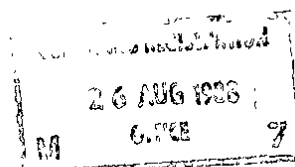


SWEDISH TROLLEY LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31ST DECEMBER, 1987

12.11.1988

BEAT MARWICK McLINTOCK
1 Puddle Dock, Blackfriars, London EC4V 3PD.



SWEDISH PETROLEUM LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31st December, 1987.

PRINCIPAL ACTIVITIES

The company holds licences to conduct exploration for petroleum and allied products. The company did not trade during the year.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were:

K.B.O. Holmgren
M. Schmeitzner
B.P. Andersson
L.G. Norell

None of the directors held any beneficial interest in the shares of the company during the year.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Peat Marwick McLintock, as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

FOR AND ON BEHALF OF
TRUSEC LIMITED

R. Nilsson, Secretary
Secretaries


REPORT OF THE AUDITORS TO THE MEMBERS OF
SWEDISH PETROLEUM LIMITED

We have audited the accounts of Swedish Petroleum Limited set out on pages 3 and 4 in accordance with approved Auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company' at 31st December, 1987 and have been prepared in accordance with the Companies Act 1985.

15. FEB. 1988

London

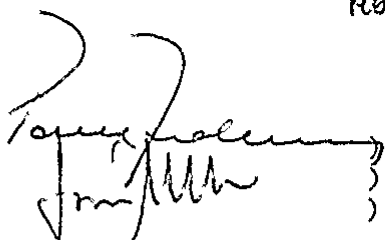


. Chartered Accountants

SWEDISH PETROLEUM LIMITEDBALANCE SHEET AT 31ST DECEMBER, 1987

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
CURRENT ASSETS		
Debtors:		
Sundry debtor	<u>100</u>	<u>100</u>
 CAPITAL AND RESERVES		
Called up share capital	<u>100</u>	<u>100</u>

These accounts were approved by the board of
directors on Feb 15, 1988

 Directors

The notes on page 4 form part of these accounts.

SWEDISH PETROLEUM LIMITEDNOTES TO THE ACCOUNTS1. PROFIT AND LOSS ACCOUNT

The company has not traded during the accounting period, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss.

2. PRODUCTION LICENCES

The company holds several licences to conduct exploration for petroleum and allied products in the North Sea.

3. PASS-THROUGH AGREEMENTS

The company has entered into a pass-through agreement with Svenska Petroleum Exploration AB whereby the latter company will provide all funds and equipment required for the exploration, development and production operations under the licences, in return for which it will be entitled to own and receive all the petroleum won and saved from the licence areas.

4. SHARE CAPITAL

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Authorised:		
Ordinary shares of £1 each	100	100
Share capital allotted, called up and fully paid:		
Ordinary shares of £1 each	100	100

5. EMOLUMENTS OF DIRECTORS

No emoluments were paid to the directors by the company during the year (1986:£nil).

6. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is OK Petroleum AB, incorporated in Sweden.