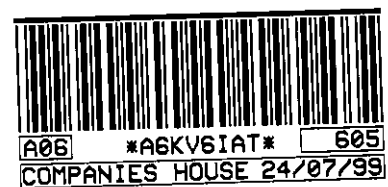


Registration Number: 1474678

VENTURE OIL COMPANY LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 1998



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VENTURE OIL COMPANY LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and accounts for the year ended 31 December 1998.

RESULTS

The Company has not traded during the year.

The Directors do not recommend the payment of a dividend (1997: Nil).

ACTIVITY, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

There was no activity during the year and the Company is expected to remain inactive in the coming year.

DIRECTORS

The Directors of the Company during the year were as follows:

C J A Jamieson	(Chairman)
E Freeborn	resigned 24 March 1999
S J Lowden	

In addition, Mr J A van der Welle was appointed as Director on 30 April 1999.

No Director had a disclosable interest in the shares of the Company at 31 December 1998. At the year end the Directors were also Directors of the Ultimate Parent Company, Premier Oil plc, in whose accounts their interests in the share capital of that Company and other Group Companies are shown.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the loss of the Company for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

VENTURE OIL COMPANY LIMITED

REPORT OF THE DIRECTORS

- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the accounts; and
- prepare accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

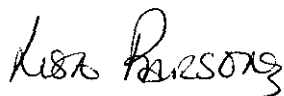
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

YEAR 2000 COMPLIANCE

Along with many in the industry, the Company's Ultimate Parent Company has established a Year 2000 Project Group. This group will establish the precise scope of any risks posed to the Company by the consequences of the year 2000 date change and to address those risks, seeking to ensure that the Company will not suffer any adverse impacts.

The Company's objective is to confirm that its computer systems and equipment with embedded computer chips achieve year 2000 conformity. Also to require suppliers to ensure that their systems achieve the same standard and to seek assurances from partners and alliances that they have similar effective plans in place. To date all hardware, software and communication systems have been successfully tested through multiple independent checks. The Company continues to seek third party assurances and will continue with integrity checks on equipment up to the year 2000. Any costs relating to the Year 2000 Project have been borne wholly by the Ultimate Parent Company.

BY ORDER OF THE BOARD



L J PARSONS
Secretary

16 July 1999

VENTURE OIL COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1998

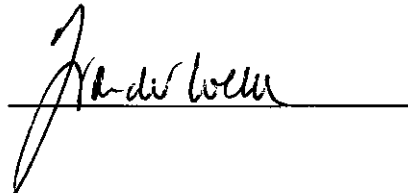
	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
CURRENT ASSETS			
Debtors	2	<u>2,787,695</u> <u>2,787,695</u>	<u>2,787,695</u> <u>2,787,695</u>
CAPITAL AND RESERVES			
Share Capital	3	3,200,000	3,200,000
Share Premium		150,000	150,000
Profit and Loss Account	4	<u>(562,305)</u>	<u>(562,305)</u>
SHAREHOLDERS' FUNDS		<u>2,787,695</u>	<u>2,787,695</u>

The Company was dormant (within the meaning of S.250 of the Companies Act 1985) throughout the financial year ending with the balance sheet date.

Approved on behalf of the Board of Directors by:

J A van der Welle

16 July 1999



The notes on page 4 form part these accounts.

VENTURE OIL COMPANY LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2. DEBTORS

	<u>1998</u> £	<u>1997</u> £
Due From Ultimate Parent Company	2,778,081	2,778,081
Due From Fellow Subsidiary Undertakings	<u>9,614</u>	<u>9,614</u>
	<u>2,787,695</u>	<u>2,787,695</u>

3. CALLED UP SHARE CAPITAL

	<u>1998</u> £	<u>1997</u> £
Authorised Ordinary Shares of £1 each	<u>4,000,000</u>	<u>4,000,000</u>
Allotted, Called-Up and Fully Paid Ordinary Shares of £1 each	<u>3,200,000</u>	<u>3,200,000</u>

4. PROFIT AND LOSS ACCOUNT

The Company did not trade during the years to 31 December 1998 and 31 December 1997.

5. ULTIMATE PARENT COMPANY

The Ultimate Parent Company is Premier Oil plc, a Company registered in Scotland. Copies of the Group accounts are available from Premier Oil plc, 23 Lower Belgrave Street, London SW1W 0NR.

6. AUDITORS

The Company has taken advantage of the exemption under S.250 of the Companies Act 1985 not to appoint auditors.