

**RIG DESIGN SERVICES HOLDINGS
LIMITED**

Report and Financial Statements

30 April 2005

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RIG DESIGN SERVICES HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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RIG DESIGN SERVICES HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

B J Thompson

SECRETARY

A I Thompson

REGISTERED OFFICE

Longchase
Moneyrow Green Road
Holyport
Berkshire
SL6 2NA

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Cambridge

RIG DESIGN SERVICES HOLDINGS LIMITED

DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the year ended 30 April 2005.

This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a holding company.

DIRECTORS AND THEIR INTERESTS

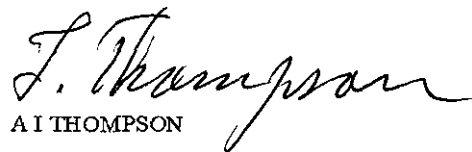
The directors who held office throughout the year and their interests in the shares of the company were:

	2005	2004
B J Thompson	1	1
S H Thompson (resigned 30 December 2005)	-	-

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Director
and signed on his behalf



A I THOMPSON

Secretary

RIG DESIGN SERVICES HOLDINGS LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

United Kingdom company law requires the director to prepare financial statements for each financial year 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 the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- ☐ select suitable accounting policies and then apply them consistently;
- ☐ make judgements and estimates that are reasonable and prudent; 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIG DESIGN SERVICES HOLDINGS LIMITED

We have audited the financial statements of Rig Design Services Holdings Limited for the year ended 30 April 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities, the company's director is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company'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 financial statements 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 financial statements.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the uncertainty over the continuing support of the company's parent company and that company's principal shareholder(s) in relation to the cross guarantee in place with fellow group companies. In view of the significance of this uncertainty, we consider that this should be drawn to your attention, but our opinion is not qualified in this respect.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RIG DESIGN SERVICES HOLDINGS LIMITED (continued)**

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2005 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cambridge,
United Kingdom

6. 9. 2006.

RIG DESIGN SERVICES HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 April 2005

	Note	2005 £	2004 £
TURNOVER		-	484,599
Administrative expenses		-	(456,928)
Amounts provided against investments		-	(670,000)
OPERATING LOSS	2	-	(642,329)
Interest receivable and similar income		-	94
Interest payable and similar charges	4	-	(9,431)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(651,666)
Tax on loss on ordinary activities	5	-	18,040
LOSS FOR THE FINANCIAL YEAR		-	(633,626)
Retained loss brought forward		(1,166,207)	(532,581)
Retained loss carried forward		(1,166,207)	(1,166,207)

All activities derive from discontinued operations, as transferred to RDS Group Limited on 1 November 2003.

There are no recognised gains and losses for the current financial year and preceding financial year other than as shown above.

RIG DESIGN SERVICES HOLDINGS LIMITED


BALANCE SHEET 30 April 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Investments	6	-	-
CURRENT ASSETS			
Debtors	7	-	18,040
Cash at bank and in hand		340,481	319,159
		340,481	337,199
CREDITORS: amounts falling due within one year	8	(28,481)	(25,199)
NET CURRENT ASSETS		312,000	312,000
TOTAL ASSETS LESS CURRENT LIABILITIES		312,000	312,000
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Share premium account	10	1,477,207	1,477,207
Profit and loss account	10	(1,166,207)	(1,166,207)
EQUITY SHAREHOLDERS' FUNDS	11	312,000	312,000

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

These financial statements were approved by the Board of Directors on 5 September 2006

Signed on behalf of the Board of Directors



B J THOMPSON

Director

RIG DESIGN SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2005

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis that assumes that assets will be realised and liabilities settled in the normal course of business. The ability of the company to continue as a going concern is dependent upon the ongoing support of its parent company RDS Group Limited and the company's principal shareholder(s) (together "the Investors").

As disclosed within note 12 of the financial statements, the company has entered into a cross guarantee securing the bank overdrafts of a number of group companies (full list of companies disclosed in note 12). Therefore although RDS Design Services Holdings Limited continues to have net assets, as a result of this cross guarantee the company is dependent upon the ongoing support of its parent company RDS Group Limited and the company's principal shareholder(s).

Whilst there remains uncertainty as to the timing and the availability of shareholder or third party funding the director has formed a judgement at the time of approving the financial statements that the Investors will be able to continue to support the company's activities as they have done so in similar situations in the past. On this basis, the director considers it appropriate to prepare the financial statements on the going concern basis.

If the company was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may be realised at amounts other than those at which they are currently included in the balance sheet. In addition, the company may have to provide for further liabilities that might arise, and to reclassify non current assets as current assets. The financial statements do not include any adjustments that would result from the withdrawal of support from the Investors.

Group accounts

No group accounts have been prepared as the company has taken advantage of the exemption conferred by Section 248 of the Companies Act 1985 on the basis that the group satisfied the "medium size" group criteria. Information is therefore presented for the individual company not its group.

Cash flow statement

No cash flow statement has been prepared as the company has taken advantage of the exemption in FRS 1 (Revised) "Cash Flow Statements" relating to small companies.

Turnover

Turnover represents the amount invoiced for services rendered during the financial year, exclusive of value added tax. All turnover is derived from the United Kingdom.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

RIG DESIGN SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2005

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences arising are dealt with in the profit and loss account.

Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful economic lives. The finance leases are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the profit and loss account.

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Pension scheme contributions

Contributions are charged to the profit and loss account as they are paid into individual employees' pension schemes.

2. OPERATING LOSS

	2005 £	2004 £
Operating loss is after charging:		
Loss on disposal of fixed assets	-	32,995
Foreign exchange loss	-	13,481
	<hr/>	<hr/>

Audit fees in the current year and prior year are borne by a related company, RDS Group Limited.

RIG DESIGN SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2005

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2005 £	2004 £
Directors' emoluments	-	173,793
Pension contributions	-	15,000
The number of directors accruing benefits under a money purchase pension scheme is 1 (2004 - 1).		
Highest paid director		
Other emoluments	-	95,334
Pension contributions	-	15,000
	-	110,334
	No	No
Average number of persons employed by the company in the year		
Administration	-	4
	£	£
Staff costs incurred during the year (including directors) in respect of these employees were:		
Wages and salaries	-	291,675
Social security costs	-	34,015
Pension costs	-	15,000
	-	340,690

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Interest on hire purchase agreements	-	753
Interest on related party loan	-	8,678
	-	9,431

RIG DESIGN SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2005

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	2005 £	2004 £
Current tax		
Group relief	-	(18,040)
Tax on loss on ordinary activities	-	(18,040)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax credit for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2005 £	2004 £
Loss on ordinary activities before tax	-	(651,666)
Tax on loss on ordinary activities at standard rate	-	(195,500)
Expenses not deductible for tax purposes	-	2,044
Amounts provided against investments	-	201,000
Capital allowances in deficit of depreciation	-	3,132
Losses not recognised as deferred tax asset	-	(10,648)
Prior period adjustments	-	(18,068)
Total actual amount of current tax	-	(18,040)

6. INVESTMENTS HELD AS FIXED ASSETS

	Subsidiary undertakings £
Cost	
At 1 May 2004 and 30 April 2005	670,000
Provision	
At 1 May 2004 and 30 April 2005	(670,000)
Net book value	
At 30 April 2005	-
At 30 April 2004	-

The company holds 100% of the ordinary shares in issue of Rig Design Services Limited. The principal activities of the company are that of design and project management primarily for the oil industry, and computer aided design and training.

	2005 Net capital and reserves £	Profit for year £	2004 Net capital and reserves £	Loss for year £
Rig Design Services Limited	(2,344,304)	80,925	(2,427,229)	(642,102)

RIG DESIGN SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2005

7. DEBTORS

	2005 £	2004 £
Group relief receivable	-	18,040

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Amounts owed to group companies	28,481	25,199

9. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised 100,000 ordinary shares of £0.01 each	1,000	1,000
Called up, allotted and fully paid 100,000 ordinary shares of £0.01 each	1,000	1,000

10. MOVEMENTS ON RESERVES

	Share premium account £	Profit and loss account £	Total £
At 1 May 2004 and 30 April 2005	1,477,207	(1,166,207)	311,000

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Loss for the year	-	(633,626)
Opening shareholders' funds	312,000	945,626
Closing shareholders' funds	312,000	312,000

RIG DESIGN SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2005

12. CONTINGENT LIABILITY

The company has entered into a cross guarantee securing the bank overdrafts where applicable of RDS Automotive Limited, RDS International Projects Limited, RDS Aviation Services Limited, Acecad Software Limited, Strucad UK Limited, i2i Services Limited, RDS Automotive Group Limited, RDS Software Group Limited, RDS Group Limited, Godata Limited and Rig Design Services Limited. As security the bank holds a charge over all the assets of the company.

The company has entered into a performance guarantee on behalf of its subsidiary company, Rig Design Services Limited, with Grootint BV, a customer of Rig Design Services Limited.

13. RELATED PARTY TRANSACTIONS

During the year, the company charged Rig Design Services Limited, a subsidiary company, £nil (2004 - £107,732) for management services and other expenses incurred on behalf of that company. At the year end £nil (2004 - £nil) was owed to Rig Design Services Limited.

During the year, the company charged RDS Automotive Limited, a fellow subsidiary company, £nil (2004 - £308,497) for management services and other expenses incurred on behalf of that company. At the year end £nil (2004 - £nil) was outstanding.

During the year, the company charged RDS International Products Limited, a fellow subsidiary company, £nil (2004 - £41,632) for management services and other expenses incurred on behalf of that company. At the year end £nil (2004 - £nil) was outstanding.

During the year, the company charged i2i Services Limited, a fellow subsidiary company, £nil (2004 - £77,632) for management services and other expenses incurred on behalf of that company. At the year end £nil (2004 - £nil) was outstanding.

During the year, the company charged Acecad Software Limited, a fellow subsidiary company, £nil (2004 - £96,313) for management services and other expenses incurred on behalf of that company. At the year end £nil (2004 - £nil) was outstanding.

During the year, the company charged Godata Limited, a fellow subsidiary company, £nil (2004 - £6,000) for management services and other expenses incurred on behalf of that company. At the year end £nil (2004 - £nil) was outstanding.

During the year, the company charged RDS Group Limited, a fellow subsidiary company, £nil (2004 - £3,282) for expenses incurred on behalf of that company. In addition, RDS Group Limited charged the company £nil (2004 - £28,481) for expenses incurred by RDS Group Limited on behalf of the company during the year. At 30 April 2005, the company owed RDS Group Limited £28,481 (2004 - £25,199) in respect of these transactions.

The company sold group relief of £nil (2004 - £18,040) to RDS Automotive Limited.

14. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is RDS Group Limited, a company incorporated in Bermuda and controlled by B J Thompson.

RIG DESIGN SERVICES HOLDINGS LIMITED

ADDITIONAL INFORMATION

The additional information on page 15 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.

RIG DESIGN SERVICES HOLDINGS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

Year ended 30 April 2005

	2005	2004
£	£	£
TURNOVER	-	484,599
Interest receivable	-	94
ADMINISTRATIVE EXPENSES		
Provision against investments	-	670,000
Light, heat and power	-	922
Repairs and maintenance	-	1,792
Insurance	-	15,073
Salaries and national insurance	-	340,690
Aircraft maintenance, fuel and hangarage	-	9,041
Travel and subsistence	-	3,428
Motor	-	8,155
Entertaining	-	5,983
Courier and freight charges	-	1,198
Miscellaneous	-	3,226
Printing and stationery	-	1,377
Computer maintenance	-	566
Telephone, telex and postage	-	6,469
Legal and professional	-	12,497
Finance lease interest	-	753
Exchange difference	-	13,481
Other interest	-	8,678
Donations	-	35
Loss on sale of assets	-	32,995
Total administrative expenses	-	(1,136,359)
LOSS FOR THE YEAR BEFORE TAX	-	(651,666)