

Carrizo UK North Sea Limited
SC295860

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 31 December 2007.

Review of the business

The company was incorporated on 20 January 2006 and has not started trading.

Directors and their interests

The directors who served during the period were as follows:

Sylvester P Johnson

The company is a wholly owned subsidiary of Carrizo Oil & Gas Inc. The director's interests in the issued share capital of the parent company are shown in the accounts of that company.

Directors' responsibilities

Company law requires the directors 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 directors are required to:

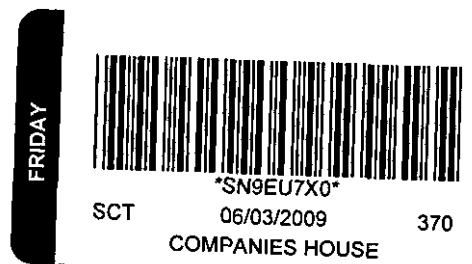
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 financial statements comply with the Companies Act 1985. They are 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.

BY ORDER OF THE BOARD



Gary W Uhland
Secretary
March 4, 2009



Carrizo UK North Sea Limited

BALANCE SHEET AT 31 DECEMBER 2007

	2007	2006
Cash in hand or at bank	£10,000	£10,000
	=====	=====

Share capital: (Note 2)


Issued and fully paid: 10,000 shares of £1 each	£10,000
	=====

For the year ended December 31 2007 the company was entitled to exemption from audit under section 249AA (1) of the Companies Act 1985 and the members have not required the company to obtain an audit of its accounts for the year in accordance with subsection (2) of 249B.

The directors acknowledge their responsibility for:

- i) ensuring the company keeps accounting records which comply with section 221; and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the company.

Approved by the board and signed on their behalf by:



Gary W Uhland
Secretary
March 4, 2009

Carrizo UK North Sea Limited

NOTES TO THE ACCOUNTS

1. Accounting Policy

The accounts are prepared under the historical cost convention.

2. Share Capital

The authorised share capital of the company is £10,000 divided into 10,000 shares of £1 each.

3. Profit and loss account

The company has not started to trade and accordingly no profit and loss account has been prepared.

4. Parent company

The company is a wholly owned subsidiary of Carrizo Oil & Gas Inc, a company incorporated in Texas, USA.