

Registered Office:
455 London Road
Isleworth
Middlesex
TW7 5AA

DIRECTORS' REPORT

The Directors present their Report and the Balance Sheet as at 31st August 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company did not trade during the year.


DIRECTORS

The names of the Directors during the year ended 31st August 2000 were:-

| | |
|-----------------------|--|
| Craig Shields | resigned 8 th November 1999 |
| Gary Jones | |
| John Kenneth Faraguna | |
| Peter John Woolley | |
| George Reekie | |

The ultimate parent of the Company is Baker Hughes, Inc. which is incorporated in the USA. Copies of the financial statements of the ultimate parent company may be requested from the Company Secretary at 455 London Road, Isleworth, Middlesex, London.

BY ORDER OF THE BOARD


George Reekie
Director

Date: 20th November 2000

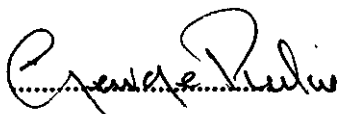


BALANCE SHEET AS AT 31st AUGUST 2000

| | 2000 | 1999 |
|--|-------------|-------------|
| | £ | £ |
| <u>CURRENT ASSETS</u> | | |
| Called up Share Capital not paid | 2 | 2 |
| | <hr/> | <hr/> |
| <u>CURRENT LIABILITIES</u> | | |
| Liabilities | - | - |
| | <hr/> | <hr/> |
| <u>NET CURRENT ASSETS/(LIABILITIES)</u> | 2 | 2 |
| | <hr/> | <hr/> |
| <u>CAPITAL AND RESERVES</u> | | |
| Called up Share Capital | 2 | 2 |
| | <hr/> | <hr/> |
| <u>SHAREHOLDERS FUNDS</u> | 2 | 2 |
| | <hr/> | <hr/> |

The Company was dormant and did not trade during the year.

The Balance Sheet was approved by the Board of Directors on 20th November 2000 and was signed on its behalf by George Reekie.



Director