



PGS GEOPHYSICAL (ANGOLA) LTD

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

COMPANY NUMBER 1956990



PGS GEOPHYSICAL (ANGOLA) LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and unaudited financial statements for the year ended 31st December 2003.

DIRECTORS

The directors who have served during the year are as follows:

R. Eng
D. Whealing (appointed 24 October 2003)
C. Usher (resigned 24 October 2003)
S. Tordo (resigned 1 April 2003)

The directors hold no beneficial interest in the share capital of the company.

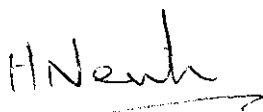
REVIEW OF DEVELOPMENTS

The company has been dormant within the meaning of Section 249AA of the Companies Act 1985 throughout the year. It is anticipated that the company will remain dormant for the foreseeable future.

PROFIT AND LOSS ACCOUNT

No profit and loss account is presented with these financial statements because the company has not *received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding accounting period*. There have been no movements in shareholders' funds during the year under review or the preceding accounting period.

By Order of the Board



H. Neville
Secretary

24 September 2004

PGS Court
Halfway Green
Walton on Thames
Surrey KT12 1RS

PGS GEOPHYSICAL (ANGOLA) LTD

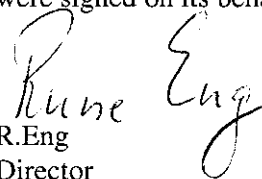
**BALANCE SHEET
AS AT 31 DECEMBER 2003**

| | <u>Note</u> | <u>2003</u> <u>£</u> | <u>2002</u> <u>£</u> |
|---|-------------|-------------------------|-------------------------|
| CURRENT LIABILITIES | | | |
| Creditors - Amounts owed to group companies | | (6,670,968) | (6,670,968) |
| NET CURRENT LIABILITIES | | (6,670,968) | (6,670,968) |
| | | <hr/> | <hr/> |
| EQUITY CAPITAL AND RESERVES | | | |
| Ordinary shares of £1 each: | | | |
| - Authorised, issued and fully paid | | 10,000 | 10,000 |
| Profit And Loss Account | | (6,680,968) | (6,680,968) |
| Total Shareholders' Funds | 6 | (6,670,968) | (6,670,968) |
| | | <hr/> | <hr/> |

The annual accounts have not been audited because the company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the company to obtain an audit of these accounts in accordance with s249B(2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with Section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for 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 Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

The financial statements on this page were approved by the board of directors on 24 September 2004 and were signed on its behalf by:


R.Eng
Director

PGS GEOPHYSICAL (ANGOLA) LTD

**BALANCE SHEET
AS AT 31 DECEMBER 2003**

| | <u>Note</u> | <u>2003</u> <u>£</u> | <u>2002</u> <u>£</u> |
|---|-------------|-------------------------|-------------------------|
| CURRENT LIABILITIES | | | |
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| Ordinary shares of £1 each: | | | |
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| Profit And Loss Account | | (6,680,968) | (6,680,968) |
| Total Shareholders' Funds | 6 | (6,670,968) | (6,670,968) |
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The financial statements on this page were approved by the board of directors on September 2004 and were signed on its behalf by:

D. Whealing
Director

PGS GEOPHYSICAL (ANGOLA) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1 ACCOUNTING POLICY

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention.

2 PROFIT & LOSS ACCOUNT

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding accounting period. There have been no movements in shareholders' funds during the year under review or the preceding accounting period.

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No emoluments were payable to the directors, who were the only employees, of the company during the current and preceding financial year.

4 ULTIMATE PARENT COMPANY

The company is a member of the Petroleum Geo-Services Group, a Norwegian registered oil services group with operations worldwide. The ultimate holding company is Petroleum Geo-Services ASA, a company registered in Norway. Group financial statements are available from Petroleum Geo-Services ASA, Strandveien 4, 1366 Lysaker, Norway. The intermediate parent company is Petroleum Geo-Services (UK) Ltd, a company registered in England.

5 RELATED PARTY TRANSACTIONS

The cost of the annual return fee was borne by another PGS group company without any right of reimbursement.

6 GOING CONCERN

The directors have received confirmation from the ultimate parent company that it will continue to provide support to the company for the foreseeable future to enable it to meet its liabilities as they fall due. Accordingly the financial statements have been prepared on the basis of a going concern.