

NOVUS UK (INDONESIAN HOLDINGS) LIMITED

DIRECTORS' AND AUDITORS' REPORTS AND ACCOUNTS

31 DECEMBER 2007

Registered Number 212729

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NOVUS UK (INDONESIAN HOLDINGS) LIMITED

Directors' Report

The Directors present their annual report and the audited group consolidated accounts for the year ended 31 December 2007

Principal Activity and Review of Business

The principal activity of the Company is that of an investment holding company with a 100% interest in Novus UK (Kakap) Limited and Novus UK (Malacca Strait) Limited

Novus UK (Kakap) Limited (NUKK) owns a 13.5% working interest in an Indonesian production sharing contract, the Kakap PSC, under which it is entitled to participate in oil and gas exploration and production projects

Novus UK (Malacca Strait) Limited is now a dormant company having sold its interest in the Malacca Strait PSC in 2002

It is the intention of Directors of Novus UK (Indonesian Holdings) Limited that the above-noted business of the Company will continue for the foreseeable future

KAKAP PSC

Production/Exploration

The Kakap PSC, in the Natuna Sea, continues to deliver steadily, with average production rates for the year 2007 of 1.08 Mbopd and 1.26 Mboepd for Oil and Gas, respectively

During 2007 only one Exploratory well, Pancing-1, was drilled in the Kakap Block. Pancing-1 was spudded on June 27, 2007 and was drilled to the Total Depth of 11,935' MD within Intra Lama Formation. The well was Plugged and Abandoned on August 15, 2007 as a non-commercial oil well

Results

The Group's consolidated results for the year ended 31 December 2007 with comparatives for the year ended 31 December 2006 are summarised below

	2007 US\$'000	Restated 2006 US\$'000
Turnover	36,822	28,158
Profit on ordinary activities before taxation	20,453	11,299
Tax on ordinary activities	(8,459)	(9,042)
Profit (loss) for the year	11,994	2,257

Prior Year Restated

A prior year adjustment has been made to the accounts, see Note 12 to the accounts for details

Fixed Assets

Changes in tangible fixed assets are shown in Note 9 to the accounts

Likely Future Developments

There are no additional immediate developments that are likely to have a material impact on the operations of the Company although the Company is continually reviewing opportunities for growth and development. In the opinion of the Directors, further information on the evaluations may prejudice the interests of the Company if included in this report

Subsequent Events

The directors have been notified that the ultimate parent company, PT Medco Energi Internasional Tbk, is considering an offer for its wholly owned subsidiary company, Medco Kakap Holdings Pte Ltd, whose wholly owned subsidiary companies include Novus UK (Indonesian Holdings) Ltd

On 23 May 2008, the company declared a dividend amounting to US\$12,316,742

NOVUS UK (INDONESIAN HOLDINGS) LIMITED

Directors' Report (continued)

Principal risks and uncertainties

Price risk

Oil, gas and product prices are subject to international supply and demand. Political developments (especially in the Middle East) and the outcome of meetings of OPEC can particularly affect world supply and oil prices. In addition to the adverse effect on revenues, margins and profitability from any future fall in oil and natural gas prices, a prolonged period of low prices or other indicators would lead to a review for impairment of the group's oil and natural gas properties. This review would reflect management's view of long-term oil and natural gas prices. Such a review could result in a charge for impairment that could have a significant effect on the group's results of operations in the period in which it occurs.

Drilling and production risk

Exploration and production require high levels of investment and have particular economic risks and opportunities and may often involve innovative technologies. They are subject to natural hazards and other uncertainties, including those relating to the physical characteristics of an oil or natural gas field. The cost of drilling, completing or operating wells is often uncertain. The company may be required to curtail, delay or cancel drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions and compliance with governmental requirements.

Directors and their interests

The Directors who served during the year were

James T. Hornabrook

Keith J. Goodwin

Rashid I. Mangunkusumo

None of the directors had any interest in the shares of the Company at 31 December 2007 or at the date of signing this report.

Rashid I. Mangunkusumo is a Director of MEDCO, the ultimate parent company, and accordingly his and his families' interest in the ordinary shares of the Company are disclosed in its accounts.

Creditor Payment Policy and Practice

It is the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2007, the Company had an average of 8 days purchases outstanding in trade creditors.

Auditors

In accordance with the Companies Audit, Investigations and Enterprise Act 2004, so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Ernst & Young LLP was re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By order of the Board



K J Goodwin
Secretary
24 Esher Avenue,
Walton-on-Thames,
Surrey KT12 2TA
26 August 2008

NOVUS UK (INDONESIAN HOLDINGS) LIMITED

Statement of Directors' Responsibilities in Respect of the Accounts

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgments and estimates that are reasonable and prudent,
- Ensure applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 keeping proper accounting records that 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOVUS UK (INDONESIAN HOLDINGS) LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Novus UK (Indonesian Holdings) Limited for the year ended 31 December 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets and the related notes 1 to 20. These financial statements have been prepared under 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 directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom Law and Accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you, if, in our opinion, 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 directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of the Company's profit for the year then ended,
- The financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
London

28 August 2008

NOVUS UK (INDONESIAN HOLDINGS) LIMITED

Group Profit and Loss Account

For the Year Ended 31 December 2007

	NOTES	2007 US\$'000	Restated 2006 US\$'000
Turnover	3	36,822	28,158
Cost of sales	4, 12	(16,371)	(16,859)
Gross profit		20,451	11,299
Bank interest		2	-
Operating Profit		20,453	11,299
Profit on ordinary activities before taxation		20,453	11,299
Taxation	8	(8,459)	(9,042)
Profit for the year		11,994	2,257

All profits and losses included in the profit and loss account derive from activities of a continuing nature

There were no recognised gains or losses other than those stated above

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents

The notes on pages 8 to 15 are an integral part of this Profit and Loss Account

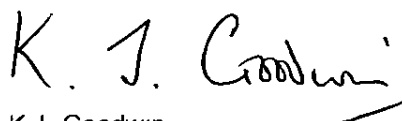
NOVUS UK (INDONESIAN HOLDINGS) LIMITED

Group Balance Sheet

At 31 December 2007

	Notes	2007 US\$'000	Restated 2006 US\$'000
Fixed Assets			
Tangible assets	9	21,374	20,242
Current Assets			
Cash		1,386	1,019
Debtors	10	24,690	11,585
Stocks	11	681	827
Total Current Assets		26,757	13,431
Current Liabilities			
Creditors - amounts falling due within one year	12	(15,461)	(13,608)
Net Current Assets / (Liabilities)		11,296	(177)
Total Assets Less Current Liabilities		32,670	20,065
Provision for liabilities and charges	13	(3,001)	(2,390)
		29,669	17,675
Represented by			
Capital and Reserves			
Called up share capital	14	171	171
Profit and loss account	20	29,498	17,504
Shareholders' Funds - Equity Interest	20	29,669	17,675

Approved by the Board of Directors
and signed on its behalf on 26 August by



K J Goodwin
Director

The notes on pages 8 to 15 are an integral part of this Balance Sheet

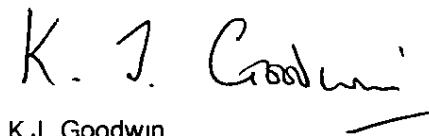
NOVUS UK (INDONESIAN HOLDINGS) LIMITED

Company Balance Sheet

At 31 December 2007

	Notes	2007 US\$'000	2006 US\$'000
Fixed Assets			
Investment in Subsidiaries	16	9	9
		<u>9</u>	<u>9</u>
Current Assets			
Cash		5	78
Debtors	10	2,252	2,560
Total Current Assets		<u>2,257</u>	<u>2,638</u>
Current Liabilities			
Creditors - amounts falling due within one year	12	(2)	(3)
Net Current Assets		<u>2,255</u>	<u>2,635</u>
Total Assets Less Current Liabilities		2,264	2,644
Provision for liabilities and charges	13	-	-
		<u>2,264</u>	<u>2,644</u>
Represented by			
Capital and Reserves			
Called up share capital	14	171	171
Profit and loss account	20	2,093	2,473
Shareholders' Funds - Equity Interest		<u>2,264</u>	<u>2,644</u>

Approved by the Board of Directors
and signed on its behalf on 26 August by



K J Goodwin
Director

The notes on pages 8 to 15 are an integral part of this Balance Sheet

NOVUS UK (INDONESIAN HOLDINGS) LIMITED

Notes to the Group Consolidated Accounts

1) Principal Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and with the preceding year is set out below

(a) Basis of preparation of accounts

The accounts are prepared under the historical cost convention and in accordance with the applicable UK accounting standards. The Group consolidated accounts contain the accounts of the Company after elimination of inter-company balances. The Company's interests in its wholly-owned subsidiaries are fully consolidated. The accounts of the subsidiaries are prepared on an annual basis using consistent accounting policies. The Group has taken advantage of the exemption given in FRS 1 (Revised) "Cash Flow Statements" not to prepare a cash flow statement as a consolidated cash flow statement, which includes the cash flows of the Group, has been published by the Ultimate Parent Undertaking.

As permitted by Section 230 of Companies Act 1985, the Company's profit and loss account has not been included in these accounts. The amount of the Company's loss for the year ended 31 December 2007 and 31 December 2006 included in the accounts of the Group consolidated profit (loss) were US\$(380) thousand and US\$(16,122) thousand, respectively.

In addition to the requirements of accounting standards, the accompanying financial statements have been prepared in accordance with the Statement of Recommended Practice - "Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities" issued by the Oil Industry Accounting Committee and updated 7 June 2001 (SORP), except the SORP recommends that oil and gas reserve quantities be disclosed. The Directors have elected not to publish this information for the Company.

During the current year the Group identified that a correction was required in relation to the 2006 Creditor (Other) balance. This followed receipt of updated government audit findings regarding the refund of investment credit claims.

The Group has restated the 2006 comparatives to show these corrections. The impact of the restatement is described in Notes 8, 12 and 20.

(b) Basis of Consolidation

The Group financial statements comprise a consolidation of the accounts of the parent company and its subsidiary undertakings (subsidiaries). The results of subsidiaries acquired or disposed are consolidated for the periods to the date on which control passes.

(c) Joint Ventures

The Group conducts the majority of its exploration, development and production activities in association with other companies under joint operating agreements. The accounts reflect the Group's share of the costs and revenues resulting from such joint activities.

(d) Oil and Gas expenditure

The successful efforts method of accounting is followed for costs incurred in oil and gas exploration and production operations.

Capitalisation Policy - Acquisition costs are capitalised when incurred. Exploration costs, including geological and geophysical costs and costs of carrying and retaining unproved properties, are charged to the profit and loss accounts as incurred. Exploratory drilling costs are capitalised initially, however, if it is determined that an exploratory well does not contain proved reserves, such capitalised costs are charged to expense, as dry hole costs, at that time. Development costs are capitalised. Costs incurred to operate and maintain wells and equipment and to lift oil and gas to the surface are generally expensed.

Depreciation, Depletion and Amortisation - All capitalised costs are depleted on a unit-of-production method based on proved reserves.

Disposal of Fixed Assets - Gains and losses on disposals of fixed assets are taken to the profit and loss account in the year in which they arise.

Decommissioning Provision - Costs incurred by the joint venture for exploration, development and production are generally recoverable from production of reserves under the terms of the Indonesian Production Sharing Contract. At the termination of the contract, possession of the equipment and facilities reverts to the Indonesian government. Therefore, no provision for decommissioning is made in the accounts.

NOVUS UK (INDONESIAN HOLDINGS) LIMITED
Notes to the Group Consolidated Accounts (continued)

(e) Deferred Taxation

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less or to receive more tax

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

(f) Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences arising on re-translation are taken to the profit and loss account

2) Related Party Transactions

Certain services were provided by MEDCO, the ultimate parent company, in 2007. A service charge of US\$907 thousand has been included in the accounts to reflect the services provided by MEDCO (2006 US\$772 thousand)

3) Operating Revenues

Sales of crude oil which are stated net of value added tax are recorded on the entitlement method. When the volume of oil lifted is greater/(less) than the Group's entitlement, a payable/(receivable) accrues

Under the terms of the Kakap Production Sharing Contract, the Group is required to sell certain amounts of crude to the government of Indonesia at prices provided for in the contract. During the financial year the group operated only in Indonesia and in one industry which consisted of exploration, development and production of crude oil, natural gas and associated liquids and all of its turnover is derived from such operations

NOVUS UK (INDONESIAN HOLDINGS) LIMITED
Notes to the Group Consolidated Accounts (continued)

4) Cost of Sales

	Consolidated 2007 \$'000	2006 US\$'000
Operating costs	11,509	5,958
Depreciation, depletion and amortisation	3,702	6,210
Others	1,160	4,691
	<u>16,371</u>	<u>16,859</u>

5) Employee Information

The Company had no employees, other than Directors, during 2007 and 2006

6) Directors' Remuneration

The remuneration of the Directors for the year ended 31 December 2007 was as follows

	2007		2006
	Salary US\$'000	Fees US\$'000	Salary US\$'000
J T Hornabrook	-	12	-
K J Goodwin	37	-	40
	<u>37</u>	<u>12</u>	<u>40</u>
			<u>18</u>

7) Auditors' Remuneration

2007 auditors' remuneration (and fees for other services) is borne by MEDCO, the ultimate parent company

Auditors' remuneration for the audit of the accounts of the Novus UK Group of Companies is

2007 US\$'000	2006 US\$'000
21	29

NOVUS UK (INDONESIAN HOLDINGS) LIMITED
Notes to the Group Consolidated Accounts (continued)

8) Tax on Profit on Ordinary Activities

The tax charge is made up as follows

	2007 US\$'000	2006 US\$'000
<i>Current Tax</i>		
UK Corporation tax on profits of the year	7,196	4,851
Double tax relief	(7,168)	(4,813)
Overseas taxation	7,820	6,978
UK tax over provision in respect of previous years	-	(43)
Foreign tax under provision in respect of previous years	-	6,766
Total current tax	7,848	13,739
<i>Deferred Tax</i>		
Origination and reversal of timing differences	611	(1,792)
Under/(over) provision of deferred tax in previous years	-	(2,905)
Total deferred tax (note 13)	611	(4,697)
Tax on Profit on Ordinary Activities	8,459	9,042

Factors affecting the tax charge for the year

The rate at which tax has been assessed for the year is higher than the standard rate of Corporation tax in UK. The differences are explained below

	2007 US\$'000	Restated 2006 US\$'000
Profit on ordinary activities before tax	20,451	11,299
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	6,135	3,390
<i>Effect of</i>		
Non taxable income	-	(65)
Depreciation in excess of capital allowances	1,117	1,866
Imputed interest income	143	200
Other timing differences	(199)	(540)
Excess unrelieved foreign tax suffered	652	2,165
UK tax over provision in respect of previous years	-	(43)
Foreign tax under provision in respect of previous years	-	6,766
Current tax charge for the year	7,848	13,739

NOVUS UK (INDONESIAN HOLDINGS) LIMITED
Notes to the Group Consolidated Accounts (continued)

9) Fixed Assets - Tangible Assets
 (None for Company)

	2007 US\$'000	2006 US\$'000
Interest in Petroleum Properties		
At 1 January	83,290	80,105
Additions	4,803	3,185
At 31 December	88,093	83,290
Depreciation, depletion and amortisation		
At 1 January	68,223	65,444
Charge for the year	2,399	2,779
At 31 December	70,622	68,223
Net Book Value at 31 December	17,471	15,067
Property and Equipment		
At 1 January	40,073	39,883
Additions	31	190
At 31 December	40,104	40,073
Accumulated Depreciation		
At 1 January	34,898	31,467
Charge for the year	1,303	3,431
At 31 December	36,201	34,898
Net Book Value at 31 December	3,903	5,175
Total Net Book Value at 31 December	21,374	20,242

10) Debtors

	Company		Group	
	2007 US\$'000	2006 US\$'000	2007 US\$'000	2006 US\$'000
Fellow subsidiary undertakings	2,243	2,550	13,533	6,475
Trade debtors	-	-	8,088	3,156
Other	9	10	3,069	1,954
	2,252	2,560	24,690	11,585

NOVUS UK (INDONESIAN HOLDINGS) LIMITED
Notes to the Group Consolidated Accounts (continued)

11) Stocks

	2007 US\$'000	2006 US\$'000
Warehouse stocks and drilling materials	681	827

12) Creditors – Amounts Falling Due Within One Year

	Company		Group	
	2007 US\$'000	2006 US\$'000	2007 US\$'000	Restated 2006 US\$'000
Trade creditors	2	3	6,859	4,459
Taxation	-	-	1,461	1,342
Other	-	-	7,141	7,807
	2	3	15,461	13,608

A prior year adjustment has been processed to restate the 2006 Creditor (Other) balance. This was required following receipt of updated government audit findings regarding the refund of investment credit claims.

The impact of this restatement on the financial position of the Group on 1 January 2007 is to decrease Creditor (Other) balance by US\$ 1,799 thousand and increase profit and loss included within Capital and Reserves by US\$ 1,799 thousand.

13) Provision for Liabilities and Charges

The movements in deferred taxation during the current and previous years are

	Deferred Taxation Company		Deferred Taxation Group	
	2007 US\$'000	2006 US\$'000	2007 US\$'000	2006 US\$'000
At 1 January	-	711	2,390	7,087
Credit for the year	-	(711)	611	(4,697)
At 31 December	-	-	3,001	2,390

The potential liability for deferred taxation is

	Deferred Taxation Company		Deferred Taxation Group	
	2007 US\$'000	2006 US\$'000	2007 US\$'000	2006 US\$'000
Accelerated capital allowances	-	-	3,001	2,390
Deferred branch profit tax liability	-	-	-	-
At 31 December	-	-	3,001	2,390

Accelerated capital allowances have been provided for in the accounts for the year ended 31 December 2007.

NOVUS UK (INDONESIAN HOLDINGS) LIMITED
Notes to the Group Consolidated Accounts (continued)

14) Share Capital

	2007 US\$'000	2006 US\$'000
Authorised, allotted, called up and fully paid 106,100 ordinary shares of £1 translated at 3 January 1990 rate of exchange of US\$1 6105/£1	171	171

15) Ultimate Parent Undertaking

The Directors regard MEDCO, whose principal place of business is at Graha Niaga Building, 16th Floor, Jalan Jenderal Sudirman, Kav 58, Jakarta 12190, Indonesia, as the ultimate parent undertaking at 31 December 2007. The consolidated accounts of the Group are available to the public and may be obtained from that address.

The Company's immediate parent undertaking is Medco Kakap Holdings Pte Ltd, a company incorporated in Singapore and a related party through the ultimate parent company, MEDCO.

16) Investment in Subsidiaries

	2007 US\$'000	2006 US\$'000
Investment in Subsidiaries		
At 1 January	9	16,306
Impairment	-	(16,297)
At 31 December	9	9

On 24 May 2006, Novus UK (Indonesian Holdings) Limited received a dividend from Novus (Kakap) Limited, this resulted in a permanent diminution in the value of the investment.

The subsidiaries of Novus U K (Indonesian Holdings) Limited at 31 December 2007 and the percentage ownership of each are as follows:

	Country of Incorporation	Country of Operation	Type of Shares	% Held
Novus UK (Kakap) Limited	England and Wales	Indonesia	Ordinary shares of £1	100
Novus UK (Malacca Strait) Limited	England and Wales	Indonesia	Ordinary shares of £1	100

In the opinion of the Directors, the value of the investments in subsidiaries is not less than the amount at which they are carried in the balance sheet.

NOVUS UK (INDONESIAN HOLDINGS) LIMITED
Notes to the Group Consolidated Accounts (continued)

17) Commitments

The Group conducts substantially all of its operations through membership of joint venture consortia. In the event of non-performance of obligations by another member, or members of such consortia, the Group would become subject to additional obligations. The Group does not anticipate non-performance by its joint venture partners.

In terms of specific commitments, the Group is committed to drilling one exploration well in the Kakap PSC before 22 March 2011 (with total commitment not less than US\$540 thousand).

18) Paid in Capital

Net amounts payable to British Petroleum Company plc (BP), and its affiliates, of US\$16,297 thousand by Novus UK (Kakap) Limited ("NUKK") (formerly BP Petroleum Development (Kakap) Limited) were waived immediately prior to the acquisition by Oryx from BP on 1 January 1990. Such amounts were treated as paid in capital.

On 24 May 2006 paid in capital of US\$16,297 thousand was transferred to the profit and loss account.

19) Dividends

	2007 US\$'000	2006 US\$'000
Equity dividends on ordinary shares paid	-	30,594

20) Reconciliation of Movements in Shareholders' Funds

Group

	2007 US\$'000	Restated 2006 US\$'000
At 1 January (as previously reported)	15,876	46,012
Prior year adjustment	1,799	-
At 1 January (adjusted)	17,675	46,012
Profit for the year	11,994	2,257
Dividends Paid	-	(30,594)
At 31 December	29,669	17,675

Company

	2007 US\$'000	2006 US\$'000
At 1 January	2,644	28,556
Profit for the year	(380)	(16,122)
Dividend Income	-	20,804
Dividends Paid	-	(30,594)
At 31 December	2,264	2,644

21) Subsequent Events

The directors have been notified that the ultimate parent company, PT Medco Energi Internasional Tbk, is considering an offer for its wholly owned subsidiary company, Medco Kakap Holdings Pte Ltd, whose wholly owned subsidiary companies include Novus UK (Indonesian Holdings) Ltd.

On 23 May 2008, the company declared a dividend amounting to US\$12,316,742.