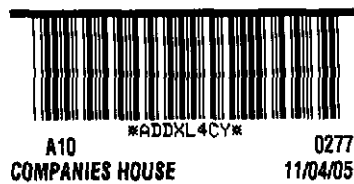


COMPANY REGISTRATION NUMBER 1556471

ASPEN OIL (BROKING) LIMITED

FINANCIAL STATEMENTS

30 JUNE 2004



ASPEN OIL (BROKING) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2004

CONTENTS	PAGE
Company information	1
The directors' report	2
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	7
 The following pages do not form part of the financial statements	
Accountants' report to the directors	15
Detailed profit and loss account	16
Notes to the detailed profit and loss account	17

ASPEN OIL (BROKING) LIMITED

COMPANY INFORMATION

THE BOARD OF DIRECTORS

P Pollock
D G Jones
A Turner

COMPANY SECRETARY

P Pollock

REGISTERED OFFICE

Lawrence House
Lower Bristol Road
Bath

ACCOUNTANTS

Target Consulting Limited
Chartered Accountants
Lawrence House
Lower Bristol Road
Bath

BANKERS

Barclays
8-9 Hanover Square
London

ASPEN OIL (BROKING) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2004

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 June 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year continued to be that of oil brokers.

BUSINESS REVIEW

The balance sheet as detailed on pages 5 to 6 shows a satisfactory position, shareholders' funds amounting to £7,322.

During the period to 30 September 2003, the company's parent company was Poynings Management Limited. On 30 September 2003, 100% of the share capital of the company was acquired by Aspen Oil Group Limited, which therefore became the company's parent company from this date.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE PARENT COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:

	£1 ordinary shares in the parent company	
	At	At
	30 June 2004	1 July 2003
P Pollock	—	—
D G Jones	—	282
	<u>—</u>	<u>282</u>

Their interests in the ultimate holding company as recorded in the register of directors' interests were as follows:

**Aspen Oil Group Limited
Ordinary shares of £1 each**

	At 30 June 2004	At 30 June 2003
P Pollock	6,400	—
D G Jones	2,514	—

A Turner was appointed as a director on 8 February 2005.

DONATIONS

During the year the company made the following contributions:

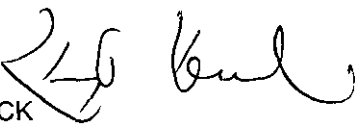
	2004 £	2003 £
Charitable	<u>505</u>	<u>700</u>

ASPEN OIL (BROKING) LIMITED
THE DIRECTORS' REPORT (*continued*)
YEAR ENDED 30 JUNE 2004

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors


P POLLOCK
Company Secretary

Approved by the directors on 28/3/05

ASPEN OIL (BROKING) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2004

	Note	2004 £	2003 £
TURNOVER		2,904,663	2,748,305
Cost of sales		2,143,580	2,137,015
GROSS PROFIT		761,083	611,290
Administrative expenses		756,686	605,732
Other operating income	3	(25,000)	(25,000)
OPERATING PROFIT	4	29,397	30,558
Interest receivable		7,443	15,454
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		36,840	46,012
Tax on profit on ordinary activities	7	13,291	11,774
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		23,549	34,238
Dividends	8	25,000	32,000
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(1,451)	2,238

The notes on pages 7 to 13 form part of these financial statements.

ASPEN OIL (BROKING) LIMITED

BALANCE SHEET

30 JUNE 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	9	105,066	60,150
Investments	10	2,248	—
		<u>107,314</u>	<u>60,150</u>
CURRENT ASSETS			
Debtors	11	579,145	469,829
Cash at bank and in hand		586,024	342,688
		<u>1,165,169</u>	<u>812,517</u>
CREDITORS: Amounts falling due within one year	12	<u>1,255,992</u>	<u>857,567</u>
NET CURRENT LIABILITIES		(90,823)	(45,050)
TOTAL ASSETS LESS CURRENT LIABILITIES		16,491	15,100
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	9,169	6,327
		<u>7,322</u>	<u>8,773</u>

The Balance sheet continues on the following page.
The notes on pages 7 to 13 form part of these financial statements.

ASPEN OIL (BROKING) LIMITED

BALANCE SHEET (continued)

30 JUNE 2004

	Note	2004 £	2003 £
CAPITAL AND RESERVES			
Called-up equity share capital	15	1,000	1,000
Profit and loss account	16	6,322	7,773
SHAREHOLDERS' FUNDS		<u>7,322</u>	<u>8,773</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

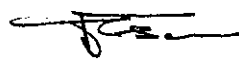
The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 28/3/05.. and are signed on their behalf by:


P POLLOCK


D G JONES

The notes on pages 7 to 13 form part of these financial statements.

ASPEN OIL (BROKING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Equipment	- 25% reducing balance
Fixtures & Fittings	- 25% reducing balance

Operating lease agreements

Rentals paid under operating leases are charged to income as incurred.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

ASPEN OIL (BROKING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2004

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred tax is recognised 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, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the year end.

Turnover is shown net of exchange rate differences arising on foreign currency translation.

2. TURNOVER

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

3. OTHER OPERATING INCOME

	2004 £	2003 £
Management charges receivable	<u>25,000</u>	<u>25,000</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	2004 £	2003 £
Depreciation of owned fixed assets	17,749	18,317
Auditors' fees	<u>—</u>	<u>8,250</u>

ASPEN OIL (BROKING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2004

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2004	2003
	No	No
Number of administrative staff	<u>11</u>	<u>11</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	897,603	889,907
Social security costs	149,897	133,409
Other pension costs	89,756	54,748
	<u>1,137,256</u>	<u>1,078,064</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Aggregate emoluments	385,348	433,511
Value of company pension contributions to money purchase schemes	85,976	50,968
	<u>471,324</u>	<u>484,479</u>

Emoluments of highest paid director:

	2004	2003
	£	£
Total emoluments (excluding pension contributions)	378,848	433,511
Value of company pension contributions to money purchase schemes	85,976	50,968
	<u>464,824</u>	<u>484,479</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2004	2003
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

ASPEN OIL (BROKING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2004

7. TAXATION ON ORDINARY ACTIVITIES

	2004 £	2003 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2003 - 19%)	10,449	13,205
Total current tax	10,449	13,205
Deferred tax:		
Origination and reversal of timing differences (note 13)		
Capital allowances	2,842	(1,431)
Tax on profit on ordinary activities	<u>13,291</u>	<u>11,774</u>

8. DIVIDENDS

The following dividends have been paid in respect of the year:

	2004 £	2003 £
Dividend paid on ordinary shares	<u>25,000</u>	<u>32,000</u>

9. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Total £
COST			
At 1 July 2003	130,215	7,521	137,736
Additions	17,970	44,695	62,665
At 30 June 2004	<u>148,185</u>	<u>52,216</u>	<u>200,401</u>
DEPRECIATION			
At 1 July 2003	71,875	5,711	77,586
Charge for the year	17,135	614	17,749
At 30 June 2004	<u>89,010</u>	<u>6,325</u>	<u>95,335</u>
NET BOOK VALUE			
At 30 June 2004	<u>59,175</u>	<u>45,891</u>	<u>105,066</u>
At 30 June 2003	<u>58,340</u>	<u>1,810</u>	<u>60,150</u>
Capital commitments			
	2004 £	2003 £	
Contracted but not provided for in the financial statements	<u>32,939</u>	—	

ASPEN OIL (BROKING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2004

10. INVESTMENTS

	£
COST	
Additions	2,248
At 30 June 2004	<u>2,248</u>
NET BOOK VALUE	
At 30 June 2004	<u>2,248</u>

On 30 December 2003, Aspen Oil (Broking) Limited acquired 90% of the share capital of Aspen Oil Broking (Singapore) Pte Ltd, a company incorporated in Singapore. The company became the holding company of Aspen Oil Broking (Singapore) Pte Ltd from that date.

Details of the company's investment are as follows:

Aspen Oil (Broking) Singapore Pte Ltd

The principle activity of the company was Oil Broking.

Country of incorporation	Singapore
Interest in the £1 ordinary share capital at 30 June 2004	90%
Capital and reserves at 30 June 2004	£74,167
Profit for the period ended 30 June 2004	£74,700
Value of investment under the equity method at 30 June 2004	£66,750

11. DEBTORS

	2004 £	2003 £
Trade debtors	358,299	393,783
Amounts owed by group undertakings	91,181	—
VAT recoverable	17,596	—
Other debtors	24,479	4,431
Prepayments and accrued income	87,590	71,615
	<u>579,145</u>	<u>469,829</u>

ASPEN OIL (BROKING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2004

12. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	69,015	15,140
Trade creditors	34,889	30,349
Amounts owed to group undertakings	–	461,122
Other creditors including taxation and social security:		
Corporation tax	10,449	13,356
PAYE and social security	62,871	26,653
VAT	–	9,044
Directors current accounts	–	136,612
Other creditors	545,360	–
Accruals and deferred income	533,408	165,291
	<u>1,255,992</u>	<u>857,567</u>

13. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2004	2003
	£	£
Provision brought forward	6,327	7,758
Profit and loss account movement arising during the year	2,842	(1,431)
Provision carried forward	<u>9,169</u>	<u>6,327</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2004	2003
	£	£
Excess of taxation allowances over depreciation on fixed assets	9,169	6,327
	<u>9,169</u>	<u>6,327</u>

ASPEN OIL (BROKING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2004

14. RELATED PARTY TRANSACTIONS

During the year the company paid management charges of £800,001 (2003 £nil) to Poynings Management Services Limited, of which P Pollock is a shareholder. At the year end the company owed £545,360 (2003 nil) to Poynings Management Services Limited.

During the year the company paid management charges of £nil (2003 £932,500) to its former parent company Poynings Management Limited. At the year end the company owed £nil (2003 £461,112) to Poynings Management Limited.

The company also charged management fees of £25,000 (2003 £25,000) to Asdem Limited. P Pollock and D Jones are shareholders of Asdem Limited. At the year end the company was owed £4,299 (2003 £4,251) by Asdem Limited.

The company paid rent of £50,000 (2003 £50,000) during the year to The Southway Trust, of which the director P Pollock is a beneficiary.

At the year end, the company was owed £91,181 (2003 £nil) by Aspen Oil (Broking) Singapore Pte Ltd, a subsidiary undertaking. No interest is accruing on this balance and there are no fixed repayment terms.

15. SHARE CAPITAL

Authorised share capital:

	2004 £	2003 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

16. PROFIT AND LOSS ACCOUNT

	2004 £	2003 £
Balance brought forward	7,773	5,535
(Accumulated loss)/retained profit for the financial year	<u>(1,451)</u>	<u>2,238</u>
Balance carried forward	<u>6,322</u>	<u>7,773</u>

17. ULTIMATE PARENT COMPANY

During the period to 30 September 2003, the ultimate parent company of Aspen Oil (Broking) Limited was Poynings Management Limited. On 30 September 2003, 100% of the share capital of the company was acquired by Aspen Oil Group Limited, a company incorporated in the United Kingdom, which therefore then became the parent undertaking.

18. CONTROLLING PARTY

The company is ultimately controlled by the director P Pollock.