18. Cash flow (continued)**

**b) Analysis of changes in finance during the year:**

	Bank loans		Share Capital (including share premium)	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
At 1 January 1995	1,087	2,269	3,576	3,576
Additional loans drawn	4,305	369	-	-
Loan repayments	(922)	(1,443)	-	-
Exchange adjustments	7	(108)	-	-
Shares issued in connection with acquisitions	-	-	373	-
<b>At 31 December 1995</b>	<b>4,477</b>	<b>1,087</b>	<b>3,949</b>	<b>3,576</b>

**c) Analysis of the balances of cash and cash equivalents as shown in the balance sheet:**

	1995 £'000	1994 £'000	1993 £'000	Change in 1995 £'000	Change in 1994 £'000
Cash at bank and in hand	541	561	631	(20)	(70)
Bank overdrafts	-	-	(330)	-	330
	<b>541</b>	<b>561</b>	<b>301</b>	<b>(20)</b>	<b>260</b>

**19. Lease commitments**

The Group's annual commitments under non-cancellable operating leases, which are in respect of office space, are as follows:

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Expiring 1996 - 1999	40	29	-	-
Expiring after 1999	11	11	11	11

**20. Capital commitments**

There were no capital commitments contracted or authorised at 31 December 1995 (1994: £nil).

**21. Contingent liabilities**

The Company has provided guarantees on the bank indebtedness of a US subsidiary; the amount guaranteed at the year end was £4.48 million (1994: £1.09 million)

**22. Post balance sheet events**

Subsequent to 31 December 1995 the following events occurred:

- a) In January 1996, the Group purchased a 30% shareholding in Agrigen with an option over a further 15% of the share capital for consideration of £150,000. In addition United is making an interest bearing loan of £200,000 to Agrigen which is secured by a debenture over Agrigen's assets.
- b) In February 1996, the CNG litigation was settled out of court, with CNG paying AmBrit \$2.4 million (£1.57 million) to include purchase of AmBrit's Pennsylvania and West Virginia properties. After the lawyers' contingency fees the amount due to the Group was \$2.05 million (£1.34 million). In accordance with the Group's accounting policy, the benefits arising from the settlement are to be recognised in the 1996 accounts as a deduction to the oil and gas interests cost pool on the Consolidated Balance Sheet. No benefits arising in respect of this settlement have been recognised in the 1995 accounts.
- c) In April 1996, AmBrit acquired a 74.8% working interest in the Ham Gossett Field for consideration of \$0.70 million (£0.45 million) in cash.

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of United Energy plc will be held at the offices of Peel, Hunt & Company Limited, 62 Threadneedle Street, London EC2R 8HP on 12 June 1996 at 11.00 am for the following purposes:

### Ordinary Business

1. Receiving and considering the accounts for the year ended 31 December 1995 and the reports of the Directors and auditors thereon;
2. To appoint KPMG Audit plc as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company;
3. To authorise the Directors to fix the auditors' remuneration; and
4. To re-elect as a Director Mr Howard-Orchard who retires by rotation.

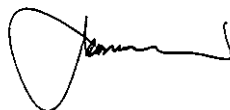
### Special Business

As special business, to consider and if thought fit, to pass the following resolutions of which numbers 5 and 7 will be proposed as Ordinary Resolutions and numbers 6 and 8 will be proposed as Special Resolutions:

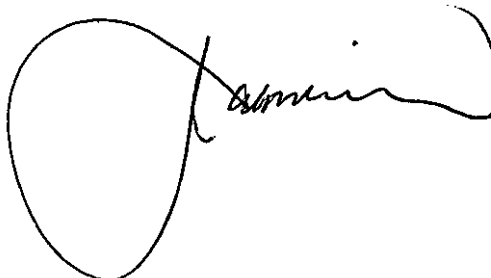
5. THAT the Directors be and they are hereby generally and conditionally authorised for the purposes of Section 80 of the Companies Act 1985 ("the Act") to make allotments of relevant securities as defined in Section 80 (2) of the Act (in place of any such authorities previously granted all of which are hereby revoked and cancelled to the extent not previously utilised) up to an aggregate nominal amount of £1,293,056.60 for a period expiring (unless previously renewed varied or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company (or any adjournment thereof) or 15 months after the passing of this resolution (if earlier), except that the Company may, before the expiry of the authority contained in this resolution make an offer or agreement that would or might require relevant securities to be allotted after such authority expires and the Directors may allot relevant securities in pursuance of any such offer or agreement up to the maximum amount prescribed in this resolution as if the authority hereby conferred had not expired.
6. THAT the Directors be and they are hereby empowered to make allotments for cash of equity securities (as defined in section 94 (2) of the Act) pursuant to the authority conferred upon them by the passing of resolution 5 above as if section 89 (1) of the Act did not apply to any such allotment PROVIDED THAT the power conferred by this resolution shall:
  - (a) be limited to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders and holders of any other shares or securities of the Company which by their terms entitle holders of such shares to participate in such rights issue where the equity securities respectively attributable to the interests of all ordinary shareholders and such holders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them or into which their shares or securities are to be deemed converted in calculating the extent of their participation but subject to such exclusions as the Directors may deem fit to deal with fractional entitlements or legal and practical difficulties arising under the laws of, or the requirements of, any regulatory body in any overseas territory;
  - (b) be limited to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £193,959.40; and
  - (c) expire at the conclusion of the next Annual General Meeting of the Company (or any adjournment thereof) or 15 months after the passing of this resolution (if earlier), unless renewed or extended prior to such time, except that the Company may, before the expiry of any power contained in this resolution, make an offer or agreement that would or might require equity securities to be allotted after such power expires and the Directors may allot equity securities in pursuance of any such offer or agreement up to the maximum amount prescribed in this resolution as if the power hereby conferred had not expired.
7. THAT the Company be and is hereby generally and unconditionally authorised pursuant to Section 166 of the Companies Act 1985 ("the Act") to make one or more market purchases (within the meaning of Section 163(3) of the Act) of ordinary shares of 10p each in the capital of the Company ("ordinary shares") subject to the following restrictions and provisions:
  - (a) the maximum number of ordinary shares hereby authorised to be purchased shall be 3,879,169;

- (b) the maximum price which may be paid for an ordinary share shall be an amount equal to 5% above the average of the middle market prices derived from the USM Appendix to the London Stock Exchange Daily Official List for the ten dealing days immediately preceding the day on which the ordinary share is purchased;
  - (c) the minimum price which may be paid for an ordinary share shall be 5p exclusive of expenses;
  - (d) unless previously renewed, revoked or varied the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 1997 or within fifteen months from the date of the passing of this resolution whichever shall be the earlier; and
  - (e) the Company may make a contract to purchase ordinary shares under this authority before the expiry of such authority and may make a purchase of ordinary shares pursuant to any such contract which purchase or contract would or might be executed wholly or partly after the expiration of such authority.
8. That the Articles of Association of the Company be amended as follows:
- (a) by the insertion in the fourth line of Article 31.1, after the words "to a person of whom it does not approve....", of the words "PROVIDED THAT such refusal shall not prevent dealings in such shares from taking place on an open and proper basis....";
  - (b) by the deletion of the words "when the said notice under Section 212 (or as otherwise provided in this Article) has..." where they appear in Articles 40.1 and 40.3 and the substitution thereof of the words "within seven days of the said notice under Section 212 (or as otherwise provided in this Article) having..." and by the deletion of the words "shall only apply for so long as the information requested pursuant to this Article 40.2 has not been supplied to the Company or until the Board is satisfied..." where they appear in Article 40.2 and the substitution thereof of the words "shall cease to apply no later than seven days after the information requested pursuant to this Article 40.2 having been supplied to the Company or the Board having been satisfied..."; and
  - (c) by the deletion in Article 149.1.2 of the words "London daily newspaper..." and the substitution thereof of the words "United Kingdom national daily newspaper..."

BY ORDER OF THE BOARD



JA Hoskinson  
Secretary  
Registered office:  
50 Stratton Street  
London W1X 6NX  
Dated: 10 May 1996



#### NOTES

- (1) A member entitled to attend and vote at this Meeting is entitled to appoint one or more proxies to attend and on a poll to vote instead of the member. A proxy need not be a member of the Company. To be valid, proxy cards must be lodged not less than 48 hours before the time appointed for the Meeting at the offices of the Company's registrars, Independent Group Registrars Limited, Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ.
- (2) The register of Directors' share interests and copies of the Directors' service agreements will be available for inspection at the Registered Office of the Company during normal business hours from the date hereof, and at the place of the Annual General Meeting from 15 minutes before the time appointed for the Meeting, until the end of the Meeting.

# UNITED ENERGY

—plc—

## FORM OF PROXY FOR USE BY HOLDERS OF ORDINARY SHARES at the Annual General Meeting to be held on 12 June 1996

I/We (name in full).....  
(BLOCK CAPITALS PLEASE)

of.....  
being (a) holder(s) of Ordinary Shares of 10p each of the above-named Company, hereby appoint the CHAIRMAN

of the MEETING, or \*(Note 6).....  
to act as my/our proxy at the Annual General Meeting of the Company to be held at the offices of Peel, Hunt & Company Limited, 62 Threadneedle Street, London EC2R 8HP on Wednesday, 12 June, 1996 at 11.00 a.m. and at any adjournment thereof, and to vote on my/our behalf in respect of the Resolutions set out in the notice convening the Meeting as directed below.

	FOR	AGAINST
Ordinary Business		
Appointment of KPMG Audit plc as auditors.		
Authority to the Directors to fix the auditors' remuneration.		
Re-election as a Director of Mr D Howard-Orchard who retires by rotation.		
<b>Special Business</b>		
Authority to allot relevant securities within the meaning of Section 80 (2) of the Companies Act 1985 up to an aggregate nominal value of £1,293,056.60.		
Authority to the Directors to allot equity securities for cash pursuant to the authority granted by the preceding Resolution in connection with a rights issue or up to an aggregate nominal value of £193,959.40.		
Authority to purchase up to 3,879,169 Ordinary Shares representing approximately 10% of the Issued Ordinary Share capital of the Company.		
Amendments to Articles of Association		

Please indicate with an X in the spaces provided how you wish your votes to be cast on a poll. Should this card be signed, but without a specific direction, the proxy will vote or abstain at his discretion.

Dated.....1996      Signature.....

### NOTES:

1. A proxy need not be a member of the Company.
2. In the case of a corporation, this form of proxy must be executed either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
3. In the case of joint holders of any shares, any one of such persons may vote at the Meeting either in person or by proxy in respect of any such shares as if he were solely entitled hereto, but so that if more than one such joint holder be present at the Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the Register of Members in respect of the joint holding.
4. To be effective, this form of proxy must be lodged at the address overleaf not later than 48 hours before the time of the Meeting, or any adjournment thereof, together, if appropriate, with the power of attorney or other authority under which it is signed, or a notarially certified copy of such power of attorney.
5. Any alteration made in this form of proxy should be initialled by the person who signs it.
6. If it is desired to appoint as proxy any person other than the Chairman his/her name and address should be inserted in the relevant place, reference to the Chairman deleted and the alteration initialled.
7. In the case of joint holdings only one holder need sign this form of proxy but the name of all joint holders should be given.
8. Completion of this form of proxy will not prevent you from attending the Meeting and voting should you wish to do so.

FOURTH FOLD AND TUCK IN OPPOSITE

Business Reply Service  
Licence number IY 592

21

Independent Registrars Group Ltd  
Balfour House  
390/398 High Street  
Ilford  
Essex  
IG1 1BR

THIRD FOLD

SECOND FOLD

FIRST FOLD

## Directors and Advisers

<b>Directors</b>	JF Billington*	(Chairman)
	NJ Tamblyn	(Chief Executive and Finance Director)
	D Howard-Orchard	(Group Technical Director)
	JA Hoskinson	(Director and Secretary)
	AB Haywood*	(Director)
	* non-executive	
<b>Secretary</b>	JA Hoskinson	
<b>Registered Office</b>	50 Stratton Street London W1X 6NX	
<b>Registered Number</b>	1712354	
<b>Auditors</b>	KPMG Chartered Accountants 8 Salisbury Square London EC4Y 8BB	
<b>Financial Advisers</b>	Henry Ansbacher & Co Limited One Mitre Square London EC3A 5AN	
<b>Stockbrokers</b>	Peel, Hunt & Company Limited 62 Threadneedle Street London EC2R 8HP	
	John Siddall & Son Stock Exchange Buildings PO Box 499, Norfolk Street Manchester M60 1DY	
<b>Solicitors</b>	Nabarro Nathanson 50 Stratton Street London W1X 6NX	
<b>Petroleum Engineers</b>	The Scotia Group, Inc Suite 1150, 4849 Greenville Avenue Dallas, Texas 75206 USA	
<b>Registrars</b>	Independent Registrars Group Limited Balfour House 390/398 High Road Ilford, Essex IG1 1NQ	
<b>Principal Bankers</b>	Bank One Texas NA 1717 Main Street Dallas Texas 75201 USA	
	Lloyds Bank plc 1 Butler Place Caxton Street London SW1H 0PR	