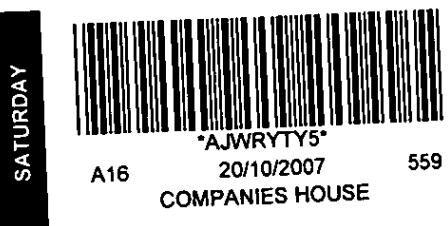


FNC LIMITED

**FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006**

Company Number 3277619



FNC LIMITED

Director A G Milton

Secretary R R Burge

Registered Office Devonport Royal Dockyard Ltd
Devonport
Plymouth
PL1 4SG

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2006

Contents	Page	1	Report of the Director
		2	Statement of Director's Responsibilities
		3	Balance Sheet

FNC LIMITED

REPORT OF THE DIRECTORS

The director presents this report with the unaudited accounts of the company for the year ended 31 December 2006

Holding Company

The company is a wholly owned subsidiary of Devonport Management Limited. The ultimate parent undertaking is Halliburton Company, incorporated in the state of Delaware, USA.

Principal Activity

The company did not trade during the year and there has been no income or expenditure and therefore no change in the company's financial position has arisen.

Director and their Interests

The director of the company during the year and their beneficial interest in the share capital was as follows:

	<u>Ordinary Shares of £1 each</u>	
	<u>2006</u>	<u>2005</u>
A G Milton	-	-

The interest of the director in the shares of the immediate parent company Devonport Management Limited is disclosed in the accounts of that company.

This report was approved by the Board on 12th February 2007 and signed on its behalf by



R R Burge
Secretary

FNC LIMITED

Statement of director's responsibilities in respect of the Director's Report and the financial statements

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enables them to ensure that its financial statements 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 company and to prevent and detect fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FNC LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2006

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
<u>Current Assets</u>		
Amount due from parent company	2	2
 <u>Represented by:</u>		
<u>Share Capital</u>		
Authorised		
Ordinary shares of £1 each	100	100
 Issued share capital		
Ordinary shares of £1 each	2	2

- a) For the year ended 31st December 2006, the company was entitled to exemption under Section 249A(1) of the Companies Act 1985
- b) Members have not required the company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985
- c) The director acknowledges their responsibility for (1) ensuring the company keeps accounting records which comply with Section 221 and (2) 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 and loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act relating to account, so far as applicable to the company

The financial statements were approved by the Board on 12th February 2007 and signed on its behalf by



A G Milton
Director