



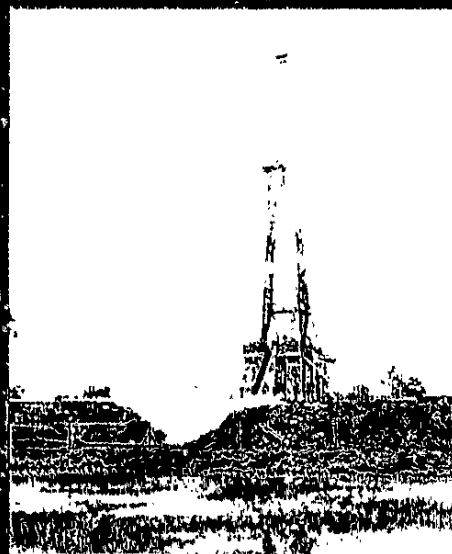


monument

*Testing the Wai
 Buri discovery well in
 Thailand in which
 Nimex Overseas has a
 10.625
 per cent interest.*



*Testing the Wai
 Buri discovery well in
 Thailand in which
 Nimex Overseas has a
 15 per cent interest.*



*Hook-up and
 commissioning of the
 Ravenspur North
 central complex in
 which Monument
 Group has a 6 per cent
 interest.*



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DEFINITIONS

The following definitions apply in this document unless the context otherwise requires:—

"Acquisition"	the proposed acquisition by Monument of the whole of the issued share and loan capitals of Nimex Overseas, Nimex Petroleum and Nimex Services
"Acquisition agreement"	the agreement relating to the Acquisition, details of which are set out in paragraph 5(i) of Part VII of this document
"Circular"	a circular to Monument shareholders dated the same date as these listing particulars containing details of the Acquisition and the Rights Issue and notice of an Extraordinary General Meeting of Monument to consider a resolution, inter alia, to approve the Acquisition
"County NatWest Wood Mackenzie" or "CNWM"	County NatWest Wood Mackenzie & Co. Limited
"Directors"	the present directors of Monument together with the additional directors who will be appointed to the Monument board following completion of the Acquisition
"enlarged Monument Group" or "enlarged Group"	Monument and its subsidiaries following the Acquisition and Rights Issue
"enlarged Monument share capital"	the existing Monument shares, new Monument shares and Monument consideration shares
"Introduction"	the introduction of the existing Monument shares to the Official List of The Stock Exchange
"Monument" or "Company"	Monument Oil and Gas plc
"Monument consideration shares"	the new ordinary shares of 5p each in Monument proposed to be issued fully paid to Nimex as consideration for the Acquisition
"Monument Group", "existing Monument Group" or "Group"	Monument and its present subsidiaries
"Monument participating share scheme"	the Monument Group Participating Share Scheme
"Monument shares" or "existing Monument shares"	the existing issued and fully paid ordinary shares of 5p each in Monument
"Monument share option scheme"	the Monument Oil and Gas Share Option Scheme
"Monument share schemes"	the Monument share option scheme and Monument participating share scheme
"Nimex"	Nimex Resources Limited
"Nimex companies"	Nimex Overseas, Nimex Petroleum, Nimex Services and, where appropriate, their subsidiaries
"Nimex Overseas"	NMX Resources Overseas Holdings Limited and, where appropriate, its subsidiaries

"Nimex Petroleum"	Nimex Petroleum Limited
"Nimex Services"	Nimex Services Limited
"new Monument shares"	the new ordinary shares of 5p each in Monument proposed to be issued by way of rights to Monument shareholders on the register on 11 July 1990
"Rights Issue"	the proposed issue of new Monument shares by way of rights as more fully described in paragraph 9 of Part VII of these listing particulars
"Scott Pickford"	Scott Pickford plc
"The Stock Exchange"	The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited
"UK"	United Kingdom of Great Britain and Northern Ireland
"US" or "USA"	United States of America
"\$"	US dollars

GLOSSARY

The following explanation of technical terms applies throughout this document except in Part IV where the petroleum consultant uses and defines its own terms:

bbl(s)	barrel(s)
bcf	billion cubic feet
billion	one thousand million
boe	barrels of oil equivalent
bpd	barrels of oil or condensate per day
condensate	liquid hydrocarbons produced with natural gas
consortium	a number of parties acting as joint venturers in relation to a particular oil and gas project
mmbbl	million barrels
mmcf	million cubic feet
mmcfd	millions of cubic feet of gas per day
oil equivalent	oil and natural gas where natural gas has been converted to an equivalent amount of oil at the rate of 1 barrel of oil per 6,000 cubic feet of gas
operator	the party, usually a member of the consortium, which has the responsibility for the day-to-day operational activity of a project on behalf of the consortium
possible reserves	reserves which existing knowledge suggests are in place but to which a substantial element of risk must be attached
probable reserves	reserves which are potentially recoverable but where there exists some risk or insufficient data to prevent classification as proven
proven reserves	reserves which are known with reasonable certainty to be recoverable from known reservoirs
trillion	one million million

DIRECTORS AND ADVISERS

Directors

Alastair Robin Grant McGibbon (Chairman)*
Antony Craven Walker*
James William Guest
John Bryan Heaney*
Thomas Colvill Holmes Lyons*
John Alexander Patrick
George Henry John Robinson*
Kenneth Collinson Short

*Non-executive

all of 30 St James's Street, London SW1A 1HB

Proposed additional directors

Elisabeth Patricia Airey
James Trevor Hornabrook

both of 103 Kingsway, London WC2B 6QX

Secretary

John Alexander Patrick

Proposed new secretary

Penelope Jane Montague

Registered office

30 St James's Street, London SW1A 1HB

Sponsors and stockbrokers

County NatWest Wood Mackenzie & Co. Limited
135 Bishopsgate, London EC2M 3XT

Auditors

KPMG Peat Marwick McLintock, Chartered Accountants,
1 Puddle Dock, Blackfriars, London EC4V 3PD

Reporting accountants on the Ninex companies

Arthur Andersen & Co., Chartered Accountants,
1 Surrey Street, London WC2R 2PS

Solicitors to the Company

Slaughter and May
35 Basinghall Street, London EC2V 5DB

Solicitors to the Introduction and Rights Issue

Linklaters & Paines
Farrington House, 59-67 Gresham Street, London EC2V 7JA

Principal bankers

Citibank N.A.
Citibank House, 336 Strand, London WC2R 1HB

Registrars

Barclays Registrars Limited
Bourne House
34 Beckenham Road, Beckenham, Kent BR3 4TU

Receiving agents to the Rights Issue

Barclays Registrars Limited
New Issues,
PO Box 123, Fleetway House,
25 Farringdon Street, London EC4A 4HD

PART I

DESCRIPTION OF THE ENLARGED MONUMENT GROUP

INTRODUCTION

Monument is one of the leading UK independent oil and gas exploration and production companies. The Monument Group has interests in six UK offshore producing oil or gas complexes, one UK offshore gas development and a number of UK onshore production and development projects. It also has an extensive spread of exploration properties, including interests in 57 offshore blocks or part blocks in the UK and The Netherlands and 36 UK onshore licences. It has overseas exploration interests in Italy, Spain, Portugal, Turkey and Australia and onshore producing interests in the US.

These listing particulars describe the history of the Monument Group and give details of the oil and gas interests of the enlarged Monument Group which include those resulting from the acquisition of the Nimex companies. This latter acquisition brings to the enlarged Group further UK offshore interests and oil and gas properties in Malaysia, Egypt, Pakistan, Thailand, the Philippines, Myanmar (Burma), Australia and the East China Sea and includes discoveries made in Malaysia (Sarawak) and Thailand.

The enlarged Monument Group has an active drilling programme which is expected to add to its underlying reserves of oil and gas and, as a result of the disposal of its interests in the Bruce and Keith fields and the Rights Issue accompanying the acquisition of the Nimex companies, it will continue to have the cash resources to support its increased exploration and appraisal programme.

HISTORY

Monument was incorporated in 1984 to hold the oil and gas interests of Minster Assets P.L.C. In November 1984 the share capital of Monument was issued to the former shareholders of Minster Assets P.L.C. by way of demerger and Monument's ordinary shares were introduced to the Unlisted Securities Market of The Stock Exchange. At that time Monument had interests in ten blocks in the UK Continental Shelf, nine of which had been awarded in the UK Fourth Round of Offshore Licensing in 1972.

The recent dynamic expansion of the Group dates from July 1988 when Nimex acquired 12,870,000 Monument shares, representing 29.3 per cent. of the then issued share capital, from Lombard Odier et Cie. At the same time Monument acquired all of Nimex's then UK licence interests, together with its Turkish interests, by acquiring Nimex Petroleum (UK) Limited (subsequently renamed Monument Petroleum (U.K.) Limited). In consideration Nimex was issued with a further 8,000,000 Monument shares, thereby giving Nimex a total holding of approximately 40.2 per cent. of Monument's shares. An offer to the other Monument shareholders of 12p per share was then made in order to comply with the requirements of the City Code on Take-overs and Mergers. Minimal acceptances were received and the offer lapsed as expected.

Following these transactions, Tony Craven Walker, who had been Managing Director of Charterhouse Petroleum plc until its take-over in 1986, and John Heaney, the former Chief Executive of Saxon Oil plc, both of whom are directors of Nimex, joined the Monument Board as non-executive directors. Although Tony Craven Walker has until now remained a non-executive director, over the last two years he has been active in developing Monument's oil and gas interests. Monument's stated objective following Nimex acquiring its interest was to build the Group up to be a substantial oil and gas company, capable of playing a part alongside exploration and production companies active onshore and offshore in the UK and Europe.

In December 1988 the acquisition of Fina Petroleum Mitre Limited (now renamed Monument Petroleum Mitre Limited) ("Mitre") from the Petrofina group was completed for an initial consideration of £30.1 million. The market capitalisation of Monument before the acquisition was under £8 million. The acquisition was financed by a placing of 200,784,878 Monument shares at 15p per share. These

shares were then offered to shareholders and Nimex acquired its proportionate share to maintain its 40.2 per cent. interest in Monument. Mitre Ltd both offshore and onshore UK interests, including interests in the North Sea producing fields, Forties, Buchan and Thistle, other producing fields, development projects and over 30 onshore licences. A deferred cash consideration of £3 million was subsequently paid, reflecting the increase in oil prices in early 1989. The acquisition transformed the Monument Group in overall size, taxation profile, cash flow and earnings.

In December 1989 Monument acquired Renown Energy Limited ("Renown") for a consideration of approximately £61.7 million. A further placing accompanied this acquisition, this time of 227,465,272 Monument shares at 27½p per share, and these shares were again offered to shareholders with Nimex acquiring its proportionate share. Renown (now renamed Monument Energy Limited) had been owned by subsidiaries of Consolidated Gold Fields PLC and Kleinwort Benson Group plc. Its principal asset was a 5.74 per cent. interest in the Ravenspurn North gas field in the central North Sea, which is expected to enter production in October this year. Following the redetermination of interests in the field, this interest has now been increased to 6.0 per cent. Renown also had mature oil and gas production interests in the UK and US, interests in a number of oil and gas discoveries, licence holdings in a total of 31 offshore UK blocks and some exploration interests overseas. As well as substantially increasing Monument's reserve base, this acquisition greatly improved the Group's balance between oil and gas by significantly increasing the proportion of the latter.

Also in 1989 the Monument Group was awarded interests in six blocks or part blocks in the UK Eleventh Round of Offshore Licensing. Interests in two further Eleventh Round licences were acquired with the purchase of Renown. The higher percentages held by the Monument Group in these recent awards provide scope for materially enhancing the Group's reserves of oil and gas in the event of a successful exploration programme.

The above acquisitions and licence awards have thus largely fulfilled the objective set by Monument two years ago and the Group has now embarked upon a greatly increased drilling programme. The Chairman of Monument stated in April 1990 that the next step would be to seek to develop a more international profile for Monument, whilst continuing to strengthen its UK position.

RECENT DEVELOPMENTS, ACQUISITION AND RIGHTS ISSUE

Operations

Since the beginning of 1990 the Group has participated in the drilling of 14 exploration and appraisal wells. Of these nine have encountered oil or gas in sufficient quantities to merit testing. Details of eight of these wells are summarised below. The results of one well, which are not material to the Group, have not been included due to their confidential nature.

Well	Monument Group interest	Location	Status	Hydrocarbons	Test production rate
110/13-1*	25.0 per cent.	Morecambe Bay	Tested	Gas	70.0 mmcfd
49/10b-3	16.0 per cent.	Southern North Sea	Preparing to test		
43/27-1	12.5 per cent.	Southern North Sea	Tested	Gas	37.5 mmcfd
13/22b-4	10.0 per cent.	Central North Sea	Testing		
15/24a-4	1.67 per cent.	Moray Firth	Tested	Gas & Oil	3,000 bpd 11.0 mmcfd
23/16a-4	0.52 per cent.	Central North Sea	Tested	Gas & Oil	4,850 bpd 2.52 mmcfd
Singleton-2	17.5 per cent.	Onshore UK	Tested	Oil	c.200 bpd
Ambarcik-1	12.5 per cent.	Turkey	Testing		

* combined rate from tests of two separate intervals of the same formation

The discoveries recently made in blocks 110/13 and 43/27 are discussed in more detail in Part II of these listing particulars.

On the development side, significant progress has been made with the Ravenspurn North offshore gas development (Monument Group: 6.0 per cent.) and the Palmers Wood onshore oil development (Monument Group: 25.0 per cent.). Both fields are scheduled to start production in the second half of 1990. Further information is given in Part II of these listing particulars.

The Group's UK production increased from an average rate of 6,300 barrels of oil equivalent per day during 1989 to 7,650 barrels of oil equivalent per day during the first quarter of 1990.

Disposal

On 4 July 1990 the Group announced the disposal of its 0.75 per cent. interest in the Bruce field and its 1.667 per cent. interest in the adjacent block containing the Keith field, both in the North Sea, to Total Oil Marine plc for a consideration of approximately £7.8 million in cash. Total Oil Marine is an existing participant in the Bruce field.

This disposal forms part of the Group's asset management policy under which the Group is constantly appraising the value and balance of its oil and gas portfolio. This includes a review of oil and gas properties which require a commitment of management time disproportionate to the amount of value which can be added to the Group, as was the case with the Group's interests in the Bruce and Keith fields, or properties which are peripheral to the Group's main areas of activity. The Group's US assets in particular, largely acquired with Renown and which are relatively limited in size, fall into the latter category and the Group therefore currently plans to dispose of these interests.

Cash proceeds from the disposal of oil and gas properties will be reinvested in new and existing oil and gas interests. As at 31 May 1990 the existing Monument Group had confirmed cash balances of £14.8 million.

Acquisition

On 4 July 1990 it was announced that Monument had conditionally agreed to acquire from Nimex, with effect from 31 May 1990, the share and loan capitals of Nimex Overseas, Nimex Petroleum and Nimex Services for a total consideration of £20.01 million, to be satisfied by the issue of 54,081,574 Monument consideration shares. Following the Acquisition Nimex will have no oil and gas interests other than its 40.2 per cent. shareholding in Monument.

Nimex Overseas and Nimex Petroleum have oil and gas properties in the North Sea and in eight countries overseas. The overseas properties are held in subsidiaries of Nimex Overseas and the UK properties are held in Nimex Petroleum. Scott Pickford, a firm of independent petroleum consultants, has reviewed the oil and gas properties of Nimex Overseas and Nimex Petroleum and estimates their value at 31 May 1990 to be £29.56 million. Their report, which sets out the basis of their valuation, is contained in Part IV. Further details of the oil and gas properties of the Nimex companies are set out in Part II. An accountants' report on Nimex Overseas and Nimex Petroleum is set out in Part V.

The acquisition of Nimex Overseas provides the enlarged Group with a geographical spread of exploration interests in known hydrocarbon provinces in the Near and Far East and thereby balances the Group's existing interests which are predominantly located in the UK. Discoveries have already been made in Malaysia (Sarawak) and in Thailand which are currently under appraisal. Nimex Overseas has the advantage of holding relatively high percentage interests in its various licences.

In the UK the acquisition of Nimex Petroleum adds seven offshore blocks or part blocks awarded in the Eleventh Round of Offshore Licensing and complements the Group's existing UK exploration assets.

Nimex Services commenced operations in January 1990, bringing together the administrative and other services provided to Nimex Overseas, Nimex Petroleum and Monument. Its acquisition brings together the management teams at Nimex and Monument which have been jointly responsible for the successful development of Monument over the past two years. The consultancy services agreement under which Nimex has provided services to Monument over the past 15 months will accordingly be terminated on completion of the Acquisition.

Rights Issue

Also on 4 July 1990 Monument announced a proposed Rights Issue on the basis of 7 new Monument shares for every 25 Monument shares held at the close of business on 11 July 1990 at a price of 37p per share. As a result of the Acquisition (which will only proceed in conjunction with the proposed Rights Issue), Nimex will receive its pro rata share of the overall increase in the Monument share capital at the Rights Issue price and will thus maintain its shareholding in Monument at 40.2 per cent. Accordingly, Nimex has agreed not to take up its entitlement under the Rights Issue and has given an undertaking to that effect. Nimex's entitlement under the Rights Issue has not been underwritten and the relevant shares will not be issued.

The Rights Issue will add to the resources of the enlarged Group. It will provide support for its increased exploration programme in the UK and overseas and for the appraisal of discoveries of new reserves in its enlarged portfolio of oil and gas properties. In addition the funds will assist further expansion and the pursuit of new opportunities to add to the Group's oil and gas portfolio. The net proceeds of the Rights Issue will be approximately £28.75 million.

POSITION OF THE ENLARGED GROUP

Following the acquisition of the Nimex companies and the disposal described above the enlarged Monument Group will have interests in 64 offshore blocks or part blocks in the UK and The Netherlands, 36 UK onshore licences, onshore producing interests in the US and licences/concessions in Italy, Spain, Portugal, Turkey, Malaysia, Egypt, Pakistan, Thailand, the Philippines, Myanmar (Burma), Australia and the East China Sea.

The enlarged Group has interests in a number of fields under appraisal and development including one offshore gas field and one onshore oil field due to commence production in the second half of 1990. It has additional interests in a number of oil and gas discoveries in the UK, Turkey, Italy, Malaysia and Thailand. The enlarged Group's programme for 1990 projects the drilling of 41 exploration and appraisal wells in its licences/concessions, 26 of these offshore UK, one onshore UK and 14 overseas. 19 of these wells have already been drilled, or are currently drilling, and eleven have encountered oil or gas in quantities sufficient to merit testing.

The enlarged Monument Group's oil and gas reserves comprise those attributable to the Nimex companies and those attributable to the Monument Group. Scott Pickford, whose report is contained in Part IV of these listing particulars, have estimated the proven and probable, commercial and potentially commercial reserves attributable to the Nimex companies as at 31 May 1990 to be 11.1 mmbbls of oil and oil equivalent of which 6.3 mmbbls are proven. Excluding discoveries from recent drilling, which are expected to contribute substantially to the enlarged Group's future reserves, and after taking account of the disposal described above, the Monument Group's proven and probable, commercial and potentially commercial reserves as at 30 June 1990 are estimated to be 34.3 mmbbls of oil and oil equivalent of which approximately 45 per cent. is gas.

Further details of the enlarged Group's interests and its proven, and proven plus probable, oil and gas reserves are set out in Part II.

Oil and gas exploration and production is a risk management business and it is through the constant re-appraisal of this risk that the enlarged Group will seek to continue to add underlying value to its asset base. This process involves both an active drilling programme and a constant programme of asset rationalisation.

The Board of Directors of the enlarged Monument Group therefore intends to further the activities of the enlarged Group through the purchase and realisation of assets, through investment in the search for new oil and gas reserves and through the development of undeveloped properties. As part of this process a number of applications and negotiations for new concession interests are pending. The cash flows from the Group's existing production, coupled with the cash balances of the enlarged Monument Group as enhanced by the Rights Issue, provide the enlarged Group with the resources required to meet these objectives.

FINANCIAL RECORD

The Monument Group profit and loss accounts, balance sheets and statements of source and application of funds for each of the three years ended 31 December 1989, are set out in Part III of these listing particulars. Paragraph 1 of Part III sets out the basis of presentation and nature of the financial information provided and the financial information in this Part is presented on the same basis.

As described above, Monument made major acquisitions in December 1988 and December 1989 of Mitre and Renown respectively. Both acquisitions were accounted for on a merger basis and accordingly the results of the businesses acquired are included in Monument Group's three year financial summary contained in Part III of these listing particulars. Extracts from that financial summary are set out below:—

	Years ended 31 December		
	1987	1988	1989
	£'000	£'000	£'000
Turnover	16,418	14,784	26,175
Operating profit/(loss)	(11,766)	726	2,463
Profit/(loss) before taxation	(12,665)	3,049	6,824
Taxation	948	1,051	(1,210)
Profit/(loss) attributable to shareholders	(11,717)	4,100	5,614
Earnings/(loss) per share	(2.44p)	0.85p	1.17p

The 1987 results reflect write-downs of Mitre's oil and gas assets before Mitre was acquired by Monument.

In 1989 the Group recorded a significant increase in turnover due to increased oil prices, increased production, and the effect of a full year's production from the Group's interests in the Thistle and Forties fields, which were acquired by Mitre late in 1988. Profit before tax was enhanced in both 1988 and 1989 by substantial interest receivable and similar income of approximately £2.5 million and £5.2 million respectively. Interest receipts were swollen in 1989 as a result of large cash balances held in Renown during most of the year before its merger with the Group.

The cash flows generated by the Monument Group's operations were £10.2 million, £8.1 million and £9.3 million in 1987, 1988 and 1989 respectively. These cash flows are based on the financial information contained in Part III of these listing particulars and represent funds generated from operations, adjusted for interest, administration expenses and the movement in non-liquid working capital items.

Over the past two financial years, during which the balanced portfolio of production, development and exploration properties has been brought together, and the strong management team built up, the Group has achieved increasing profits and a healthy cash flow from operations.

The Group balance sheets as at both 31 December 1988 and 31 December 1989 showed considerable strength. The book value of tangible fixed assets increased from £23.7 million as at 31 December 1987 to £52.5 million as at 31 December 1989. At 31 December 1989 net cash resources were £10.4 million. Shareholders' funds as at 31 December 1989 were £55.6 million; these reflected the historic cost of the Group's assets at the time such assets were acquired by the companies that now make

up the Group. In accordance with the principles of merger accounting, none of the assets which formed part of the major acquisitions in 1988 and 1989 were revalued to reflect the substantially higher values ascribed to them at the time of the acquisitions.

Nimex Overseas and Nimex Petroleum have no producing oil and gas assets, being exclusively involved in exploration, and accordingly have had no operating income since incorporation. At 31 December 1989 their combined net assets, on an historic cost basis, excluding intra-group balances, amounted to approximately £6.1 million. Further details of the financial records of Nimex Overseas and Nimex Petroleum are set out in the accountants' report by Arthur Andersen & Co. in Part V of these listing particulars.

Nimex Services commenced operations on 1 January 1990. On that date Nimex Resources transferred to it fixed assets, principally comprising office equipment, with a book value of approximately £61,000.

A *pro forma* statement of the combined net assets of the enlarged Monument Group, which also reflects the disposal announced on 4 July 1990, is set out in Part VI of this document and shows total *pro forma* net assets of £90.3 million.

Since flotation Monument has not paid a dividend. It is the Group's current policy to reinvest its cash flow in the further expansion of the enlarged Group. Accordingly during the continuance of this phase of the enlarged Group's development Monument does not intend to pay a dividend.

DIRECTORS AND EMPLOYEES

Organisation

The Board of Directors of the enlarged Monument Group will consist of ten Directors of whom five will be full time executive directors. The five full time executive directors will be the Chief Executive, the Technical Director, the Commercial Director, the Finance Director and the Exploration Director. In addition to the Directors, the enlarged Monument Group will employ approximately 30 people, of whom six are expected to come from Nimex as a result of completion of the Acquisition.

The Directors consider that the enlarged Group's staff have the depth of experience, technical skills, professionalism and commitment to take advantage of the opportunities which lie ahead for the enlarged Group.

Brief details of the Directors and senior management are set out below.

Directors

A.R.G. McGibbon

Robin McGibbon, aged 57, is the non-executive Chairman of Monument. He is currently Chairman of Minster Assets P.L.C. and of Minster Trust Limited and has been employed by the Minster Assets group for 30 years. He has been associated with the development of Monument since 1971 when the first licence applications were made by its predecessor, Chemical & Allied Trust Limited, at that time a wholly-owned subsidiary of Minster Assets. Robin McGibbon was appointed Chairman of Monument when it was floated on the Unlisted Securities Market in 1984. Except for the period from May 1987 to July 1988, he has served as Chairman since that date.

A. Craven Walker

Tony Craven Walker, aged 47, is a non-executive director of Monument and will be appointed Chief Executive of Monument following completion of the Acquisition. He has been in the forefront of the British independent oil industry since its early days. He has a degree in Mathematics from Cambridge University and a post graduate diploma in Petroleum Engineering from Birmingham University. He worked for BP from 1966 to 1974, working in Libya, Abu Dhabi, Houston, Alaska and London. In 1974 he left BP to form the company which was to become Charterhouse Petroleum plc and was Managing

Director of that company until it was taken over by Petrofina in early 1986. In 1987 Tony Craven Walker formed Nimex and became its Chief Executive. He was appointed to the Board of Monument in 1988 at the time of the acquisition by Nimex of its 40.2 per cent. interest in Monument. Tony Craven Walker is a shareholder and director of Nimex and is also on the Board of North Sea Assets plc.

E.P. Airey

Liz Airey, aged 31, will be appointed Finance Director of the enlarged Monument Group, joining the Monument Board following completion of the Acquisition. She had eight years' experience in investment banking prior to joining Nimex in December 1988. After graduating with a degree in History at Cambridge University, she joined S.G. Warburg & Co. Ltd. in 1980 where she gained experience in banking, investment management and corporate finance. In 1985 she joined County NatWest Limited where she worked on a wide range of corporate transactions, including flotations, take-overs, acquisitions and disposals. Liz Airey is a shareholder and a director of Nimex.

J.W. Guest

Bill Guest, aged 36, is the Technical Director of Monument. Following his graduation in Geology from Leicester University in 1975, he joined the Royal Dutch/Shell Group and gained international exploration and production experience in Brunei, Malaysia, West Africa and Holland. In 1983 he joined Saxon Oil as Petroleum Engineering and Operations Manager. In 1986 he returned to Shell following Saxon's take-over by Enterprise Oil. Following a period as Shell's Consultant Development Geologist for NW Europe and latterly as Deputy Exploration Manager for NAM, Shell's Dutch operating company, he joined Monument as Technical Manager in September 1989. Bill Guest was appointed a director of Monument in March 1990.

J.B. Heaney

John Heaney, aged 59, is a non-executive Director of Monument. He graduated from Cambridge University with a degree in Mechanical Sciences and Geology and worked for the Royal Dutch/Shell Group for 23 years. In 1972 he became Technical Director of Shell U.K. Exploration and Production and held this post during the period of early northern North Sea development. In 1977 he was appointed Deputy Managing Director of the Shell-BP Petroleum Development Company of Nigeria. He retired from Shell in 1979 and from 1980 was instrumental in the promotion and subsequent flotation of Saxon Oil plc. He was Chief Executive of Saxon Oil until it was taken over by Enterprise Oil in 1985. John Heaney became a director of Monument in 1988 and is a shareholder and a director of Nimex.

J.T. Hornabrook

Jim Hornabrook, aged 58, will be appointed Exploration Director of the enlarged Monument Group, joining the Monument Board following completion of the Acquisition. He has over 30 years' exploration experience in many of the world's most prolific oil and gas areas. He has a degree in Physics with Mathematics from University College, Exeter and a post graduate diploma in Exploration Geophysics and Geology from the Royal School of Mines in London. He then worked for BP from 1956 for 28 years, during which time he held a number of senior executive appointments. He joined Charterhouse Petroleum plc in 1984 and, as a director of its main operating subsidiaries, was responsible for developing the exploration policy of that company until it was taken over by Petrofina in 1986. Jim Hornabrook has been responsible for Nimex's exploration programme since Nimex's formation in 1987. He is a shareholder and a director of Nimex.

T.C.H. Lyons

Toby Lyons, aged 53, is a non-executive director of Monument. He is a graduate of Oxford University and a solicitor. He is a director of Minster Assets L.C. and Tillshare PLC and Chairman of R. & J. Hadlee Fine Art PLC. He has been Managing Director of Minster Trust Limited since 1973 and has

been closely associated with the development of Monument since its inception. Toby Lyons has been a Director of Monument since its flotation on the Unlisted Securities Market in 1984.

J.A. Patrick

Iain Patrick, aged 32, is Commercial Director of Monument and is currently Company Secretary of Monument. He graduated in Law in 1978 from Glasgow University. After a period in private practice as a solicitor, he joined BNOC in 1981 and remained, after privatisation, working as a lawyer with Britoil. In 1984 he joined Westar Oil U.K. as Legal and Commercial Manager and then spent two years in Holland with SHV following its acquisition of Westar in 1986. After returning to the UK to work on the merger of SHV's subsidiary, Dyas, with Century Power and Light, he established and managed the Legal and Commercial Department of the resultant newly-floated company, Acre Oil. He joined Monument in 1988 following the take-over of Acre Oil by British Gas. Iain Patrick was appointed to the Board of Monument in March 1990.

G.H.J. Robinson

Robbie Robinson, aged 68, is a non-executive director of Monument. He was Managing Director and, latterly, Executive Chairman of Gillette Industries Limited and a Vice-President of the Gillette Company USA until 1977. He was a non-executive director of Minster Assets from 1978 until the reconstruction of that company took place when he became a director of Monument. Robbie Robinson was a member of the Outer London Regional Board of National Westminster Bank plc until 1986 and held non-executive chairmanships in a number of companies from 1977 to 1986.

K.C. Short

Ken Short, aged 61, is a director of Monument and provides consultancy services to Monument. He worked for the Royal Dutch/Shell Group for 30 years after joining in 1954 and gained oil exploration and production experience in various parts of the world. Ken Short has been a director of Monument since 1985.

Company Secretary

P. J. Montague

Penny Montague, aged 34 will be appointed Company Secretary of Monument following completion of the Acquisition. A graduate in Jurisprudence from Oxford University, she qualified as a solicitor in 1980. After a period in private practice with Linklaters & Paines, she has worked as a lawyer in the oil industry since 1983, first for Charterhouse Petroleum until its take-over in 1986 and then for Petrofina and Enterprise Oil. At the beginning of 1988 she joined Nimex, where she has combined the roles of Legal Adviser and Company Secretary.

Senior management

A.S. Bell - Financial Controller

Andy Bell, aged 37, has a degree in Accounting and Finance from Middlesex Polytechnic. Before joining Charterhouse Petroleum in 1982 as Joint Venture Accountant he had six years of accounting experience in various industries. He joined Monument as Financial Controller in April 1989.

D.A. Hobbs - Joint Venture Manager

David Hobbs, aged 26, graduated in Petroleum Engineering from Imperial College in 1984. Employed as a drilling engineer with British Gas for over three years, he joined Renown Petroleum in 1988 as petroleum engineer responsible for its developing and producing assets in the UK and USA. He became Joint Venture Manager with Monument following its acquisition of Renown at the end of 1989.

R.H. Johnson Sabine - Exploration Manager (Europe)

Rosemary Johnson Sabine, aged 38, graduated with a degree in Geology from London University in 1973. She spent the next nine years gaining considerable experience of worldwide, and particularly UK continental shelf, exploration as a geophysicist with various contractors, the Department of Energy, and oil companies in London and Paris. She joined Amerada Hess in 1983 where she was Area Supervisor for the southern North Sea and west of Britain and Deputy Chief Geophysicist. She joined Monument in September 1989.

B. Reade - Tax Manager and Corporate Economist

Barbara Reade, aged 39, qualified as a Chartered Accountant in 1972 and as an Associate of the Institute of Taxation in 1976. After qualifying she specialised in corporate taxation, working for Coopers and Lybrand and subsequently Grant Thornton. In August 1988 she joined Carless as Tax Manager after five years as a tax specialist with LASMO. She joined Monument in early 1989 after the take-over of Carless by Kelt.

F. Thomas - Legal Adviser

Felicity Thomas, aged 34, is a Barrister and has worked in the oil industry since 1981. Before coming to Monument in January 1990 she was Joint Ventures Adviser for Elf UK and subsequently Legal Adviser for Ultramar Exploration Limited.

B. Thurley - Exploration Manager (South East Asia)

Brian Thurley, aged 39, obtained a degree in Geology from the Royal School of Mines in 1972 and spent the first nine years of his career in exploration and development projects in the UK, Europe and North Africa. In 1981, he became Exploration Manager for St. Joe Petroleum in Egypt. Following the purchase of St. Joe's assets by Charterhouse Petroleum, he became Charterhouse's Exploration Manager N.W. Europe (Offshore). He joined Petrofina following its acquisition of Charterhouse in 1986 and spent two years in the Far East prior to joining Nimex in January 1990. He will be joining the enlarged Monument Group following the Acquisition.

PART II

THE ENLARGED MONUMENT GROUP'S EXPLORATION AND PRODUCTION INTERESTS

The following is a description of the enlarged Monument Group's petroleum assets, licence interests and exploration prospects, following the disposals of the Group's interests in the Bruce and Keith fields. Attention is also drawn to the table of licence interests set out in section D of this Part II and to the maps illustrating the locations of the various interests (other than those in the US), which are set out in the centre pages of this document and form part of these listing particulars. Reserves attributed to the UK oil and gas fields described below are derived from operators' estimates as quoted in "Development of the Oil and Gas Resources of the United Kingdom (Department of Energy 1990)".

A. MONUMENT GROUP'S INTERESTS

UNITED KINGDOM

Oil and gas fields in production

Currently, almost all of the Monument Group's production comes from oil and gas fields within the UK where the Group has interests in six offshore and two onshore producing oil and gas complexes. The Group's UK production averaged 6,300 barrels of oil equivalent per day during 1989. Principally as a result of improved field performance, this increased to an average of approximately 7,650 barrels of oil equivalent per day during the first quarter of 1990.

The bulk of this production was derived from four fields or field complexes, with Forties and Buchan oil fields each accounting for 34 per cent. of Group production and the Esmond gas complex and Thistle oil field contributing 17 and 10 per cent. respectively. The producing fields are described below.

Forties oil field

The Forties field (Monument Group: 1.25 per cent.) lies in the central North Sea, spanning blocks 21/10 and 22/6a. This prolific field was developed from five fixed platforms with oil being exported via a 32 inch pipeline to Cruden Bay in Scotland. The field commenced production in 1975 and by 31 December 1989 had produced 1,986 mmbbls of oil. The operator estimates that remaining reserves for the field at 31 December 1989 were 484 mmbbls of oil, although independent consultants consider that there is potential for an increase in this figure. The field, on which shallow gas lift facilities are currently being installed to enhance ultimate recovery, produced at an average rate of approximately 206,000 barrels of oil per day during the first quarter of 1990.

Buchan oil field

The Buchan field (Monument Group: 12.71 per cent.) lies in blocks 21/1a and 20/5a in the central North Sea. This geologically complex field, which has been developed utilising sub-sea wells tied back to a floating production system with export via a 12 inch pipeline to Forties field, commenced production in 1981. Better than expected reservoir performance has resulted in repeated upgrades of ultimately recoverable reserves which are currently estimated by the operator to be 90 mmbbls (approximately 19 mmbbls remaining at 1 January 1990). The Group and independent consultants consider that there is potential for a further increase in field reserves. The field produced at an average rate of 20,100 barrels of oil per day and at a maximum daily rate of approximately 24,000 barrels of oil per day during the first quarter of 1990.

Esmond gas complex

The Esmond complex, consisting of the Esmond, Forbes and Gordon gas fields (Monument Group: 2.5 per cent.) is located in southern North Sea blocks 43/8a, 13a, 15a and 20a. The fields have been developed from three fixed wellhead platforms and a processing platform located over the Esmond

field Gas is exported via a dedicated 24 inch line to Bacton. The fields came on stream in 1985 and by 31 December 1989 had produced a total of 314 bcf of gas. The operator estimates that, at the above date, 187 bcf of gas remained to be produced from the complex.

British Gas have contracted to purchase the reserves of the fields which have produced at an average combined rate of approximately 200 mmcf per day throughout the plateau production period. Production will continue on plateau throughout the 1989/90 contract year after which the complex will enter the decline phase. Sales from the complex averaged 317 mmcf per day during the first quarter of 1990.

Thistle oil complex

The Thistle complex, which is located in blocks 211/13a and 211/19a in the northern North Sea, consists of the Thistle field (Monument Group: 2.41 per cent.), the Deveron field (Monument Group: 1.00 per cent.), a 3-well satellite developed from the Thistle platform, and the Don field (Monument Group: 0.55 per cent.), a sub-sea development tied back to Thistle. Oil from the complex is exported via the Brent pipeline system to the Shetlands Sullom Voe terminal.

The Thistle field commenced production in 1978 and by 31 December 1989 had produced 350 mmbbls of oil. The operator estimates that remaining reserves for the field (including the integral Area 6 accumulation) were approximately 107 mmbbls of oil at 31 December 1989. However, selective upgrading of surface facilities and further infill drilling will be required to achieve this target. Production from the field averaged 33,000 barrels of oil per day during the first quarter of 1990. Deveron field, which produced at an average rate of 6,300 barrels of oil per day during the first quarter of 1990, had estimated remaining reserves of approximately 7.0 mmbbls at 31 December 1989.

The first part of the phased sub-sea development of the Don field has been completed, with the field coming on-stream in October 1989. Expansion of the initial two well development is planned and this will include development of the S/W sector of the field in which the Monument Group has a 1.00 per cent. interest. However, the scope of future development will depend on early field performance.

Argyll oil complex

The Argyll, Duncan & Innes fields (Monument Group: 2.50 per cent.) are located in blocks 30/24 and 30/25a in the central North Sea. The fields were developed utilising sub-sea wells tied back to a single floating production system with oil exported via a CALM buoy and offshore tanker loading. The Argyll field commenced production in 1975 with production from Duncan and Innes fields commencing in 1983 and 1985 respectively.

The field complex is reaching the end of its economic life with approximately 92 mmbbls of the operator's estimated 96 mmbbls of ultimately recoverable reserves having been produced by 31 December 1989. While field abandonment is currently scheduled for late 1990, the Group considers that better than expected reservoir performance may result in an extension of field life. There is, in addition, a possibility of tying in an adjacent discovery to the complex. The fields produced at an average combined rate of 4,900 barrels of oil per day during the first quarter of 1990.

Crawford oil field

Production from the Crawford field (Monument Group: 1.67 per cent.) commenced in April, 1989. The field, which is located in northern North Sea block 9/28a, is currently producing from four sub-sea wells tied back to a floating production system. This represents the first stage in what was planned as a phased development of the field.

Reservoir performance has, up to now, been disappointing, with the field producing at an average rate of 3,800 barrels of oil per day during the first quarter of 1990. However, recently drilled horizontal well 9/28a 16 tested at a stabilised rate of 6,900 barrels of oil per day and, depending on the longer term performance of this well, further development may be considered.

Humbly Grove and Herriard oil fields

The Humbly Grove and Herriard fields (Monument Group: 12.66 per cent.) are located near Alton in Hampshire. Production from the fields commenced in 1986 with 2.1 mmbbls of the operator's estimated initial reserves of 4.3 mmbbls of oil having been produced by 31 December 1989. Production from the fields is currently averaging approximately 850 barrels of oil per day. Surplus gas is being utilised for electricity generation and installation of additional generating capacity, to increase electricity sales, is under consideration.

Hordean oil field

Hordean field (Monument Group: 17.50 per cent.), located in south Hampshire, is currently producing approximately 150 barrels of oil per day. Remaining reserves for the field are estimated to be approximately 0.15 mmbbls of oil. However, reserves are expected to be increased by the drilling of a horizontal well, currently planned for 1990.

Oil and gas fields under development or appraisal

The Monument Group is currently participating in a number of development and appraisal projects. Of greatest significance to the Group is the Ravenspurn North gas field.

Ravenspurn North gas field

The Ravenspurn North field (Monument Group: 6.00 per cent.), which straddles southern North Sea blocks 43/26a and 42/30, is under active development with full gas production scheduled to start on 1 October 1990. The field is being developed utilising two unmanned satellite wellhead platforms tied into a wellhead, processing and compression complex. Gas will be exported via BP's Cleeton field to their onshore terminal at Dimlington. The processing and adjacent wellhead platforms and the first of the satellite platforms have been installed and development drilling is well advanced. The field's gas reserves, which the operator estimates to be approximately 1.3 trillion cubic feet, have been committed to British Gas under a life-of-field contract. Field production is scheduled to peak at approximately 290 mmcf of gas per day in 1991. Recent equity negotiations between the P380 licensees and BP resulted, subject to completion of documentation, in the Group's interest in the field increasing from 5.74 per cent. to 6.00 per cent.

Palmers Wood oil field

Palmers Wood field (Monument Group: 25.00 per cent.), which is located in Surrey, is due to commence production in July 1990. Development drilling has been completed, with the most encouraging wells testing at rates of up to 800 barrels of oil per day from a Middle Jurassic sandstone interval, and civil engineering work is well advanced. The operator estimates that field reserves are approximately 3 mmbbls of oil.

Ettrick oil field

The Ettrick field (Monument Group: 7.35 per cent.) lies in central North Sea blocks 20/2 and 20/3. Seven wells have been drilled on the structure to assess the extent of the hydrocarbon accumulation and various development options have been considered.

Puffin gas field

The Puffin field lies in the central North Sea and is primarily located in blocks 29/4a and 29/5a (Monument Group: 2.5 per cent.). Puffin is a deep high pressure gas condensate field with productive reservoirs at both Jurassic and Triassic levels. Discovery Well 29/5a-1 flowed at a rate of 20.41 mmcf of gas per day and 2,666 barrels of condensate per day from a Jurassic reservoir while well 29/5a-3 flowed at a maximum rate of 31.8 mmcf of gas per day and 3,862 barrels of condensate per day from the Triassic.

Seven wells have so far been drilled on the structure, which was discovered in 1981, and on the basis of a new 3D seismic interpretation a further appraisal well is planned to be drilled in 1990. A number of possible development options are under consideration.

Singleton oil field

Two wells have been drilled on the Singleton structure in Sussex (Monument Group: 17.50 per cent.). The first* was drilled in 1977 on the northern fault block, while the second, a recently completed highly deviated well, tested the potential of the southern block. Both wells encountered hydrocarbons in the Great Oolite limestone formation and produced at rates in excess of 200 barrels of oil per day while on long term test. An extended test of well Singleton-2 is planned to assess further the potential of the field.

Storrington oil field

The Storrington field (Monument Group: 25.00 per cent.) is located in Sussex. Two wells have been drilled on the structure, which was discovered in 1976, both testing hydrocarbons from the locally high quality Great Oolite limestone formation. The discovery well flowed at a maximum rate of 800 barrels of oil per day. The operator is undertaking reservoir simulation studies prior to formulating a conceptual field development plan.

Albury gas field

The Albury field (Monument Group: 17.50 per cent.) is located south of Guildford in Surrey. Well Albury-1 encountered gas in good quality Purbeck sandstone formation and tested at a rate of 3.7 mmcf of gas per day. An extended production test, with gas being utilised for electricity generation, is under active consideration.

Oil and gas discoveries

The Monument Group has participated in a number of other UK oil and gas discoveries which will require further appraisal before their commercial potential can be fully assessed and these are summarised below:—

Well	Monument Group Interest	Location	Hydrocarbons	Test Production Rate
110/13-1*	25.00%	Morecambe Bay	Gas	70.0 mmcfd
49/10b-3	16.00%	Southern North Sea		Preparing to test
44/19-3	15.00%	Southern North Sea	Gas	29.2 mmcfd
43/27-1	12.50%	Southern North Sea	Gas	37.5 mmcfd
13/22b-4	10.00%	Moray Firth		Currently testing
15/24a-4	1.67%	Moray Firth	Gas & Oil	3,000 bpd 11.0 mmcfd
30/18-3**	1.25%	Central North Sea	Oil	4,600 bpd
9/23a-6	1.25%	Northern North Sea	Oil	6,111 bpd
30/2a-1	1.00%	Central North Sea	Gas	9.5 mmcfd
			Gas & Condensate	9.0 mmcfd 1,328 bpd
9/14b-4	0.74%	Northern North Sea	Oil	2,600 bpd
23/16a-3	0.52%	Central North Sea	Gas & Condensate	29.6 mmcfd 1,190 bpd
23/16a-4	0.52%	Central North Sea	Gas & Oil	4,850 bpd 2.52 mmcfd
Godley Bridge	25.00%	Surrey	Gas	1.4 mmcfd
Brockham	22.50%	Surrey	Oil	100 bpd

* combined rate from tests on two separate intervals of the same formation.

** results of tests of two separate formations.

The Monument Group has made a successful start to its 1990 UK exploration and appraisal programme with eight of the nine wells so far drilled encountering hydrocarbons in sufficient quantities to merit testing. These include discoveries made in the first four wells drilled in the Group's blocks or part blocks awarded in the UK Eleventh Round of Offshore Licensing. Further details are as follows:—

Well 110/13-1, in which the Monument Group has a 25.0 per cent. interest, encountered a significant gas accumulation in a sandstone formation and has tested gas from two separate intervals at a combined rate of 10.0 mmcf per day at stabilised rates. Consideration is now being given to further drilling on this block, which is located approximately 30 kilometres south of the Morecambe field, during the second half of 1990.

Well 43/27-1, in which the Monument Group has a 12.5 per cent. interest, encountered gas within the Rotliegendes formation and tested at a rate of 37.5 mmcf per day. The close proximity of the Ravenspurn North field, in which the Monument Group has a 6.0 per cent. interest, enhances the potential commerciality of this discovery. Additional seismic data will be acquired over the block during 1990 as a precursor to further drilling activity.

Well 13/22b-4 in which the Monument Group has a 10.0 per cent. interest and well 49/10b-3, in which the Monument Group has a 16.0 per cent. interest have both encountered hydrocarbons. Testing is currently in progress on well 13/22b-4 and preparations are in hand for testing to commence on well 49/10b-3.

Exploration prospects and drilling programme

Within the UK sector of the North Sea, the Monument Group has interests in 52 blocks. This spread of acreage enables the Group to participate in the exploration of all known major oil and gas fairways in the North Sea. The portfolio includes interests of between 10 and 25 per cent. in eight blocks awarded during the 1989 UK Eleventh Round of Offshore Licensing. A number of these blocks are adjacent to, or on trend with, major discoveries.

During 1990, the Monument Group expects to participate in a total of 21 UK offshore exploration and appraisal wells. This includes six Eleventh Round wells and the appraisal of discoveries made on blocks 23/16a, 9/14b, 30/2a and 29/5a (Puffin). Operations are currently in progress, or have been completed, on eight of the above wells.

Onshore UK, the Group holds interests of between 8.44 and 40 per cent. in 36 licences, most of which are situated in the south-east of England. In the UK Third Round of Onshore Licensing the Monument Group was awarded licence EXL196 as operator, thereby gaining its first operatorship.

INTERNATIONAL

The Netherlands

The Monument Group has interests in five offshore licences in The Netherlands, having been awarded two in the recent Netherlands Seventh Offshore Licensing Round with 20 per cent. interests. Exploration programmes have commenced on these licences with extensive seismic surveys being acquired during 1990. A well was drilled on block B/17a early in 1990, at no cost to the Monument Group, and has since been plugged and abandoned.

Italy

The Monument Group has interests in three offshore, and twelve onshore, licences in Italy, including an exploitation permit at Fonte San Damiano where the Marciano-1 well, which was drilled in 1988, tested gas at a maximum rate of 2.1 mmcf per day from a Pliocene sequence. A long term test is planned for this well and this is likely to be followed by further exploration and appraisal.

Spain and Portugal

The Monument Group has interests of between 30.0 and 33.3 per cent. in eight onshore exploration licences in Spain and a 25 per cent. interest in an onshore licence in Portugal. An exploration well

was recently drilled on the latter licence and has since been plugged and abandoned. It is expected that this licence will be relinquished.

Turkey

In Turkey the Monument Group has a 12.5 per cent. interest in three adjacent onshore licences near the West Raman oil field. The first well to be drilled on these licences, Ambarcik-1, drilled early in 1990, had encouraging shows and is currently being tested. Further exploration and appraisal activity on these licences is anticipated.

Australia

The Monument Group has a 17.65 per cent. interest in offshore licence AC/P9 which lies west of the Puffin oil discovery on the NW Shelf. An exploration programme has been undertaken. The Lucas-1 well, drilled on the licence, has recently been plugged and abandoned and the Group is currently reviewing the results.

United States

The Monument Group has a portfolio of onshore interests in Texas, Louisiana, Oklahoma and Ohio. The portfolio includes mature production, interests in ongoing developments and a number of exploration interests. Reserves, which are approximately 65 per cent. oil and condensate and 35 per cent. gas, are primarily associated with three main sandstone plays; the Wilcox and Frio plays in South Texas and South Louisiana and the Cockfield play in South Louisiana. Subsidiary plays include the granite wash of North Texas and Oklahoma, however these contain limited net reserves.

The Group's US assets are currently contributing approximately 275 barrels of oil equivalent per day to Group production. This is expected to increase during the second half of 1990.

B. INTERESTS OF NIMEX OVERSEAS AND NIMEX PETROLEUM

Scott Pickford, a firm of independent petroleum consultants, has reviewed the oil and gas properties of Nimex Petroleum and Nimex Overseas. Their full report is set out in Part IV. A summary of the properties is set out below.

UNITED KINGDOM

Nimex Petroleum was awarded a 15 per cent. interest in seven blocks or part blocks in the 1989 UK Eleventh Round of Offshore Licensing. These are located in prospective parts of the southern, central and northern North Sea and are mostly close to, or on trend with, existing discoveries.

Active exploration programmes have been instigated on all the Eleventh Round blocks with drilling on five blocks planned for 1990. Operations have been completed on Nimex Petroleum's first Eleventh Round well on block 48/24b and are now in progress on a well in block 48/1 which is thought to contain an extension of the Hyde gas field. The results of the former well are being kept confidential due to the proximity of blocks on offer in the forthcoming UK Twelfth Round of Offshore Licensing.

INTERNATIONAL

Thailand

In Thailand Nimex Overseas has a 13 per cent. interest in a 2,535 square kilometre concession which includes most of the prospective parts of the Petchabun Basin in central Thailand and contains a number of undrilled prospects. The Petchabun Basin lies some 200 kilometres to the east of the Shell-operated Sirikit oilfields.

In mid-1988 Nimex Overseas participated in the first well to be drilled in the basin. The well, which encountered a wax-crude oil and flowed at rates of up to 500 bbls per day from a formation of Tertiary age, has been completed as a potential producer. Two wells, drilled to appraise adjacent fault blocks, encountered oil bearing sands but failed to produce oil to surface and further detailed

seismic evaluation of the area has been undertaken. A three well drilling programme commenced in April 1990 to evaluate three separate prospects identified by this seismic. The first well, Bo Rang-1, tested gas at a stabilised flow rate of 5.4 mmcf per day and has since been completed as a potential producer. The second well, Si Thep-1, is currently drilling.

Malaysia

Block SK7 - Nimex Overseas has a 10.625 per cent. interest in a production sharing contract covering Block SK7 in Malaysia amounting to approximately 6,000 square kilometres. The licence area is located to the north of Bintulu, offshore the state of Sarawak, Malaysia, in an area of significant oil and gas production.

The first well of the exploration programme on the South Acis prospect, commenced in August 1988, blew out during drilling and was controlled and abandoned in January 1989. A replacement well drilled during the second half of 1989 tested oil at flow rates in excess of 1,800 bbls per day from a Tertiary sand sequence and has been suspended for further testing at a later date. This is the fourth well on the South Acis structure to have encountered hydrocarbons. Further drilling is programmed to take place in the second half of 1990. A number of additional exploration prospects have been identified on this licence.

Block SB3 - Nimex Overseas has a 21.25 per cent. interest in a production sharing contract covering Block SB3, an area of approximately 8,900 square kilometres, offshore the state of Sabah and adjacent to the international boundary with the Sultanate of Brunei.

A seismic survey which was shot in May-June 1989 has confirmed oil and gas prospectivity in several areas, particularly adjacent to recent oil discoveries to the west of the contract area offsetting the Champion oil field in Brunei. One of these discoveries is believed to extend into the Block. Further seismic acquisition commenced in June 1990 and is designed to delineate well locations for the 1991 drilling programme.

Egypt

Nimex Overseas has a 12.5 per cent. interest in the Natrun Concession, an area of some 5,200 square kilometres, located just west of Cairo. Oil has been encountered in the area during previous exploration but the nature of trapping was never determined. Seismic will be acquired and a new geological model applied to determine future drilling locations. The first exploration well is due to be drilled in September 1990.

Pakistan

Nimex Overseas has a 19 per cent. interest in the 7,500 square kilometre Kohlu Concession, located in the Sulaiman fold belt in east Baluchistan/Sind province, close to the producing Pirkoh gas field. During 1989 field work was undertaken on the concession and seismic is planned to be acquired during 1990.

The East China Sea

Nimex Overseas has a 22.22 per cent. interest in a 20,000 square kilometre concession in the East China Sea, awarded by the Republic of China (Taiwan), to be reduced to 15,000 square kilometres following the current relinquishment. 10,000 kilometres of seismic data have been acquired in the concession. The East China Sea is subject to various territorial claims from adjacent jurisdictions and discussions are in hand with the various interested parties with a view to conducting further exploration work in the area.

The Philippines

Nimex Overseas has a 30 per cent. interest in a 14,880 square kilometre concession offshore Mindoro in the Philippines. The geophysical survey and exploration contract was signed in April 1989 and a seismic survey undertaken later in 1989 has confirmed the existence of a number of prospects.

Myanmar (Burma)

Nimex Overseas has a 30 per cent. interest in Block J, which covers an area of 8,500 square kilometres, situated onshore east of the Gulf of Martaban. Geophysical surveys are currently underway in this largely unexplored coastal area where surface geology indicates the presence of a prospective basin similar to the productive Thai basins to the east.

Australia

ATP 423P - Nimex Overseas has a 27.5 per cent. interest in Block ATP 423P, a permit of approximately 43,000 square kilometres located onshore north-west Queensland. New seismic was acquired in June 1989 in order to locate possible future drilling locations. Further seismic acquisition will take place in 1990.

Block Q21P - Nimex Overseas has a 42.5 per cent. interest in Block Q21P, a 30,000 square kilometre permit located offshore in the Gulf of Carpentaria, approximately 100 kilometres west of Weipa. New seismic was acquired in July 1989 in this large frontier acreage block but has indicated only low prospectivity and plans to relinquish the area are being discussed.

Other

Nimex Overseas has been actively pursuing acquisition opportunities in the above and other countries overseas, in particular in the South East Asia region and in Pakistan. In almost all such countries acquisitions require governmental consent which in many cases can take a considerable time and accordingly some of these interests (as noted under section D below) await such approval. A number of applications and negotiations for new concession interests are pending.

C. ENLARGED MONUMENT GROUP'S OIL AND GAS RESERVES

The enlarged Monument Group's oil and gas reserves comprise those attributable to the Nimex companies and those attributable to the Monument Group. The proven and probable, commercial and potentially commercial reserves attributable to the Nimex companies as at 31 May 1990 have been estimated by Scott Pickford, whose report is set out in Part IV of these listing particulars, to be 11.1 mmbbls of oil and oil equivalent of which 6.3 mmbbls are proven. The proven and probable, commercial and potentially commercial reserves attributable to the Monument Group as at 30 June 1990 are estimated to be as follows:—

	Proven	Proven and Probable
Oil (mmbbls)	11.15	18.98
Gas (bbl)	70.77	92.08
Total net equivalent barrels of oil (mmbbls)	22.95	34.33

The above figures are stated after taking into account the disposal of the Group's interests in the Bruce and Keith fields. No estimate has been made of reserves attributable to the UK oil and gas discoveries tabulated in A above, which are expected to contribute substantially to the enlarged Group's future reserves, nor to the Group's discoveries in Turkey and Italy set out above. The figures stated only include net proven and probable reserves for those fields listed above.

Fields included in the assessment of the Monument Group's reserves

<i>Location</i>	<i>Field</i>	<i>Status</i>	<i>Hydro-carbons</i>	<i>Monument Group interest %</i>
UNITED KINGDOM				
Offshore	Forties	Producing	Oil	1.25
	Buchan	Producing	Oil	12.71
	Thistle	Producing	Oil	2.41
	(including Area 6 at 1.0 per cent.)			
	Deveron	Producing	Oil	1.00
	Don (N.E.)	Producing	Oil	0.58
	Argyll	}	Oil	2.50
	Duncan			
	Innes			
	Crawford	Producing	Oil	1.67
	Esmond	}	Gas	2.50
	Forbes			
	Gordon			
	Ravenspurn North	Under Development	Gas	6.00
	Ettrick	Under Evaluation	Oil	7.35
Onshore	Humbly Grove/Herriard	Producing	Oil	12.66
	Horndean	Producing	Oil	17.50
	Palmers Wood	Under Development	Oil	25.00
	Singleton	Under Evaluation	Oil	17.50
	Storrington	Under Evaluation	Oil	25.00

UNITED STATES

All the Group's directly held interests in the US have been included in the above estimate of reserves.

D. LIST OF THE ENLARGED MONUMENT GROUP'S LICENCE INTERESTS

The following is a full list of the enlarged Monument Group's petroleum licence interests, following the disposal of the Group's interests in the Bruce and Keith fields.

MONUMENT GROUP - UK OFFSHORE

<i>Block No</i>	<i>Field</i>	<i>Licence</i>	<i>Interest %</i>	<i>Operator</i>	<i>Notes</i>
9/14b East	Crawford	P217	0.857	BP	
9/14b West		P277	0.735	BP	
9/23a		P257	1.250	Hamilton	
9/24a		P257	1.250	Hamilton	
9/28a		P209	1.667	Hamilton	
9/29a		P209	1.667	Hamilton	
12/30a		P094	2.500	Hamilton	
13/22b		P635	10.000	Kerr McGee	
15/24a		P209	1.667	Hamilton	
18/5a		P094	2.500	Hamilton	
20/2a		P317	9.800	BP	
		P317	7.350	BP	
20/10a		P200	0.518	Arco	
21/1a		P241	14.000	BP	
21/1a		P241	7.000	BP	
	Buchan Unit		12.707	BP	
21/6a		P241	14.000	BP	
21/6b	Forties Unit	P647	20.000	Phillips	
21/10		P246	1.250	BP	
21/8		P059	0.259	BP	
21/12		P073	1.250	Shell	
21/13a		P073	1.250	Shell	
21/18b		P649	10.000	Phillips	
22/3a		P059	0.518	BP	

MONUMENT GROUP - UK OFFSHORE (continued)

Block No	Field	Licence	Interest %	Operator	Notes
22/20		P059	0.518	BP	
22/30b		P188	2.500	Arco	
23/16a		P059	0.518	BP	
29/3b		P188	2.500	Shell	
29/4a		P188	2.500	Shell	
29/4b		P423	2.990	Arco	
29/4c		P423	2.990	Arco	
29/5a		P188	2.500	Shell	
30/2a		P098	1.000	BP	
30/18		P073	1.250	British Gas	
30/23a		P188	2.500	Shell	
30/24	Argyll, Duncan, Innes	P073	2.500	Hamilton	
30/25a		P073	2.500	Hamilton	
43/8a	Forbes	P048	2.500	Hamilton	a
43/13a	Esmond	P002	2.500	Hamilton	
43/15a	Gordon	P002	2.500	Hamilton	
43/20a		P002	2.500	Hamilton	
43/26a	Ravenspurn North	P380	7.500	Hamilton	
	Ravenspurn North Unit		6.000	Hamilton	b
43/27		P686	12.500	Hamilton	
43/28		P687	16.000	Total	
43/29		P688	16.000	Total	
44/19		P610	15.000	Sovereign	
44/24		P611	15.000	Hamilton	
49/10b		P701	16.000	Total	
53/14a		P131	4.300	Arco	
99/24		P536	10.000	Hamilton	
110/13		P710	25.000	Hamilton	
205/26a		P164	2.960	Arco	
210/30a		P188	2.500	BP	
211/11a		P188	3.750	Arco	
211/18a	Thistle	P236	2.406	BP	
211/18a	Non-Thistle, Don, Deveron	P236	1.000	BP	
211/19a	Thistle	P475	2.406	BP	

MONUMENT GROUP - UK ONSHORE

Block No	Field	Interest %	Operator	Notes
EXL13		9.330	Fina	
EXL18		17.500	Cairn	c
EXL70		10.000	Hamilton	
EXL75		20.000	AmBrit	
EXL103		40.000	Kelt	
EXL128		25.000	Teredo	
EXL129		25.000	Teredo	
EXL136		25.000	Teredo	
EXL146		25.000	Aran	
EXL155		25.000	Aran	
EXL157		20.000	AmBrit	
EXL196		30.000	Monument	
PL111		8.437	Kelt	d, e, f
PL114		12.656	Kelt	d, f, h
PL116a		12.656	Kelt	
PL116b	Humbly Grove	12.656	Kelt	
PL182	Palmers Wood	25.000	Cairn	
PL183		25.000	Cairn	
PL202		25.000	Cairn	
PL203		25.000	Cairn	
PL204		25.000	Cairn	
PL205	Storrington	25.000	Cairn	
PL211	Hordclean	17.500	Kelt	

MONUMENT GROUP - UK ONSHORE (continued)

<i>Block No</i>	<i>Field</i>	<i>Interest, %</i>	<i>Operator</i>	<i>Notes</i>
PL236	Singleton		22.500	BP
PL236			22.500	BP
PL240		17.500	Kelt	d, g
PL241		17.500	Kelt	d
PL242		17.500	Cairn	
PL243		25.000	Cairn	r
PL244		25.000	Cairn	r
PL245		25.000	Cairn	
PL246		25.000	Cairn	
PL247		25.000	Cairn	r
PL248		25.000	Cairn	
PL249		17.500	Kelt	d
PL261		17.500	Kelt	d, e

MONUMENT GROUP - INTERNATIONAL (EXCLUDING US)

<i>Country</i>	<i>Permit/concession</i>	<i>Interest %</i>	<i>Operator</i>	<i>Notes</i>
Italy	Fonte San Damiano	13.750	CNW Italy	i
Italy	Fano	12.500	Fiat	
Italy	Fiume Esaro	12.500	Fiat	
Italy	Fiume Liri	37.500	Fiat	k
Italy	Fiume Tronto	37.500	Fiat	
Italy	Francavilla al Mare	37.500	Teredo	
Italy	Miglionico	3.33	Agip	w
Italy	Monterado	7.500	Italex	j
Italy	Orciano	7.500	Italex	j
Italy	San Salvatore	28.330	Fina	
Italy	Villa Badessa	25.000	Lasmo	
Italy	Castelnovo ne' Monte	1.000	Lasmo	l
Italy	PR 190 SE	8.000	Petromarino	
Italy	BR 2251 M	20.000	Petrex	j
Italy	CR 100 HO	5.000	Conoco	m
Spain	Estella Norte	30.000	Teredo	
Spain	Estella Ouest	30.000	Teredo	
Spain	Bercedo	30.000	Teredo	
Spain	Estella Sur	30.000	Teredo	
Spain	Villasana de Mena	30.000	Teredo	
Spain	Orduna	30.000	Teredo	
Spain	Enciso	33.330	Teredo	
Spain	San Pedro Manrique	33.330	Teredo	
Turkey	2566/2584/2585	12.500	Grynberg	
The Netherlands	Block F/7	20.000	Hamilton	
The Netherlands	Block G/17c	20.000	Hamilton	
The Netherlands	Block B/17a	11.000	Arco	
The Netherlands	Block F/12a	7.140	Unocal	n
The Netherlands	Block F/16c	20.000	Hamilton	
Portugal	Nazare	25.000	Teredo	
Australia	Block AC/P9	17.650	Santos	
Indonesia	Maruwai	5.000	Elf	o
Indonesia	Ritan	5.000	Elf	o

MONUMENT GROUP - US ONSHORE

<i>Prospect/field</i>	<i>Average working interest % after pay-out</i>	<i>Operator</i>	<i>Notes</i>
Louisiana			
Bayou Montoya	24.07	Leigh Operating	
Frisco Wilcox	30.01	Phoenix	p

MONUMENT GROUP -- US ONSHORE (continued)

	Average working interest % after pay-out	Operator	Notes
<i>Prospect field</i>	57.52	Phoenix	p
Fraser Frio	35.00	Phoenix	
Section 34	24.64	Phoenix	p
Gaston	9.41	Phoenix	p
Grosse Tete	47.45	Phoenix	
Bayou Portage	47.45	Phoenix	
E Ravenswood			
Texas			
S.E. Iola	2.06	Phoenix	p
Sweetwater	10.76	Phoenix	p
E. Murtaugh	6.72	Phoenix	p
N.E. Wheeler	3.01	Haber	p
Powderhorn Melbourne	44.85	Neumin	
Guadalupe	37.50	Neumin	
Garner Ranch	4.42	Lewis Petro	p
Owen	2.36	Lewis Petro	p
N. Tom Walsh	3.76	Lewis Petro	p
Landing Strip	0.47	—	p, l
Blocker	0.22	—	p, l
Chocolate Bayou	50.00	Cavalla	
Oklahoma			
N. Mayfield	28.80	Phoenix	p
N. Erick	45.12	Phoenix	p
Anderson	10.00	PNG Operating	
Mississippi			
Gillsburg	18.75	Norcen	
Ohio			
Various	8.00	PNG Operating	

NIMEX COMPANIES' INTERESTS

Country	Permit/concession	Interest %	Operator	Notes
UK	P632 9/26	15.00	Mobil	
	P633 9/27b	15.00	Mobil	
	P655 22/2b	15.00	Clyde	
	P656 22/2c	15.00	Clyde	
	P693 48/1	15.00	Amerada	
	P698 48/24b	15.00	Amerada	
	P718 211/16b	15.00	Mobil	
Thailand	SW1 1/2527/24	15.00	Petrocorp	x
Myanmar	Moulmein Block J	30.00	Kirkland	s, w
Malaysia	Sarawak SK7	10.63	OPIC	t
Malaysia	Sabah SB3	21.25	Enron	q, t
Philippines	S. Mindoro GSEC 52	30.00	Kirkland	w
Taiwan	E. China Sea	22.22	Oceanic	u
Australia	Queensland Q21P	42.50	Phoenix	w
Australia	Queensland ATP 423P	27.50	Comalco	w
Egypt	Natron	12.50	Phoenix	w
Pakistan	Kohlu	19.00	Esso	v

Notes relating to the enlarged Monument Group's licence interests:—

- (a) Designated area" only The enlarged Monument Group has a paying interest of 2.5 per cent. and a revenue interest of 2.5 per cent less a payment equivalent to approximately half the royalty formerly payable to H.M. Government.
- (b) Recent equity negotiations between the P380 licensees and BP resulted, subject to completion of documentation, in the Group's interest in the field increasing from 5.74 per cent. to 6.0 per cent.

- (c) This interest is expressed to take account of the completion of a farm-in agreement under which past costs incurred in respect of such licence will be reimbursed to the enlarged Monument Group.
- (d) These interests are subject to obligations to pay certain third party costs in respect of operations carried out within the licenced area. Fulfilment of these obligations gives the right to be reimbursed such costs out of defined proportions of any petroleum production from such licences.
- (e) These interests are subject to an obligation to pay a portion of a third party's costs in relation to the next well to be drilled on each such licence.
- (f) These interests are subject to a one per cent. gross over-riding royalty in favour of a third party which is payable by the relevant licencees including the enlarged Monument Group in accordance with their respective percentage interests.
- (g) This interest now includes an entitlement to receive an additional 7 per cent. of production until certain previous carry expenditure has been recovered.
- (h) This licence interest is stated to include the transfer of a 5.625 per cent. interest which has been earned by the enlarged Monument Group by drilling a well as referred to in note (e).
- (i) May reduce to 11.67 per cent. to the extent that a third party exercises its right to participate in the development of any discovery.
- (j) Subject to government consents.
- (k) Agreement in principle has been reached to cross assign a 10 per cent. interest with third parties.
- (l) Gross over-riding royalty on production.
- (m) Includes a 1 per cent. working interest which is held in trust by Teredo.
- (n) Subject to back-in rights which would reduce the interest to 6.053 per cent.
- (o) The joint venture group has applied formally to relinquish these permits.
- (p) Certain interests have been acquired as a result of the dissolution of a partnership in which the Group was a limited partner and are subject to completion of record titles.
- (q) 10.625 per cent. interest subject to government consent and execution of formal documentation to complete full legal title.
- (r) Provisional notice of relinquishment at end-October 1990 has been given but may be withdrawn.
- (s) Subject to state participation rights which would reduce the interest in a discovery to 25.5 per cent.
- (t) Interest subject to an obligation to pay pro rata share of costs attributable to Petronas Carigali's 15 per cent. carried interest.
- (u) Subject to a 0.25 per cent. over-riding royalty in favour of the state participant which is payable by the members of the consortium in accordance with their respective percentage interests; in the event of a discovery the royalty is convertible to a working interest which would reduce the interest to 11.67 per cent.
- (v) Subject to rights of state participant to increase its working interest in a discovery to 50 per cent., which would reduce the interest to 10 per cent.
- (w) Beneficial interest. Full legal title is subject to government consent and execution of formal documentation.
- (x) Subject to pro rata share of an obligation to reimburse certain third parties' past costs out of 5 per cent. of net profits.

PART III

FINANCIAL INFORMATION ON THE MONUMENT GROUP

1. BASIS OF PRESENTATION AND NATURE OF FINANCIAL INFORMATION

The financial information set out below has, for each of the two years ended 31 December 1989, been extracted from the consolidated accounts of Monument for the year ended 31 December 1989. Monument had acquired Renown Energy Limited on 19 December 1989 and that acquisition was accounted for as a merger in the consolidated accounts of Monument for the year ended 31 December 1989 with appropriate restatement of the comparative figures for the year ended 31 December 1988. To facilitate comparison, the financial information for the year ended 31 December 1987 has been derived by aggregating the audited consolidated accounts of Monument and of Renown Energy Limited on a basis consistent with that applied in the preparation of the consolidated accounts of Monument for the year ended 31 December 1989.

The financial information contained in paragraphs 2 to 6 of this Part III does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The audited consolidated accounts of Monument for each of the three years ended 31 December 1989, on which unqualified reports as defined by section 235 of the Companies Act 1985 have been given by KPMG Peat Marwick McLintock, Chartered Accountants, of 1, Puddle Dock, Blackfriars, London EC4V 3PD, have been delivered to the Registrar of Companies. The audited consolidated accounts of Renown Energy Limited for each of the two years ended 31 December 1988, which, as explained, have been included in the financial information in respect of the Monument Group, and on which unqualified reports as defined by section 235 of the Companies Act 1985 have been given by Spicer & Oppenheim, Chartered Accountants, of 65 Crutched Friars, London EC3N 2NP, have been delivered to the Registrar of Companies. None of the audit reports referred to above contained a statement under section 237(2) or (4) of the Companies Act 1985.

2. ACCOUNTING POLICIES

The principal accounting policies that have been adopted in the preparation of these accounts are given below.

Basis of preparation of accounts

The accounts are prepared under the historical cost accounting rules.

Basis of consolidation

The group accounts comprise the accounts of Monument and its subsidiaries ("the Group") prepared to 31 December.

Profits or losses of acquired companies are included from the effective date of acquisition. Where, however, Monument is accounting for the acquisition as a merger, the cost of shares is recorded at the nominal value of shares issued by Monument as consideration plus the fair value of any additional consideration. Any excess in the nominal value of the shares acquired over this cost is treated as a capital reserve on consolidation. Profits or losses of subsidiaries joining the Group are included for the whole financial year and corresponding amounts are presented as if the companies had been combined throughout the previous year. Where necessary, adjustments are made to conform accounting policies.

Oil and gas expenditure

The Group uses the full cost method of accounting for oil and gas operations.

Licence acquisition costs, geological and geophysical costs, costs of drilling exploration and development wells, costs of field production facilities, pipelines and oil terminals, an appropriate share of overheads and relevant financing costs are capitalised and accumulated in full cost pools on a geographical basis.

Expenditure in each pool is depleted using a unit-of-production basis. The depletion charge is calculated for each pool by multiplying the production in the period by the cost per barrel of finding and developing the pool's estimated commercially recoverable hydrocarbon reserves, both developed and under development. The cost per barrel for this purpose is based on undepleted capital expenditure and estimated future development costs. The effects of changes in estimates are dealt with prospectively. Any permanent impairment in value is charged as depletion in the profit and loss account.

The costs and reserves of properties under appraisal are excluded from the depletion calculation until the Group and its partners are committed to development or until impairment in value has occurred.

When properties are disposed of, any consideration received is credited to the relevant pool. Where this would create a net credit balance in the pool the surplus is taken to the profit and loss account.

Depreciation

Other tangible fixed assets are depreciated on a straight line basis over their estimated useful lives.

Turnover

Turnover is recognised on an entitlement basis and represents the sales value of the Group's share of oil and gas produced during the year

Royalty

The royalty charge represents royalty payable in respect of the sales value of oil and gas produced during the year.

Site restoration

Provision for site restoration is made, in respect of each field, on a unit-of-production basis. The effects of changes in estimates are dealt with prospectively.

Stocks and inventory

Stocks comprise crude oil and other hydrocarbons awaiting delivery and are stated at sales value.

Inventory comprises materials held by operators for future use on fields and is stated at the lower of cost and net realisable value.

Foreign currencies

Transactions in foreign currencies, including the purchase of tangible fixed assets, are recorded at the rates of exchange ruling at the transaction dates. Current assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date, and any gains or losses arising are taken to the profit and loss account.

On consolidation, the net assets of subsidiaries and the loans used to finance these subsidiaries are translated at the exchange rates ruling at the balance sheet date. Exchange differences are taken to reserves.

Petroleum revenue tax

Petroleum revenue tax ("PRT") is provided on a field by field basis; the estimated total liability to PRT in respect of each field is accrued on a unit of production basis over the estimated total production during the life of the field. The estimated total liability to PRT is calculated recognising allowable exploration expenditure and assuming year end prices of hydrocarbons and current tax legislation. Deferred tax is provided for the difference between the amount of tax calculated on the unit of production basis and the current tax payable.

Deferred corporation tax

Deferred corporation tax is provided in respect of liabilities relating to timing differences between profits as computed for taxation purposes and profits as stated in the accounts, except where the benefit of those timing differences is expected to continue for the foreseeable future.

3. GROUP PROFIT AND LOSS ACCOUNTS

for the years ended 31 December

	Notes to the accounts	1987 £'000	1988 £'000	1989 £'000
Turnover	6.2	16,418	14,784	26,175
Cost of sales	6.3	(7,498)	(7,79)	(15,381)
Depletion of oil and gas expenditure		(19,825)	(6,105)	(6,850)
Gross profit/(loss)		(10,905)	1,170	3,944
Administrative expenses	6.4	(901)	(989)	(1,570)
Other operating income		40	545	89
Operating profit/(loss)		(11,765)	726	2,463
Interest receivable and similar income	6.7	826	2,486	5,201
Amounts written off investments		(559)	(93)	(785)
Interest payable and similar charges	6.8	(1,166)	(40)	(55)
Profit/(loss) on ordinary activities before taxation		(12,665)	3,049	6,824
Tax on profit on ordinary activities	6.9	948	1,051	(1,210)
Profit/(loss) for the year attributable to shareholders		(11,717)	4,100	5,614
Dividends paid to former Renown shareholders	6.10	(32,000)	—	—
Retained profit for the year		(43,717)	4,100	5,614
Earnings/(loss) per share	6.11	(2.44p)	0.85p	1.17p

GROUP BALANCE SHEETS

at 31 December

	<i>Notes to the accounts</i>	<i>1987 £'000</i>	<i>1988 £'000</i>	<i>1989 £'000</i>
Fixed assets				
Tangible assets	6.12	23,665	36,050	52,459
Investment	6.13	1,468	1,132	1,440
		<u>25,133</u>	<u>37,182</u>	<u>53,899</u>
Current assets				
Stocks and inventory	6.14	101	2,237	1,615
Debtors	6.15	7,331	8,635	9,405
Cash at bank and in hand		35,421	33,545	18,506
		<u>42,853</u>	<u>44,417</u>	<u>29,526</u>
Creditors, amounts falling due within one year	6.16	(11,626)	(14,210)	(11,760)
		<u>31,227</u>	<u>30,207</u>	<u>17,766</u>
Net current assets				
		<u>56,360</u>	<u>87,389</u>	<u>71,665</u>
Total assets less current liabilities				
Creditors, amounts falling due after more than one year	6.17	(4,000)	(11,000)	(8,100)
Provisions for liabilities and charges				
Site restoration	6.18	(3,683)	(3,720)	(5,108)
Deferred taxation	6.19	(2,820)	(2,842)	(2,875)
		<u>45,858</u>	<u>49,827</u>	<u>55,582</u>
Capital and reserves				
Called up share capital	6.20	24,006	24,006	24,006
Share premium account	6.21	34,793	34,793	34,813
Capital reserve	6.21	32,924	32,924	32,924
Profit and loss account	6.21	(45,865)	(41,896)	(36,165)
		<u>45,858</u>	<u>49,827</u>	<u>55,582</u>



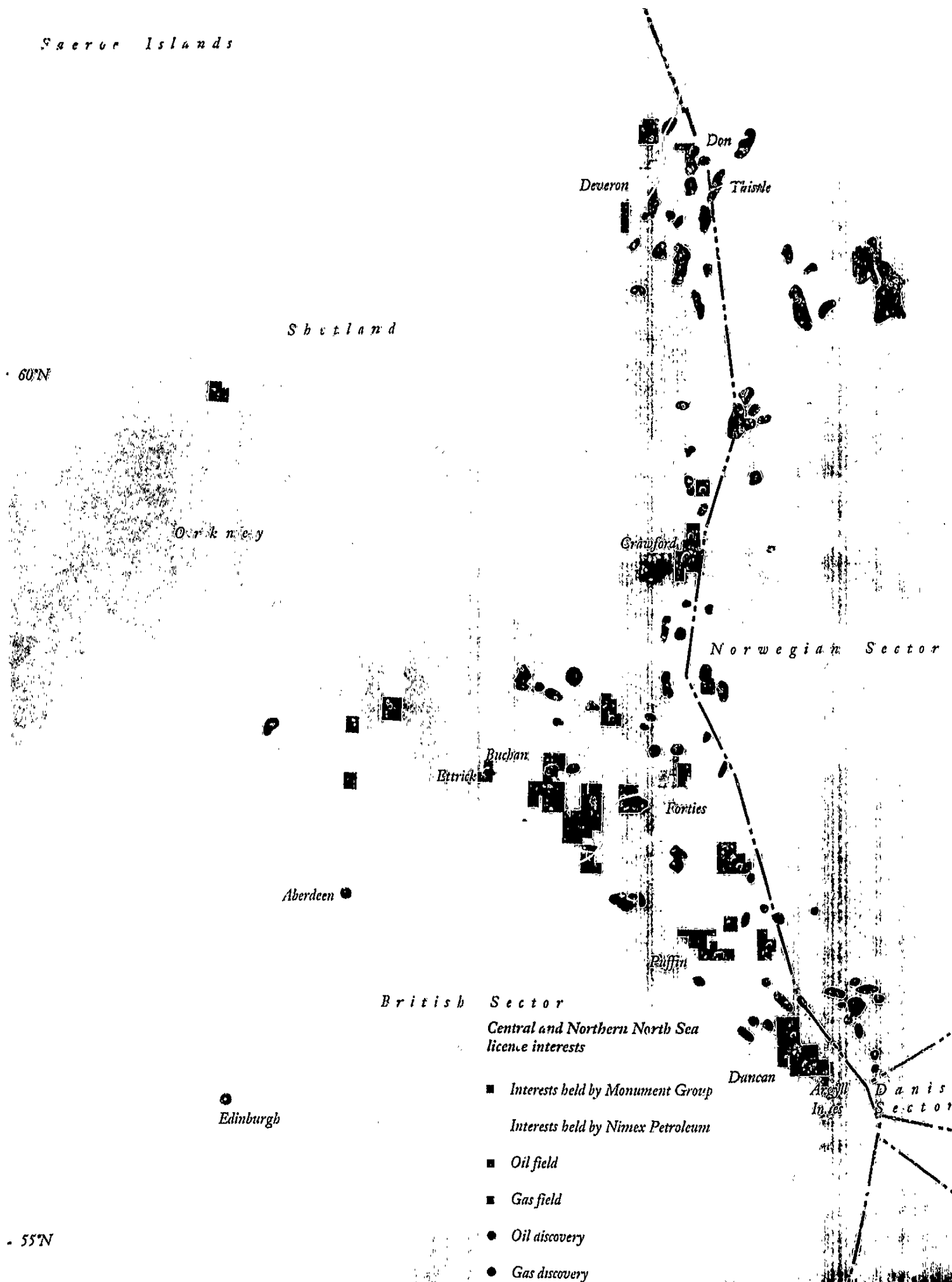
Worldwide licence interests

- Interests held by Monument Group
- Interests held by Nimex companies

- ◆ Discovery
- ▲ Exploration
- Production

Details of the oil and gas properties of the enlarged Monument Group shown on these maps are set out in part III of these listing particulars.

These maps are provided solely for the purpose of illustration and should not be taken as giving any indication of the limits or extent or the precise position of any field, well, pipeline or international boundary.



*Sea (UK and Netherlands) and
onsshore UK licence interests*

Aberdeen ●

■ Interests held by Mobilment Group

Interests held by Nimex Petroleum

■ Oil field

■ Gas field

● Oil discovery

● Gas discovery

Edinburgh

Teeside ●

Esmond Forbes

Gordon

Ravensturn

Dutch Sector

German Sector

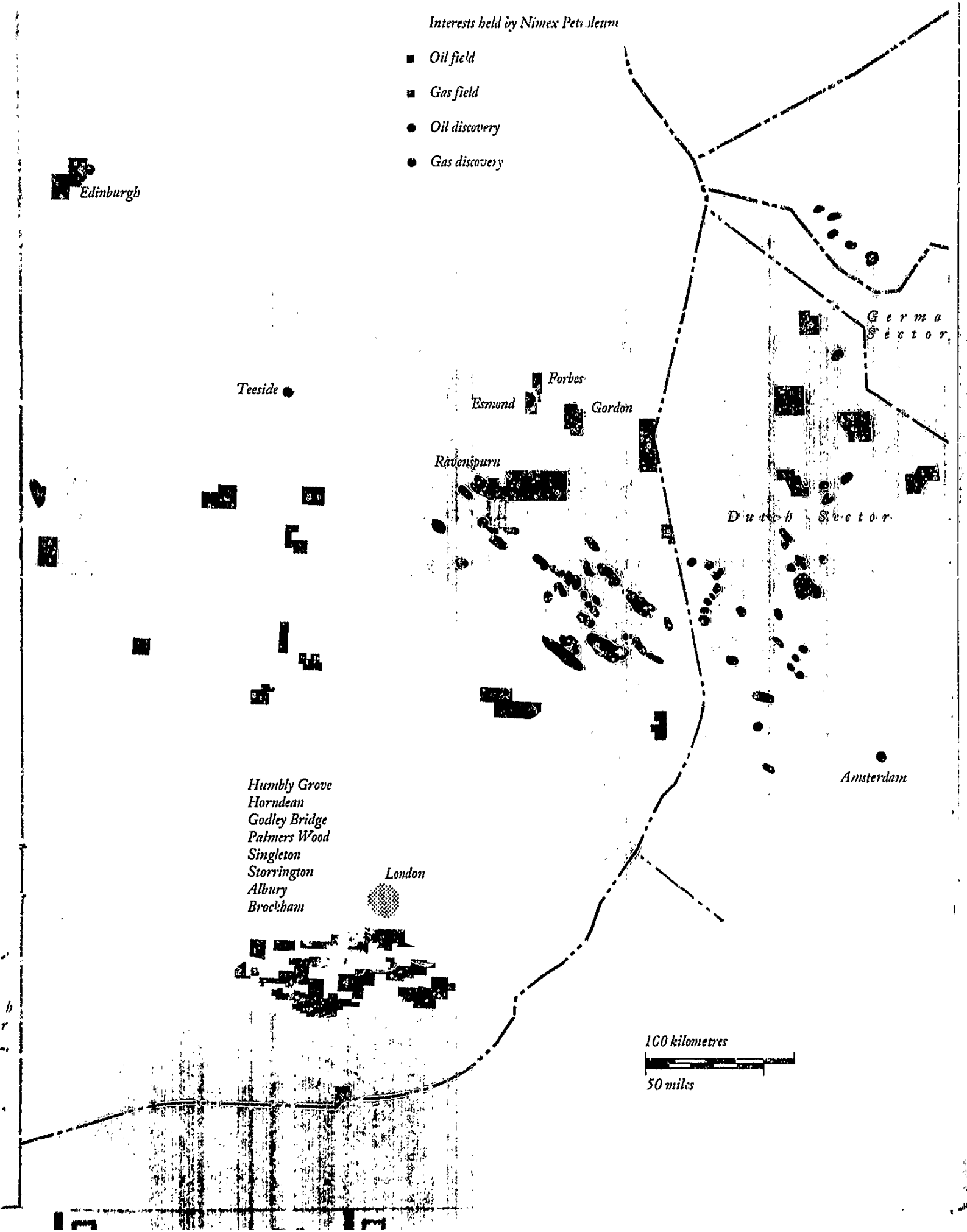
Amsterdam

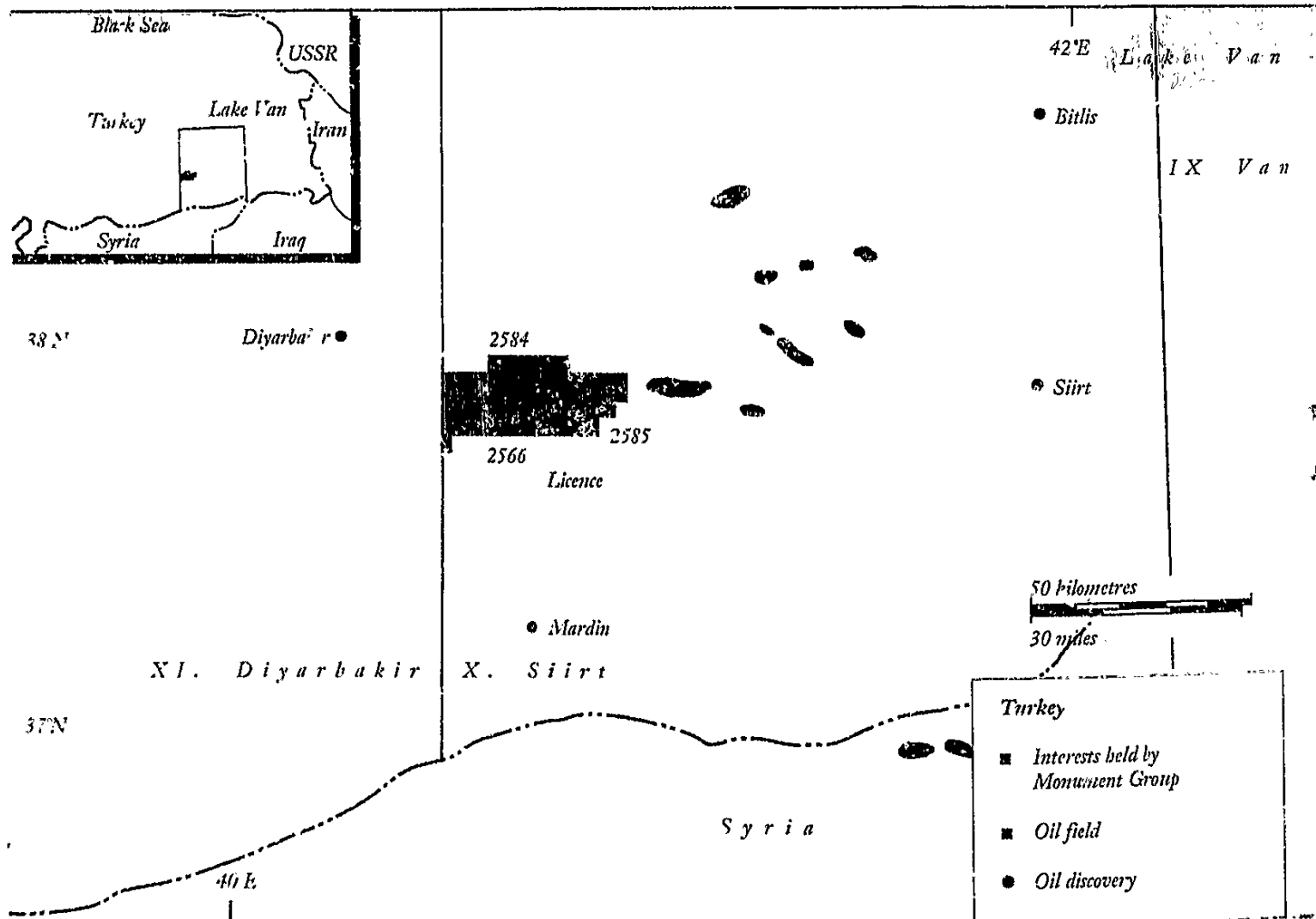
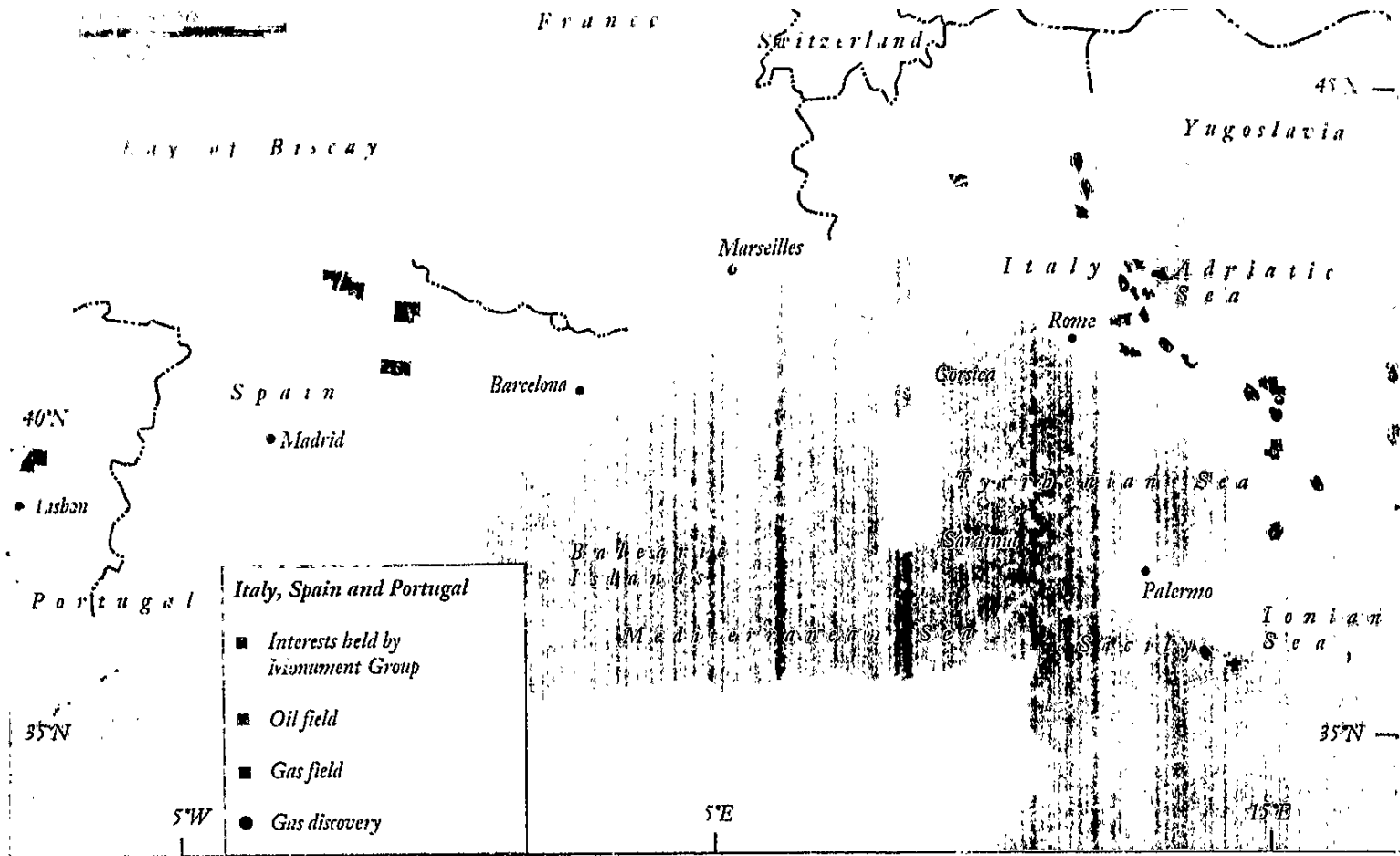
Humbly Grove
Horndean
Godley Bridge
Palmer's Wood
Singleton
Storrington
Albury
Brookham

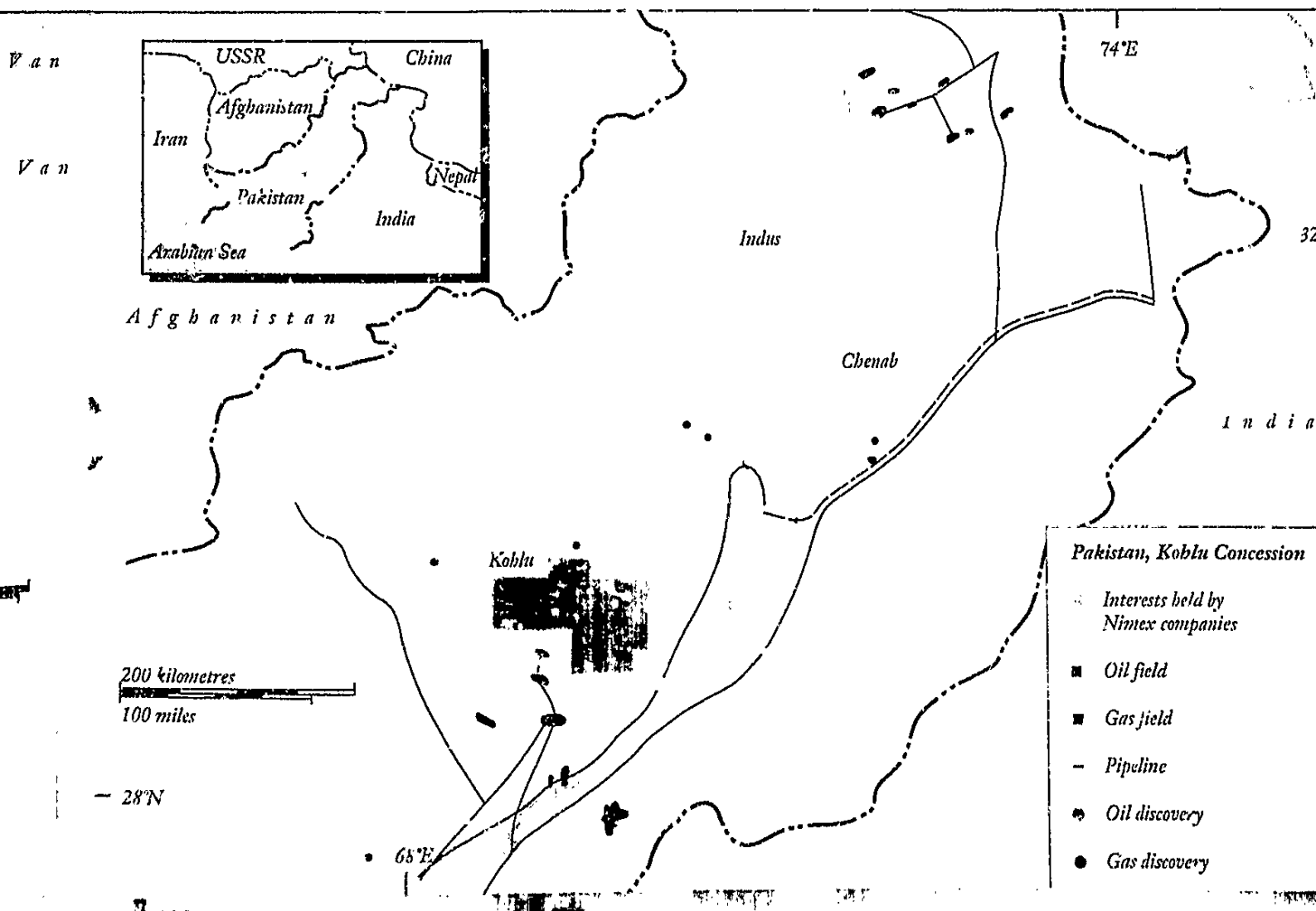
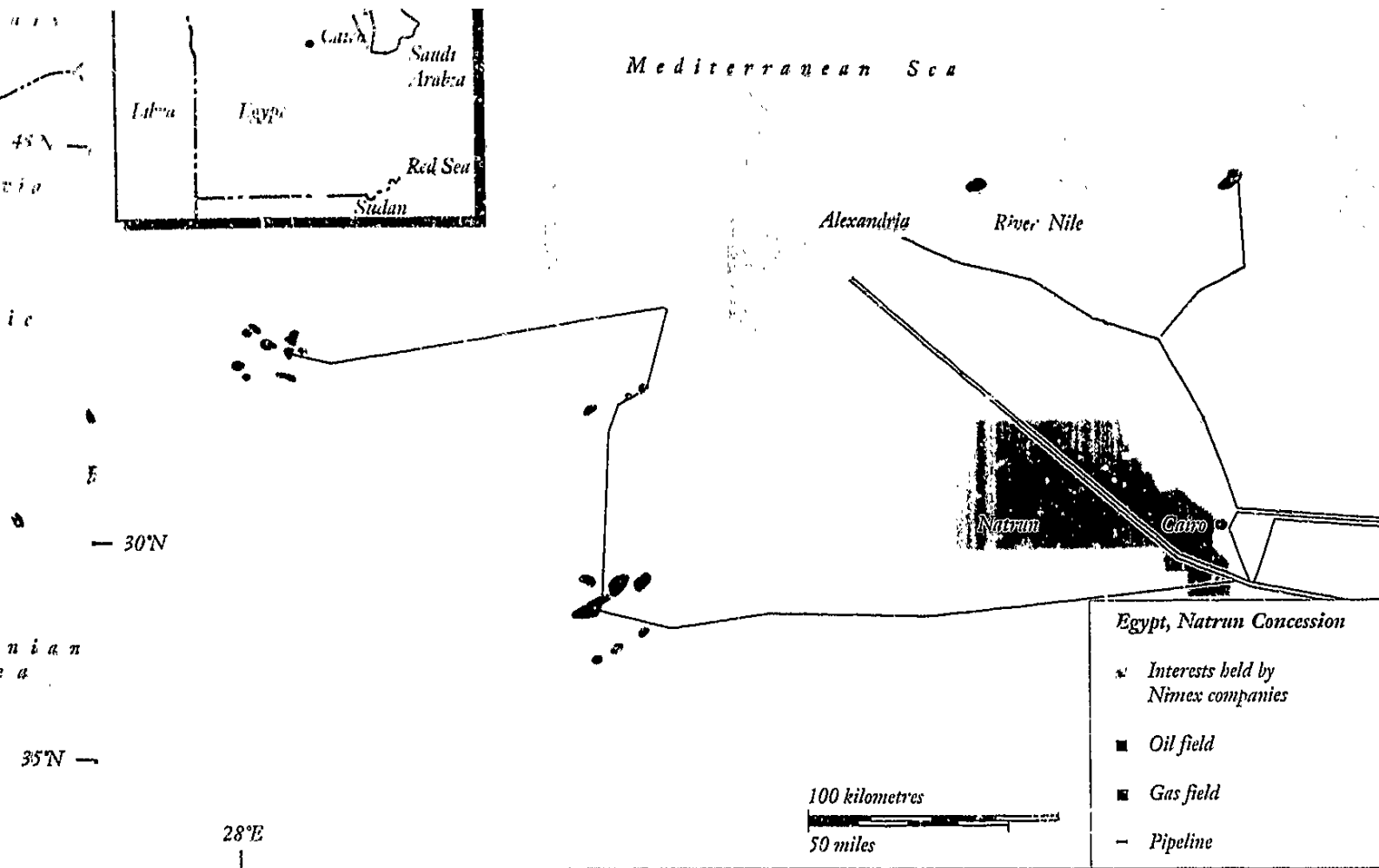
London

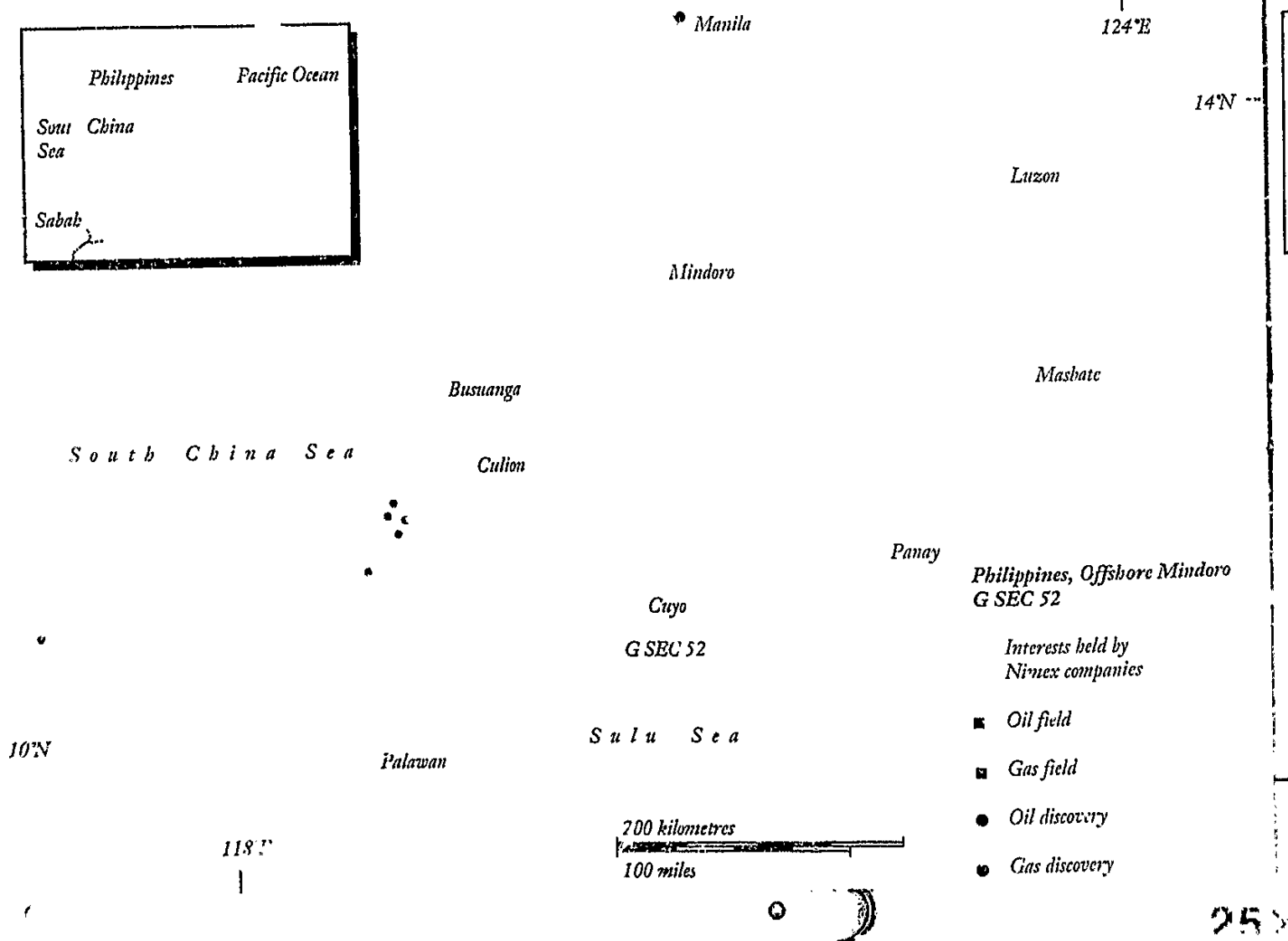
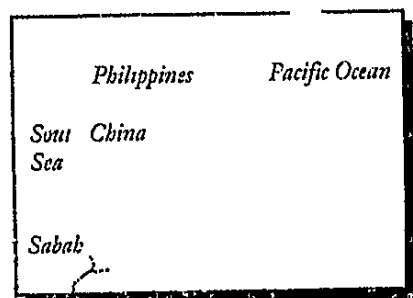
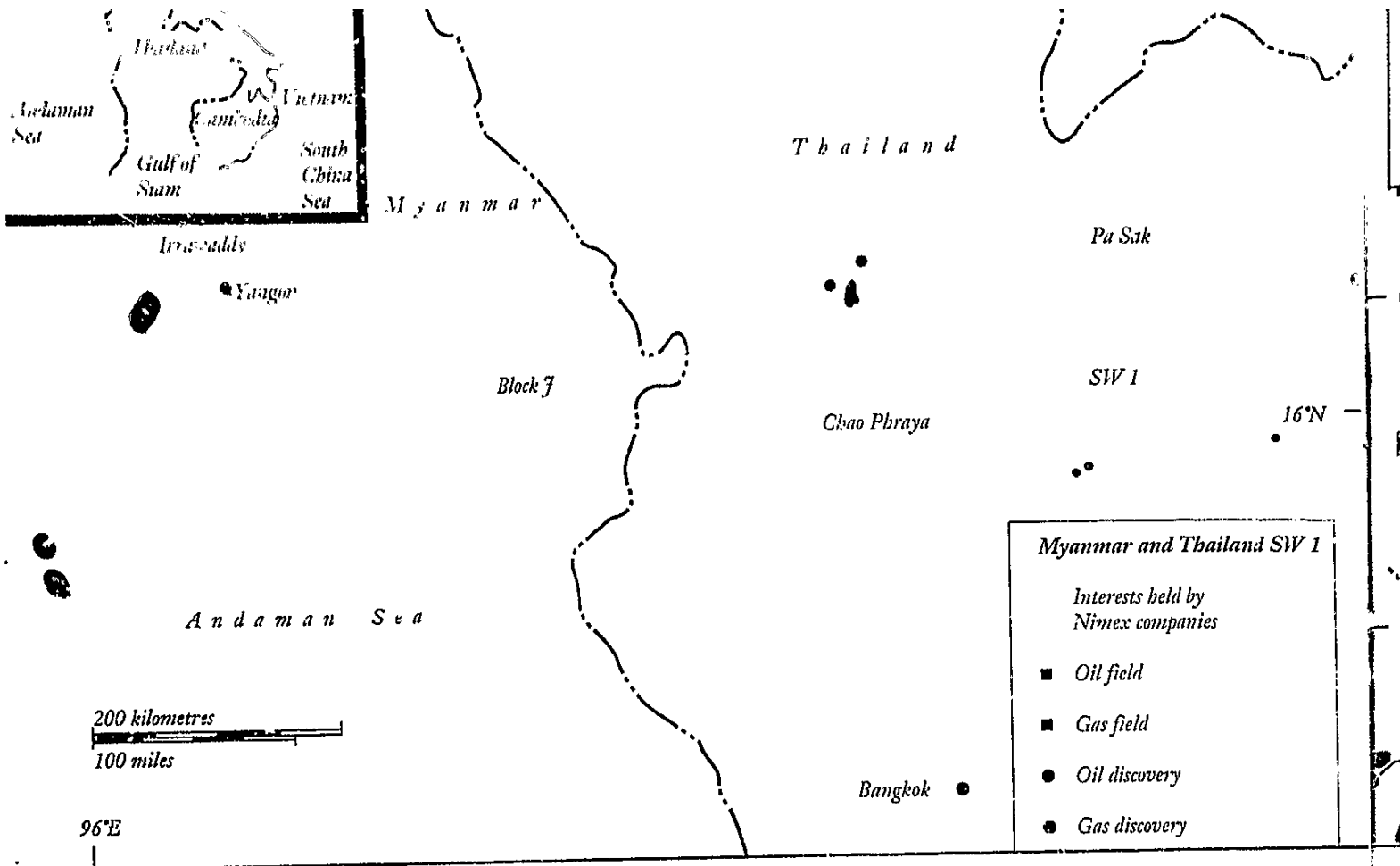
100 kilometres

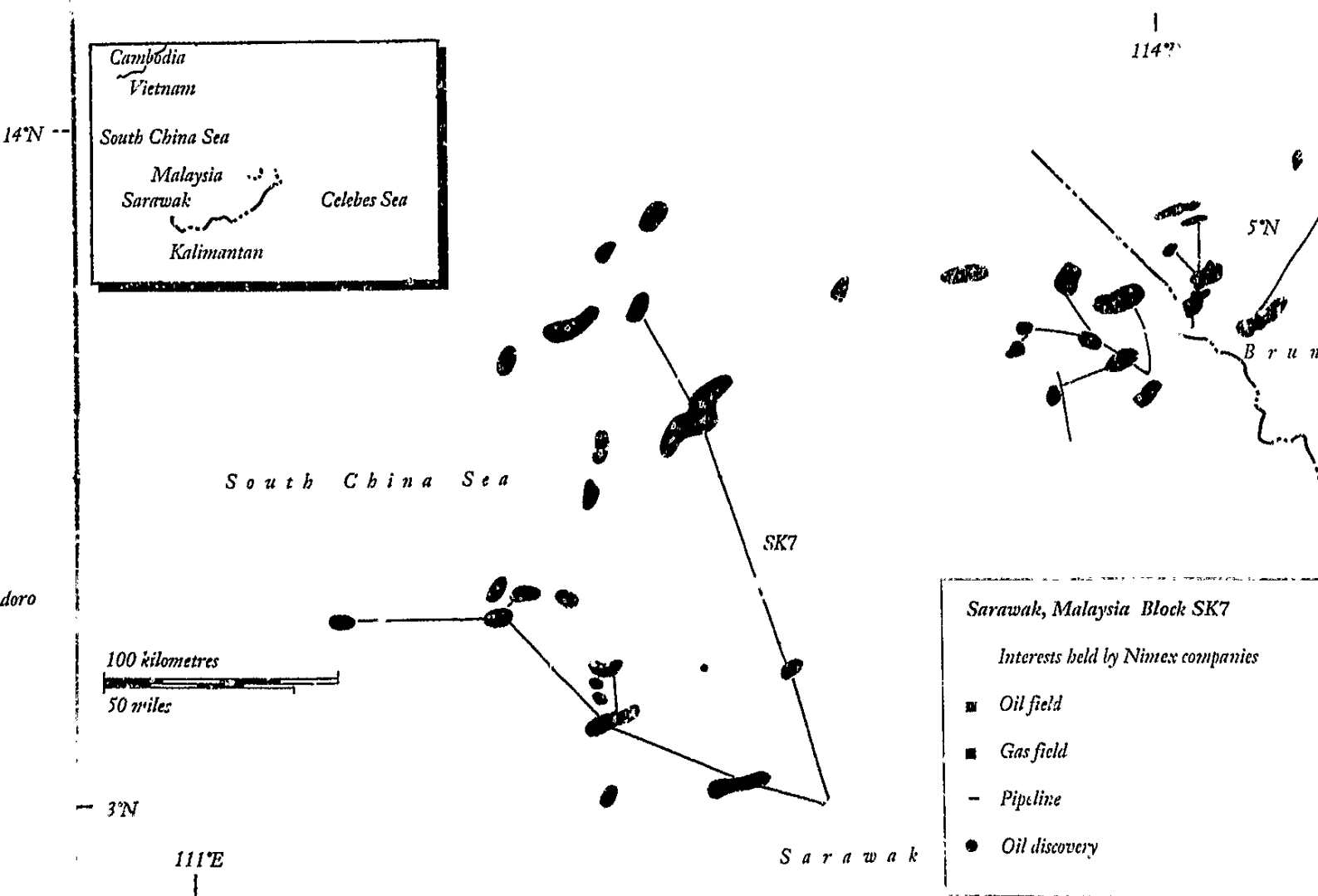
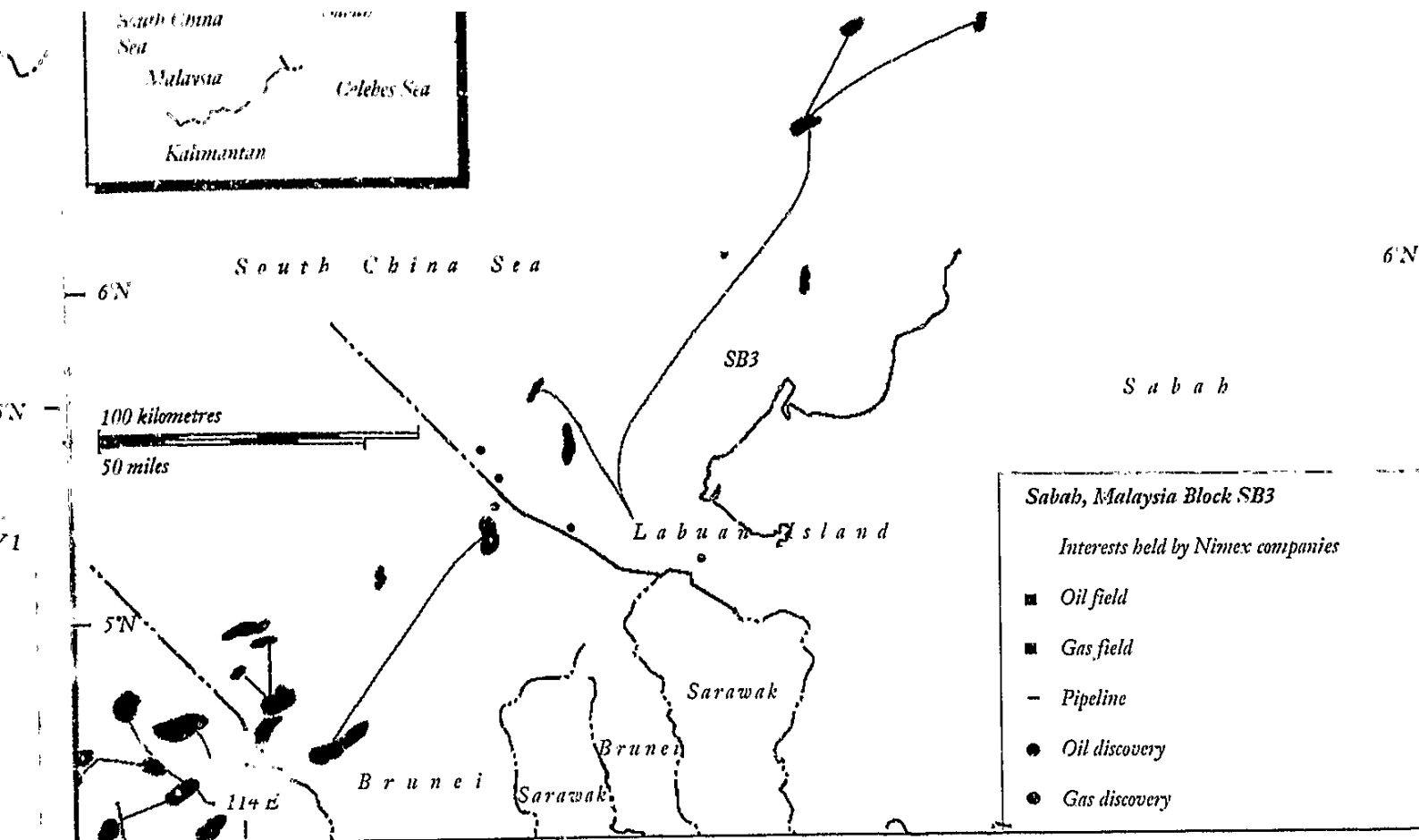
50 miles











100 miles

Pacific Ocean

Taiwan

China

East China Sea

Okinawa

East China Sea

Interests held by Nimex companies

■ Oil field

■ Gas field

● Oil discovery

● Gas discovery

--- Proposed licence area after relinquishment

25°N

Taiwan

Indian Ocean

Pacific Ocean

Australia

140°E

Q 21 P

145°E

Okinawa

Gulf of Carpentaria

Queensland

15°S

15°S

Cairns

Northern Territory

ATP 423 P

200 kilometres

100 miles

135°E

140°E

Australia, Queensland
Block ATP 423 P and Q 21 P
(Block AC/P 9 shown in inset only)

■ Interests held by Monument Group

Interests held by Nimex companies

5. GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the years ended 31 December

	1987 £'000	1988 £'000	1989 £'000
Source of funds			
Profit/(loss) on ordinary activities before taxation	(12,665)	3,649	6,824
Adjustment for items not involving the movement of funds			
Depreciation, depletion and amortisation	20,632	7,340	7,042
Provisions against investments	439	93	785
Loss/(profit) on disposal of investments	179	(494)	23
Provision for site restoration	82	38	1,388
Exchange movements	846	(108)	(42)
Total generated from operations	9,513	9,918	16,020
Funds from other sources			
Bank loans	—	—	8,100
Shares issued	27,579	—	24
Loan stock issued	34,000	7,000	—
Sale of investments	992	1,282	98
Tax repaid/(paid)	1,556	473	(21)
Application of funds			
Purchase of fixed assets	(6,468)	(19,713)	(23,451)
Additions to investments	(1,333)	(483)	(1,048)
Loan stock repaid	—	—	(11,000)
Loan repaid	(13,584)	(101)	—
Dividends	(32,000)	—	—
	20,239	(1,624)	(11,775)
Increase/(decrease) in working capital			
Stocks	(7)	953	(622)
Debtors (excluding taxation)	2,916	2,945	271
Creditors (excluding taxation)	(3,502)	(3,646)	3,615
	(593)	252	3,264
Movement in net liquid funds			
Cash	20,832	(1,876)	(15,039)
	20,239	(1,624)	(11,775)

6. NOTES TO THE ACCOUNTS

6.1 Acquisitions

On 26 July 1988 Monument acquired the entire issued share capital of Nimex Petroleum (UK) Limited (now renamed Monument Petroleum (U.K.) Limited). 8,000,000 ordinary shares of 5p nominal each were issued in exchange for 664,995 ordinary shares of £1 nominal of Nimex Petroleum (UK) Limited. On 15 December 1988 Monument acquired the whole issued ordinary share capital and loan stock of Fina Petroleum Mitre Limited (now renamed Monument Petroleum Mitre Limited). 123,824,878 ordinary shares of 5p nominal each were issued in exchange for 18,880,500 ordinary shares of £1 nominal, and 77,160,000 ordinary shares of 5p nominal as consideration for £11,574,000 nominal of debenture loan.

On 19 December 1989 Monument acquired the entire issued share capital and £30 million of the fully paid loan capital of Renown Energy Limited (now renamed Monument Energy Limited). 115,320,909 ordinary shares of 5p nominal each of Monument were issued in exchange for 28,000,000 ordinary shares of 50p nominal each, and 101,090,909 ordinary shares of 5p nominal each of Monument were issued as consideration for £30 million nominal of loan stock.

Monument has adopted the merger relief provisions of the Companies Act 1985 and has recorded its acquisition of the shares in all three companies at the nominal value of the shares issued by Monument. The Group accounts have been prepared in accordance with the principles of merger accounting.

Of the Group profit for 1989 attributable to shareholders £2,450,000 may be apportioned to Monument Energy Limited and its subsidiaries after restatement to conform to Monument Group accounting policies and the combination of equivalent cost pools. £79,000 of this total relates to the period 13-31 December 1989.

6.2 Turnover

Of the turnover £25,703,000 (1988 - £14,620,000, 1987 - £16,262,000) arose in the UK principally from the Buchan, Thistle, Forties and Esmond fields.

Turnover in the USA was £472,000 (1988 - £164,000, 1987 - £156,000). USA operations contributed a net loss of £494,000 (1988 - profit £127,000, 1987 - loss £1,172,000) to the Group's profit on ordinary activities before taxation.

6.3 Cost of sales

	1987 £'000	1988 £'000	1989 £'000
Operating costs	7,028	7,112	13,099
Government royalty	388	359	894
Provision for site restoration	82	38	1,388
	<u>7,498</u>	<u>7,509</u>	<u>15,381</u>

The Department of Energy has claimed that additional royalty payments are due in respect of Buchan field production since the beginning of 1985. The validity of the claims is still the subject of discussions between the members of the Buchan group and the Department of Energy, however, full provision has been made in these accounts for the amount claimed. In the light of advice which has been received, the Directors believe that the Group has a valid claim for the cost of any additional royalty relating to periods prior to 30 June 1988 against Charterhouse Petroleum plc under the terms of the sale and purchase agreement for the purchase of Monument Petroleum Mitre Limited in 1988 and the accounts have been drawn up on this basis.

6.4 Administrative expenses

	1987 £'000	1988 £'000	1989 £'000
Administrative expenses include:			
Depreciation of other tangible fixed assets	4	56	192
Auditors' remuneration	28	53	59
Consultancy fees paid to Nimex Resources Limited	3	57	254
Fees paid to Minster Trust Limited	170	193	51
Fees paid to Kleinwort Benson Limited	461	336	254

Consultancy fees are paid to Nimex Resources Limited in accordance with a contract under which Nimex provides certain management services, including the services of A. Craven Walker. The contract is terminable on three months' notice.

The fees paid to Minster Trust Limited were for the services of two of Monument's directors and for certain administrative services prior to June 1989.

6.5 Directors' emoluments

	1987 £'000	1988 £'000	1989 £'000
Fees as directors	17	16	28
Remuneration as executives including pension contributions	28	44	38
	<u>45</u>	<u>60</u>	<u>64</u>

A.R.G. M. Gibbon received no emoluments as Chairman. (1988: A.R.G. McGibbon - nil, W.N. Scott - £11,732, 1987: W.N. Scott - £9,822)

The highest paid director received £37,862 (1988 - £32,744, 1987 - £20,005).

	1987 No.	1988 No.	1989 No.
Other directors in each range of remuneration:			
Nil - £5,000	1	4	1
£5,001 - £10,000	2	1	3

6.6 Employees

	1987 £'000	1988 £'000	1989 £'000
(a) Aggregate payroll costs of the Group			
Wages and salaries	—	24	849
Social security costs	—	1	71
Other pension costs	—	2	103
Employment termination payments	—	—	280
	<u>—</u>	<u>27</u>	<u>1,308</u>

Payroll costs relate to staff from both the Monument and Renown groups prior to the merger.

No staff were employed directly by group companies before October 1988. Previously services were provided to the Renown group and the Monument group under management agreements with Kleinwort Benson Limited and Minster Trust Limited.

(b) Higher paid employees

Employees of the Group other than directors, all of whom were employed by subsidiaries of Monument, received remuneration (excluding pension contributions and employment termination payments) in the following ranges:

	1987 No.	1988 No.	1989 No.
£30,001-£35,000	—	—	3
£35,001-£40,000	—	—	2
£45,001-£50,000	—	—	1
£60,001-£65,000	—	—	2
£75,001-£80,000	—	—	1
£80,001-£85,000	—	—	1
£95,001-£100,000	—	—	1
	<u>1987</u>	<u>1988</u>	<u>1989</u>
	No.	No.	No.
	—	1	17

(c) Average number of Group employees during the year

6.7 Interest receivable and similar income

	1987 £'000	1988 £'000	1989 £'000
Interest	467	2,456	4,659
Exchange gains	389	—	542
	<u>826</u>	<u>2,456</u>	<u>5,201</u>

6.8 Interest payable and similar charges

	1987 £'000	1988 £'000	1989 £'000
On bank loans and overdrafts and other loans wholly repayable within five years	334	—	7
Other interest payable	832	40	48
	<u>1,166</u>	<u>40</u>	<u>55</u>

6.9 Taxation

The taxation charge is based on the profit for the year and comprises:

	1987 £'000	1988 £'000	1989 £'000
Petroleum revenue tax:			
Current taxation at 75%	—	—	765
Deferred taxation	—	22	33
	<u>—</u>	<u>22</u>	<u>798</u>
Other tax:			
Current corporation tax at 35%	1,186	(1,089)	412
Deferred corporation tax at 35%	(2,082)	—	—
Overseas taxation	(54)	16	—
	<u>(948)</u>	<u>(1,051)</u>	<u>1,210</u>

6.10 Dividends

The dividends paid by Renew in 1987 were paid from the distributable reserves of Renew in connection with the reorganisation of Renew and its subsidiaries in December 1987.

6.11 Earnings per share

The calculation of earnings per share is based on the profit for the year attributable to shareholders of £5,614,000 (1988 - £4,000,000; 1987 - loss of £11,717,000), and on 480,304,404 shares (1988 - 480,119,577, 1987 - 480,119,577). The fully diluted earnings per share are not materially different.

6.12 Tangible fixed assets

	Oil and gas expenditure £'000	Other £'000	Group total £'000
Cost:			
At 1 January 1989	99,886	276	100,162
Additions	23,239	212	23,451
At 31 December 1989	123,125	488	123,613
Depletion and amortisation:			
At 1 January 1989	64,046	66	64,112
Charge for the year	6,850	192	7,042
At 31 December 1989	70,896	258	71,154
Net book amounts:			
At 31 December 1989	52,229	230	52,459
At 1 January 1989	35,840	210	36,050

All expenditure is held in one cost pool apart from costs of £6,382,000 and accumulated depletion of £1,130,000 relating to the USA, which are kept in a separate geographical cost pool.

Interest costs of £1,948,000 had been capitalised at 31 December 1989 (1988 - £1,210,000).

The amount of exploration expenditure included above which is held outside the full cost pool and against which no depletion has been charged at 31 December 1989 is £2,371,000 (1988 - £2,371,000).

Following recent equity redetermination negotiations, agreement has been reached in principle, subject to the approval of the Department of Energy, to increase the Group's share in the Ravenspurn North field from 5.7375 per cent. to 6.00 per cent. in return for reimbursement of 0.2625 per cent. of relevant historic cost, plus interest. This has not been reflected in the accounts.

Other tangible fixed assets comprise fixtures, fittings and equipment.

6.13 Investments

The Group held the following investments.

	£'000
Cost:	
At 1 January 1989	1,660
Additions	1,045
Disposals	(111)
Exchange rate movement	202
At 31 December 1989	2,796
Provisions:	
At 1 January 1989	538
Charged in the year	74
Exchange rate movement	64
At 31 December 1989	1,356
Net book value:	
At 31 December 1989	1,440
At 1 January 1989	1,132

The net book value of listed investments included above was £31,000 (1988 - £35,000) compared to a market value of £41,000 (1988 - £35,000)

estimates include loan notes of £980,000 (1988 - £147,000) with the balance in shares

Group companies:

At 31 December 1989 the principal subsidiaries of Monument which are incorporated in England and operated principally in the UK were —

Company	Activity
Monument Exploration and Production Limited	Oil and gas exploration and production
Monument Petroleum (U.K.) Limited*	Oil and gas exploration and production
Monument Petroleum Mitre Limited*	Oil and gas exploration and production
Monument Exploration (S.E.) Limited	Oil and gas exploration and production
Monument Energy Limited* (formerly Renown Energy Limited)	Intermediate holding company
Monument Resources Limited (formerly Renown Petroleum Limited)	Oil and gas exploration and production

The following subsidiary is incorporated and operated principally in the USA:—

Renown Petroleum Incorporated	Oil and gas exploration and production
-------------------------------	--

Monument holds either directly (*) or through subsidiaries 100 per cent of the issued ordinary share capital of each of the above subsidiaries. The foregoing companies are those which principally affect the profits and assets of the Group.

Through Renown Petroleum Inc. the Group owns 43.41 per cent. of the common stock, 57.93 per cent. of the series A preferred stock and 57.86 per cent. of the debt securities of Phoenix Exploration Inc. which operates in the USA.

6.14 Stocks and inventory

	1988 £'000	1989 £'000
Stocks	1,054	305
Inventory	1,183	1,310
	<u>2,237</u>	<u>1,615</u>

6.15 Debtors: amounts falling due within one year

	1988 £'000	1989 £'000
Trade debtors	966	1,167
Oil and gas underlifted	2,677	46
Other debtors	4,974	6,932
Prepayments and accrued income	18	1,260
	<u>8,635</u>	<u>9,405</u>

6.16 Creditors: amounts falling due within one year

	1988 £'000	1989 £'000
Trade creditors	3	—
Oil and gas overlifted	—	812
Other creditors including taxation and social security	132	469
Corporation tax	10,226	6,576
Other	3,850	4,904
Accruals and deferred income	<u>14,210</u>	<u>11,760</u>

6.17 Creditors: amounts falling due after more than one year

	1988 £'000	1989 £'000
Loan stock	11,000	—
Bank loans	—	8,100
	<u>11,000</u>	<u>8,100</u>

Bank loans comprise drawings under a limited purpose facility secured against the Group's share in the Ravenspurn North field. Interest is payable at rates of approximately LIBOR less ½ per cent. Repayments will be made in instalments, based upon net cashflow from the field, and are expected to commence in mid 1992 for completion by 15 January 1999.

6.18 Site restoration

	£'000
At 1 January 1989	3,720
Provided in period	1,368
At 31 December 1989	<u>5,108</u>

6.19 Deferred taxation

The following amounts of deferred taxation have been provided in the Group:

	Deferred corporation tax £'000	Deferred petroleum revenue tax £'000	Total £'000
At 1 January 1989	2,820	22	2,842
Charged to profit and loss account	—	33	33
At 31 December 1989	<u>2,820</u>	<u>55</u>	<u>2,875</u>

	1988 £'000	1989 £'000
The full potential liability for deferred taxation is:		
Deferred petroleum revenue tax	22	55
Deferred corporation tax:		
Accelerated capital allowances and other timing differences	6,238	9,851
Site restoration provisions	(1,301)	(1,738)
Deferred petroleum revenue tax	(8)	(19)
Trading losses carried forward	(1,339)	(1,660)
	<u>3,612</u>	<u>6,489</u>

The deferred tax not provided relates to accelerated capital allowances and other timing differences.

6.20 Share capital

	1988 £	1989 £
(a) <i>Authorised and issued share capital</i>		
Authorised:		
640,000,000 ordinary shares of 5p each (1988 - 360,000,000)	18,000,000	32,000,000
Allotted, issued and fully paid:		
480,204,464 ordinary shares of 5p each (1988 - 252,854,395)	12,632,715	24,010,223

During 1989 the following ordinary shares of 5p each were issued.—

84,887 ordinary shares having an aggregate nominal value of £4,244 were issued on 23 October 1989 to the Trustees of the Monument Group Participating Share Scheme in accordance with its terms at a price of 27.95p per share.

224,421,818 ordinary shares having an aggregate nominal value of £11,221,091 were issued as consideration for the purchase of Renown Energy Limited and its subsidiaries on 19 December 1989 at a price of 27.5p per share being the price at which the shares issued as consideration for the acquisition were then offered to shareholders.

3,043,454 ordinary shares having an aggregate nominal value of £152,173 were issued for cash on 19 December 1989 at a price of 27.5p to existing shareholders in order to contribute to acquisition expenses.

In the consolidated balance sheets, the shares issued in respect of the acquisitions of Nimex Petroleum (UK) Limited, Fina Petroleum Mitre Limited and Renown Energy Limited have been treated as being in issue throughout all three years.

On 14 December 1989 the authorised share capital of Monument was increased to £32 million by the creation of an additional 280 million ordinary shares of 5p each.

(b) Contingent right to allotment of shares

At 31 December Monument had granted options to one director and certain other Group employees (two of whom have since been appointed directors of Monument) under the terms of the Monument Share Option Scheme adopted by Monument on 12 May 1987

Share options outstanding at 31 December 1989 were as follows:—

<i>Granted</i>	<i>Number</i>	<i>Price</i>	<i>Exercisable</i>
13.07.87	62,789	28.5p	16.07.90 - 18.07.97
17.10.88	250,000	13.5p	17.10.91 - 17.10.98
18.04.89	200,000	24.3p	18.04.92 - 18.04.99
29.08.89	1,150,000	29.5p	29.08.92 - 29.08.99
22.09.89	100,000	32.0p	22.09.92 - 22.09.99

6.21 Reserves

	<i>Share premium account £'000</i>	<i>Capital reserve £'000</i>	<i>Profit and loss account £'000</i>
At 1 January 1988	34,793	32,924	(45,865)
Retained profit for the year	—	—	4,100
Exchange differences	—	—	(131)
At 31 December 1988	34,793	32,924	(41,896)
Issue of shares	20	—	—
Retained profit for the year	—	—	5,614
Exchange differences	—	—	117
At 31 December 1989	<u>34,813</u>	<u>32,924</u>	<u>(36,165)</u>

6.22 Capital commitments

	<i>1988 £'000</i>	<i>1989 £'000</i>
Amounts contracted	18,015	47,182
Amounts authorised but not contracted	23,478	13,641
	<u>41,493</u>	<u>60,823</u>

PART IV

PETROLEUM CONSULTANT'S REPORT ON THE ASSETS OF NIMEX OVERSEAS AND NIMEX PETROLEUM

The following is a report by Scott Pickford on the oil and gas assets of Nimex Overseas and Nimex Petroleum:—

The Directors
Monument Oil and Gas plc
31 St James's Street
London SW1A 1HB

Scott Pickford plc
Consultants in Petroleum Exploration,
Development and Management
256 High Street
Croydon CR0 1NF

The Directors
County NatWest Wood Mackenzie & Co. Limited
135 Bishopsgate
London EC2M 3XT

4 July 1990

Dear Sirs

APPRAISAL OF THE PETROLEUM INTERESTS OF NMX RESOURCES OVERSEAS HOLDINGS LIMITED AND NIMEX PETROLEUM LIMITED

In response to your request we have reviewed and valued the petroleum interests of NMX Resources Overseas Holdings Limited and Nimex Petroleum Limited (together "the Nimex companies"), a summary of which is outlined in Table 1.

In our statements of licence interests and acreage we have relied upon information presented to us by the Nimex companies and have not checked the title to these interests. The valuation is at 31 May 1990. We have prepared the valuation based on data and information made available to us in the offices of the Nimex companies in London between 15 January 1990 and 1 June 1990 and in the offices of Clyde Petroleum in Ledbury on 2 March 1990.

1.0 Professional Qualifications

In making this valuation we have used the services of senior staff and consultants of Scott Pickford plc. Scott Pickford is an independent consultancy, specialising in geology and geophysics.

Except for the provision of professional services on a fee basis neither Scott Pickford nor any consultant used by them in connection with this report has any commercial arrangement with any persons or company involved in the interests which are the subject of this report.

2.0 Introduction

In carrying out our review of the interests we have relied on information provided by the Nimex companies which comprised details of their licence and acreage interests, basic exploration and engineering data, interpreted data, technical reports, cost and commercial data and development plans.

In estimating petroleum in place and recoverable we have used the standard techniques of petroleum engineering. These techniques combine geophysical and geological knowledge with detailed information concerning porosity and permeability distributions and fluid characteristics. There is uncertainty inherent in the measurement and interpretation of basic data. We have estimated the degree of this uncertainty and have used statistical methods to calculate the range of petroleum initially in place or recoverable.

Economic modelling has been based on our reserve and cost estimates. Where costs are available, these have been verified by ourselves as being reasonable and commercially sound. Where no firm development plans exist we have estimated costs based on current technology.

3.0 Definitions

"Proven", in relation to quantities of petroleum, means the amount thereof which geophysical, geological and engineering data indicate to be in place or recoverable (as the case may be) to a high degree of certainty. For the purposes of this definition, there is a 90 per cent chance that the actual quantity will be more than the amount estimated as Proven and a 10 per cent chance that it will be less.

"Probable", in relation to quantities of petroleum, means the amount thereof which geophysical, geological and engineering data indicate to be in place or recoverable (as the case may be) but with a greater element of risk than in the case of Proven.

For the purposes of this definition, there is a 50 per cent. chance that the actual quantity will be more than the amount estimated as Proven plus Probable and a 50 per cent. chance that it will be less.

"Possible" in relation to quantities of petroleum, means the amount thereof which geophysical, geological and engineering data indicate to be in place or recoverable (as the case may be) but to which a substantial element of risk must be attached. For the purposes of this definition, there is a 10 per cent. chance that the actual quantity will be more than the amount estimated as Proven plus Probable plus Possible and a 90 per cent. chance that it will be less.

"Potentially Commercial Reserves" are those quantities of petroleum which we consider, on the basis of information currently available and present economic conditions, to be commercially recoverable by present producing methods from discoveries for which no government approved development plan exists.

For the purposes of this definition, present producing methods are limited to primary depletion or secondary recovery by water or gas injection and do not include enhanced petroleum recovery techniques.

"Petroleum"	means deposits of oil and/or gas
"bbl"	means barrel(s)
"stb"	means stock tank barrel(s) measured at 14.7 pounds per square inch and 60 degrees Fahrenheit
"scf"	means standard cubic feet measured at 14.7 pounds per square inch and 60 degrees Fahrenheit
"M", "MM"	means thousands and millions respectively
"Bscf"	means billions of standard cubic feet

4.0 Potentially Commercial Petroleum Discoveries

We consider that there are Potentially Commercial Reserves attributable to the Nimex companies offshore East Malaysia, onshore Thailand and in Block 48/1, United Kingdom offshore.

The following is a summary of our estimate of Potentially Commercial Reserves attributable to the Nimex companies.

	Proven	Proven plus Probable	Proven plus Probable plus Possible
Oil (MMstb)	6.3	9.8	12.0
Gas (Bscf)	0	9.8	12.8

4.1 Malaysia

Block SK7

We have attributed Potentially Commercial Reserves to the South Axis field which is located offshore Sarawak in East Malaysia. Four wells have so far encountered hydrocarbons on this multiple pay field, the most recent testing oil at rates in excess of 1,800 barrels per day. Further drilling is planned for the second half of 1990.

Block SB3

It appears from geophysical data that the Champion oil complex extends onto the licensed acreage in which the Nimex companies have an interest. We have assigned Potentially Commercial Reserves to this part of the structure.

4.2 Thailand

Petchabun Basin

The first well to be drilled on the Petchabun Basin at Wichian Buri tested up to 500 barrels per day of 28° API oil from a Tertiary formation at approximately 900 metres subsea. The well is not yet on production, however it is close to existing infrastructures and we are able to assign Potentially Commercial Reserves to this discovery.

A well has recently been drilled on the separate Bo Rang structure. The well tested gas at a rate of 5.4 MMscf per day from an interval at approximately 560 metres subsea and has since been completed as a potential producer. Although, we are confident that there are Potentially Commercial Reserves it is too soon after the drilling of the well for us to be able to quantify these.

4.3 United Kingdom

Hyde field-Block 48/1

The Hyde Rotliegendes gas field appears to extend into the south west part of this block. Although the appraisal well currently being drilled on the block to test this extension of the field has yet to reach the objective interval, the seismic data and the maps based on these data are sufficiently good for us to assign Potentially Commercial Reserves to the block.

5.0 Exploration Prospects and Acreage

Apart from the Potentially Commercial Reserves we have identified from seismic data and regional geological information a further twenty five prospects which we consider essentially mature for drilling. Many other areas are still in the early stages of exploration and further seismic work may lead to the identification of additional drillable prospects.

5.1 United Kingdom offshore Acreage

Seven blocks or part blocks were licensed to groups which included the Nimex companies during the Eleventh Round of Offshore Licensing. Three of these blocks lie in the prolific oil producing areas of the Northern North Sea where we have identified six potentially producing structures. Two other blocks are in the Central North Sea where a further five prospects are defined. In the Southern North Sea which is a gas prone area there are a further two blocks with two prospects defined, in addition to the prognosed Hyde field extension.

5.2 Thailand

In Thailand there are six structures in the same basin as the Wichian Buri oil discovery, and the more recent gas discovery, which may be considered prospective for oil and for gas.

5.3 Malaysia

In block SB3, into which the Champion complex appears to extend, we have identified four structures which we consider to be mature for drilling and to be prospective for oil generation.

In block SK7, which contains the South Acis oil discovery, we have identified one prospect which we consider to be mature for gas generation, and expect additional prospects to be defined by further geophysical work.

5.4 Egypt

In Egypt the Nimex companies have a licence over the onshore Natrun block. Although comparatively unexplored, a number of exploration wells have tested oil in this block. We consider that there are five small exploration prospects on the block. Further geophysical work to define these prospects more accurately will be required.

5.5 Philippines

The Philippines acreage, situated offshore Mindoro contains a number of exploration leads. One of these we consider to be sufficiently well defined to be described as a drillable prospect. At least two other prospects have been identified but are located in deep water.

5.6 Pakistan

In Pakistan the Kohlu Block lies to the north east of and close to the producing Pirkoh gas field. Geophysical work remains to be done to define prospects in the block, but surface geology indicates that there is a good chance of finding structures of similar size to Pirkoh on the block.

5.7 Taiwan

A large number of structures have been broadly defined in this large licence area which is located in the East China Sea. Exploration activities have been temporarily suspended but discussions are in hand with the relevant authorities in order that exploration can be progressed. This area is close to known hydrocarbon discoveries.

5.8 Australia

The Nimex companies have two licences, one offshore the Gulf of Carpentaria, the second onshore Northwest Queensland. Seismic data was acquired during 1989, however the exploration potential cannot as yet be quantified.

6.0 Valuation Method

The following factors have been used in our valuation of the acreage

- i A discount factor of 12½ per cent per annum has been used.
- ii The exchange rate is constant at U S \$1.50 - STG £1.00.

- iii. The price of Brent Crude oil is assumed to be U.S. \$18.00 in 1990 and 1991 U.S. \$20.00 in 1992, U.S. \$22.00 in 1993, U.S. \$25.00 in 1994 and is increased by five per cent. per annum thereafter. Various discount factors have been applied to these prices depending on the expected crude oil quality.
- iv. The estimation of the value of exploration prospects is based on our estimate of risked expected reserves. Expected monetary values have been derived using cash flow analyses of a number of possible field sizes, suitably risked for their chance of occurrence. Acreage in the United Kingdom, Thailand, Malaysia, Philippines, Egypt and Pakistan was valued by this method.
- v. The estimation of the value of exploration acreage without defined prospects is based on a value per unit area, depending on our assessment of the likely prospectivity of the area. Acreage in Taiwan and Australia was valued by this method.

7.0 Results

We have estimated the net present value of the Nimex companies' worldwide petroleum interests as at 31 May 1990 to be:—

	£ million
Potentially Commercial Reserves (proven and probable)	8.33
Exploration prospects	17.66
Exploration acreage	3.57
TOTAL	29.56

Yours faithfully,
Scott Pickford plc

R.W. Pickford
Director

TABLE 1
INTERESTS OF NIMEX OVERSEAS AND NIMEX PETROLEUM

<i>Licence</i>	<i>Working Interest %</i>	<i>Gross Area (Acres)</i>	<i>Net Area (Acres)</i>
United Kingdom offshore			
9/26	15.0	52,608	7,891
9/27b	15.0	26,291	3,944
22/2b	15.0	16,338	2,451
22/2c	15.0	10,867	1,630
48/1	15.0	60,243	9,036
48/24b	15.0	30,566	4,585
211/16b	15.0	30,640	4,596
Thailand			
SW1	15.0	617,750	92,662
Malaysia			
SB3	21.3	2,199,190	468,427
SK7	10.6	1,499,897	158,989
Philippines			
S. Mindoro	30.0	3,676,848	1,103,054
Egypt			
Natrun	12.5	1,284,920	160,618
Pakistan			
Kohlu	19.0	1,853,250	352,117
Taiwan			
Zone III	22.2	4,942,000	1,097,124
Australia			
Q-21P	42.5	7,413,000	3,150,525
ATP-423P	27.5	10,625,300	2,921,637

NOTE. Since the effective date of our valuation of the Nimex companies' assets, Nimex Overseas has acquired a licence interest onshore Burma. We have not included this interest in our valuation.

PART V

ACCOUNTANTS' REPORT ON NIMEX OVERSEAS AND NIMEX PETROLEUM

The following is a report from Arthur Andersen & Co., Chartered Accountants, reporting accountants on NMX Resources Overseas Holdings Limited and Nimex Petroleum Limited.—

The Directors
Monument Oil and Gas plc
30 St. James's Street
London SW1A 1HE

Arthur Andersen & Co.
1 Surrey Street
London WC2R 2PS

The Directors
County NatWest Wood Mackenzie & Co. Limited
135 Bishopsgate
London EC2M 3XT

4 July 1990

Dear Sirs,

We have examined the audited consolidated accounts of NMX Resources Overseas Holdings Limited ("NOH") and the audited accounts of Nimex Petroleum Limited ("NPL") for the periods from incorporation to 31 December 1989, in accordance with the Auditing Guideline: "Prospectuses and the Reporting Accountant". NOH was incorporated on 26 August 1988 in Bermuda, and NPL was incorporated on 2 August 1988 in England. We have acted as auditors of NOH and NPL throughout the periods covered by this report. The financial information set out below is based on the audited accounts; no adjustments were considered necessary.

No audited financial statements have been prepared in respect of any period subsequent to 31 December 1989.

In our opinion, the financial information set out below, which has been prepared on the historical cost basis, in accordance with United Kingdom generally accepted accounting principles, gives (for the purposes of the Circular and the Listing Particulars dated 4 July 1990) a true and fair view of the state of affairs of NOH and NPL at 31 December 1988 and 31 December 1989 and of their results for the periods then ended.

A. ACCOUNTING POLICIES

A summary of the companies' principal accounting policies, all of which have been applied consistently throughout the year and in the preceding period, is set out below.

(a) Basis of accounting

The accounts have been prepared under the historical cost convention.

(b) Oil and gas properties

The full cost method of accounting for exploration and development costs is followed, whereby all acquisition, exploration and development costs, excluding interest costs, are capitalised in geographical cost pools whether or not they result in commercial discoveries and production.

Depletion will be provided for using the unit of production method based on independent estimates of proven developed and undeveloped reserves. The cost of reserves under appraisal are excluded from the depletion pool until partners are committed to development or impairment of value has occurred.

(c) Foreign currencies

The accounts of NOH and its subsidiaries are maintained in US dollars and the accounts of NPL are in pounds sterling. In the accounts of individual companies, transactions denominated in foreign currencies are recorded at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

NMX RESOURCES OVERSEAS HOLDINGS LIMITED

1. CONSOLIDATED PROFIT AND LOSS ACCOUNTS

The consolidated profit and loss accounts of NMX Resources Overseas Holdings Limited for the four months from incorporation to 31 December 1988 and for the year ended 31 December 1989 are set out below:—

	Notes	4 months ended 31 December 1988	Year ended 31 December 1989
Operating expenses	1.1	\$ (18,484)	\$ (40,606)
Operating loss		(18,484)	(40,606)
Interest receivable	1.2	—	12,361
Exchange gains		—	58
Loss on ordinary activities before taxation		(18,484)	(28,187)
Taxation	1.3	—	—
Loss on ordinary activities for the period		<u>\$ (18,484)</u>	<u>\$ (28,187)</u>

Notes to consolidated profit and loss accounts

1.1 Operating expenses

	4 months ended 31 December 1988	Year ended 31 December 1989
Administration costs	<u>\$ 18,484</u>	<u>\$ 40,606</u>

Auditors' remuneration is borne by the parent company.

Directors' emoluments in both periods was \$Nil.

1.2 Interest receivable

This relates to interest receivable on joint venture advances to operators.

1.3 Taxation

At the present time, no income, profit, capital or capital gains taxes are levied in Bermuda and, accordingly, no provision for such taxes has been recorded by the company. In the event that taxes are levied, the company has received an undertaking from the Bermuda Government exempting it from all such taxes until 28 March 2016.

2. CONSOLIDATED BALANCE SHEETS

The consolidated balance sheets of NMX Resources Overseas Holdings Limited at 31 December 1988 and 1989 are set out below.

	Notes	31 December 1988	31 December 1989
Fixed assets	2.1	<u>\$ 1,269,891</u>	<u>\$ 8,314,127</u>
Current assets			
Advances to operators		—	121,999
Creditors: Amounts falling due within one year	2.3	<u>(36,455)</u>	<u>(4,242,877)</u>
Net current liabilities		<u>(36,455)</u>	<u>(4,120,878)</u>
Net assets		<u>\$ 1,233,436</u>	<u>\$ 4,193,249</u>
Capital and reserves			
Called-up share capital	2.4	\$ 12,000	\$ 3,000,000
Contributed surplus	2.5	1,239,920	1,239,920
Profit and loss account	2.6	(18,484)	(46,671)
Total capital employed		<u>\$ 1,233,436</u>	<u>\$ 4,193,249</u>

Notes to the consolidated balance sheets

2.1 Tangible fixed assets

	Capitalised exploration costs
At incorporation	\$ —
Additions	1,269,891
At 31 December 1988	1,269,891
Additions	7,044,236
Net Book Value 31 December 1989	<u>\$ 8,314,127</u>

2.2 Subsidiaries

The following companies are all wholly-owned, involved in oil exploration and incorporated in Bermuda—

	Year of incorporation
NMX Resources (Philippines) Limited	1988
NMX Resources (Thailand) Limited	1988
NMX Resources (Australia) Limited	1989
NMX Resources (Egypt) Limited	1989
NMX Resources (Malaysia) Limited	1989
NMX Resources (Pakistan) Limited	1989
NMX Resources (Taiwan) Limited	1989
NMX Resources (Overseas) Limited	1989

2.3 Creditors: amounts falling due within one year

	31 December 1988	31 December 1989
Amount owed to parent company	\$ 19,025	\$4,193,263
Accruals	17,430	49,614
	<u>\$ 36,455</u>	<u>\$4,242,877</u>

2.4 Share capital

	31 December 1988		31 December 1989	
	Number	\$	Number	\$
Authorised and issued ordinary shares of \$1 each	12,000	12,000	3,000,000	3,000,000

On 26 August 1988, the company issued 12,000 shares of US\$1 each fully paid to Nimex Resources Limited.

On 29 December 1989, the company issued 2,988,000 shares of US\$1 each fully paid to Nimex Resources Limited, the consideration being satisfied by an equivalent reduction in the intercompany debt between the two companies.

2.5 Contributed surplus

Since incorporation an amount of \$1,239,920 has been contributed to the company by its parent all of which was contributed in the period to 31 December 1988

2.6 Profit and loss account

At incorporation	\$ —
Loss for the period	18,484
Accumulated deficit at 31 December 1988	16,484
Loss for the year	28,187
Accumulated deficit at 31 December 1989	<u>\$ 46,671</u>

2.7 Capital commitments and guarantees

At 31 December 1989

Contracted

Authorised, but not contracted

\$4,184,000

3,917,000

\$8,081,000

There were no capital commitments or guarantees as at 31 December 1988.

At 31 December 1989 the company had given a cross guarantee to Nimex Resources Limited of \$1,333,333 in respect of a performance bond given by Nimex Resources Limited on behalf of the company (\$1,000,000) and a joint venture partner (\$333,333).

2.8 Parent company

The company is a wholly-owned subsidiary of Nimex Resources Limited, a company registered in the United Kingdom.

The consolidated balance sheet shows net current liabilities at 31 December 1989. The directors of Nimex Resources Limited have confirmed at the date of issue of the accounts that sufficient funds would be made available to the company over the next year in order to enable it to meet any liabilities that become due.

2.9 Subsequent events

On 9 May 1990 a swap agreement with a joint venture partner was signed whereby the group exchanged half of its 25 per cent. interest in the Natrun concession for a further gross 12.5 per cent. of block SB3. The effective date of this swap was 1 May 1990.

On 8 June 1990 NMX Taiwan paid back costs of \$735,578 in respect of the assignment to it of a 22.22 per cent. interest in the East China Sea concession.

On 15 June 1990, the cross guarantee given to Nimex Resources Limited was reduced to \$500,000 following the extinguishment of the guarantee given by Nimex Resources Limited on behalf of a joint venture partner, and the licence swap agreement noted above.

On 29 June 1990 a subsidiary company signed a farm-in agreement for a 30.00 per cent. interest in the Moulmein block J in Myanmar, Burma.

C. NIMEX PETROLEUM LIMITED

1. PROFIT AND LOSS ACCOUNTS

The profit and loss accounts of Nimex Petroleum Limited for the five months from incorporation to 31 December 1988 and for the year ended 31 December 1989 are set out below.

	Notes	5 months ended 31 December 1988	Year ended 31 December 1989
Operating expenses	1.1	£ (937)	£ (550)
Operating loss		(937)	(550)
Interest receivable	1.2	—	1,396
Exchange gains		—	43
Profit/(loss) on ordinary activities before taxation		(937)	889
Taxation		—	—
Profit/(loss) on ordinary activities for the period		£ (937)	£ 889

Notes to the profit and loss accounts

1.1 Operating expenses

	5 months ended 31 December 1988	Year ended 31 December 1989
Administration costs	£ 937	£ 550

Auditors' remuneration is borne by the parent company

Directors' emoluments in both periods was £Nil

1.2 Interest receivable

The interest receivable relates to interest earned on joint venture advances to operators.

2. BALANCE SHEETS

	Notes	31 December 1988	31 December 1989
Fixed assets	2.1	£ 130,445	£ 989,084
Current assets			
Advances to operators		17,300	27,668
Creditors: Amounts falling due within one year	2.2	(118,132)	(1,011,800)
Net current liabilities		(100,832)	(988,132)
Total assets less current liabilities		29,613	952
Creditors: Amounts falling due after one year	2.3	(30,550)	—
Net assets/(liabilities)		£ (937)	£ 952
Capital and reserves			
Called-up share capital	2.4	£ —	£ 1,000
Profit and loss account	2.5	(937)	(48)
Total capital employed		£ (937)	£ 952

Notes to the balance sheets

2.1 Tangible fixed assets

	Capitalised exploration costs
At incorporation	£ —
Additions	130,445
At 31 December 1988	130,445
Additions	858,639
Cost and Net Book Value at 31 December 1989	£ 989,084

2.2 Creditors: amounts falling due within one year

	31 December 1988	31 December 1989
Accruals	£ 118,132	£ 109,036
Amounts owed to parent company	—	902,764
	£ 118,132	£ 1,011,800

2.3 Creditors: amounts falling due after one year

	31 December 1988	31 December 1989
Amounts owed to parent company	£ 30,550	£ —

2.4 Share capital

	31 December 1988		31 December 1989	
	Number	£	Number	£
Authorised—				
Ordinary shares of £1	1,000	1,000	1,000,000	1,000,000
Issued—				
Ordinary shares of £1	2*	—	1,000	1,000

* These shares were not paid at 31 December 1988

On 8 September 1988, Nimex Resources Limited acquired the whole of the issued share capital of the company, 2 ordinary shares of £1 nil paid.

On 19 January 1989 the authorised share capital of the company was increased to £1,000,000 by the creation of an additional 999,000 ordinary shares of £1 each. On the same day the issued share capital was increased to £1,000 fully paid.

2.5 Profit and loss account

At incorporation	£ —
Loss for the period	(937)
Accumulated deficit at 31 December 1988	(937)
Profit for the year	889
Accumulated deficit at 31 December 1989	£ (48)

2.6 Commitments and guarantees

	31 December 1989
Contracted	£ 3,986,000
Authorised but not contracted	3,880,000
	£ 7,866,000

There were no commitments or guarantees at 31 December 1988.

2.7 Parent company

The company is a wholly-owned subsidiary of Nimex Resources Limited, a company registered in the United Kingdom.

The company's balance sheet shows net current liabilities at 31 December 1989. The directors of Nimex Resources Limited confirmed at the date of issue of the accounts that sufficient funds would be made available to the company over the next year in order to enable it to meet any liabilities that become due.

D. NIMEX SERVICES LIMITED

On 1 January 1990 Nimex Services commenced operations. It provides management and administrative services to the Nimex Group.

No audit of Nimex Services has been performed at any point since incorporation.

Yours faithfully

Arthur Andersen & Co.

PART VI

PRO FORMA STATEMENT OF COMBINED NET ASSETS OF THE ENLARGED MONUMENT GROUP

The pro forma statement of combined net assets of the enlarged Monument Group set out below is provided for illustrative purposes only. It has been compiled from the published audited consolidated balance sheet of Monument as at 31 December 1989, together with the audited consolidated balance sheet of Nimex Overseas as at 31 December 1989 and the audited balance sheet of Nimex Petroleum as at 31 December 1989 included in the accountants' report set out in Part V of these listing particulars.

	Monument Group £'000	Nimex Overseas £'000	Nimex Petroleum £'000	Adjustments £'000	Pro forma £'000
Fixed assets					
Oil and gas assets	52,229	5,156	989	(7,779)	50,595
Investments	1,440	—	—	—	1,440
Other assets	230	—	—	—	230
	<u>53,899</u>	<u>5,156</u>	<u>989</u>	<u>(7,779)</u>	<u>52,265</u>
Net current assets					
Stocks and inventory	1,615	—	—	—	1,615
Debtors	9,413	76	24	—	9,505
Cash at bank and in hand	18,506	—	—	36,381	54,887
Creditors: amounts falling due within one year	(11,760)	(2,631)	(1,012)	3,503	(11,900)
	<u>17,766</u>	<u>(2,555)</u>	<u>(988)</u>	<u>39,884</u>	<u>54,107</u>
Total assets less current liabilities	71,665	2,601	1	32,105	106,372
Creditors: amounts falling due after more than one year	(8,100)	—	—	—	(8,100)
Provisions for liabilities and charges:					
Site restoration	(5,108)	—	—	—	(5,108)
Deferred taxation	(2,875)	—	—	—	(2,875)
Net assets	<u>55,582</u>	<u>2,601</u>	<u>1</u>	<u>32,105</u>	<u>90,289</u>

Notes:

- (a) Nimex Overseas' balance sheet as at 31 December 1989 was presented in US dollars. For the purpose of the pro forma statement it has been translated at an exchange rate of US\$1.6125 to £1, the rate ruling at 31 December 1989 as used by Monument in its own consolidated accounts.
- (b) Nimex Services had not commenced operations and thus had no net assets at 31 December 1989, and no adjustments have been made to reflect its trading since that date.
- (c) In presenting the pro forma statement, the oil and gas assets of Monument, Nimex Overseas and Nimex Petroleum have been aggregated. They have not been revalued; nor have they been restated to take account of the merging of the full cost "pools" of each company which will occur under Monument's accounting policies for oil and gas assets.
- (d) Adjustments have been made to reflect the following:
 - (i) the purchase by Monument of the loan stock of the Nimex companies from Nimex;
 - (ii) the estimated gross proceeds of the Rights Issue of £29,752,000;
 - (iii) the disposal by Monument of its interests in the Bruce and Keith fields for £7,779,000;
 - (iv) estimated expenses of the Acquisition, Rights Issue and Introduction of £1,150,000.
- (e) No adjustments have been made to reflect the results of the Monument Group, Nimex Overseas or Nimex Petroleum, or the increase in amounts due from Nimex Overseas and Nimex Petroleum to Nimex, since 31 December 1989, the date to which the latest audited accounts of each company were made up.

PART VII

ADDITIONAL INFORMATION

1. Incorporation and share capital of Monument

- (a) The Company was incorporated in England on 31 May 1984 under the Companies Acts 1948 to 1981 as a public company with registered number 1820201. On 28 June 1987 the authorised share capital of the Company was £2,800,000 divided into 56,000,000 ordinary shares of 5p each. It has subsequently been increased several times and now amounts to £32,000,000 divided into 640,000,000 ordinary shares of 5p each.
- (b) As at 27 May 1987 the Company's issued share capital was £2,193,471.
- (c) On 26 July 1988 the directors allotted 8,000,000 ordinary shares of 5p each to Nimex Resources Limited as consideration for the acquisition of Nimex Petroleum (UK) Limited.
- (d) On 12 December 1988 the authorised share capital was increased to £18,000,000 by the creation of 304,000,000 ordinary shares of 5p each.
- (e) On 14 December 1988 the directors allotted 200,784,878 ordinary shares of 5p each to Charterhouse Petroleum plc as consideration for the acquisition of Fina Petroleum Mitre Limited.
- (f) On 23 October 1989 the directors allotted 84,887 ordinary shares of 5p each to the trustees of the Monument participating share scheme.
- (g) On 14 December 1989 the authorised share capital of the Company was increased from £18,000,000 to £32,000,000 by the creation of 280,000,000 ordinary shares of 5p each and the directors allotted 227,465,272 ordinary shares of 5p each on that same day in connection with the acquisition of Renown Energy Limited.
- (h) The Company, pursuant to a resolution passed on 14 December 1989, authorised the directors of the Company generally and unconditionally pursuant to section 80 of the Companies Act 1985 to allot relevant securities up to a maximum nominal amount of £19,363,040.40, such authority to expire on 13 December 1994.
- (i) On 17 April 1990 the directors allotted 125,565 ordinary shares of 5p each to the trustees of the Monument participating share scheme and the issued share capital accordingly increased to £24,016,801 represented by 480,330,029 ordinary shares.
- (j) The Company, pursuant to a resolution passed on 30 May 1990, *inter alia*, authorised the directors of the Company, in connection with a rights issue in favour of ordinary shareholders, to allot equity securities and otherwise to allot equity securities up to an aggregate nominal value of £1,200,511 in each case as if section 89(1) of the Companies Act 1985 did not apply to such allotment, such authority to expire at the next Annual General Meeting after 30 May 1990.
- (k) As at 4 July 1990 options under the Monument share option scheme to purchase 1,922,789 ordinary shares of 5p each in the capital of the Company had been granted at prices ranging from 16.5p to 38.9p per Monument share. The terms and conditions under which these options can be exercised are set out in paragraph 7 below. Save as disclosed herein no share capital of the Company or its subsidiaries is under option or has been agreed conditionally or unconditionally to be put under option.
- (l) Subject to the passing of the resolution at the Extraordinary General Meeting to be held on 20 July 1990 the directors will be generally and unconditionally authorised pursuant to section 80 of the Companies Act, 1985 to allot relevant securities, in addition to the authority referred to in paragraph (h) above up to a maximum nominal amount of £8,000,000, such authority to expire on 19 July 1995. Subject to the passing of the resolution at the Extraordinary General Meeting to be held on 20 July 1990, the directors will be authorised to allot the Monument consideration shares and the new Monument shares by that resolution and the resolution referred to in paragraph (h) above. The Directors have no present intention of issuing any part of such unissued and unreserved share capital and no issue which would effectively alter the control of the Company or the nature of its business will be made without the prior approval of the Company in general meeting.

2. Memorandum and Articles of Association

The principal objects of the Company as currently set out in clause 4 of its Memorandum of Association cover the activities of a holding company of other companies, particularly companies involved in the petroleum and gas industry.

The Articles of Association of the Company contain provisions (*inter alia*) to the following effect:—

Votes of members

- (a) On a show of hands every member present in person shall have one vote only, and in the case of a poll every member shall have one vote for each share of which he is the holder.
- (b) If at any time the Board is satisfied that a member or any person appearing to be interested in any shares has been duly served with a notice under section 212 of the Companies Act 1985 and is in default in supplying to the Company the information thereby required within a period of 28 days from the date of such notice, it may serve a notice on such member specifying the nature of the default, the number of shares concerned and the steps to be taken to remedy the default. After the issue of such a notice and until the default has been remedied the member upon whom the notice was served shall not be entitled in respect of shares specified in such notice to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company. A person shall be treated as appearing to be interested in any shares if the member holding such shares has given the Company a notification under the said section 212 which fails to satisfy the Board as to the identities of those interested in the shares and if (after taking into account the said notification and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

Variation of class rights

The rights attached to any class of shares of the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated either with the consent in writing of the holders of three quarters of the issued shares of the class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class.

Transfer of shares

The shares are in registered form and may be transferred by instrument of transfer in the usual form or in any other form which the Board may approve. The instrument of transfer of a share shall be executed by or on behalf of the transferor and, in the case of a partly paid share, by the transferee. The Board may, in its absolute discretion and without giving any reason for doing so, refuse to register any transfer of any share which is not a fully paid share. The Board may also refuse to register any instrument of transfer of shares, unless:—

- (a) it is duly stamped and lodged at the appropriate place with the share certificate for the relative shares and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (b) it is in respect of only one class of shares; and
- (c) in the case of joint holders, they do not exceed four in number.

Dividends

Subject to the Companies Acts and as set out below, the Company may by ordinary resolution from time to time declare dividends to be paid to the members in accordance with their respective rights and priorities, but no dividend shall be declared in excess of the amount recommended by the Board.

The Board may from time to time pay such interim dividends as appear to the Board to be justified by the profits of the Company and may also pay any fixed dividend half-yearly or otherwise on fixed dates whenever such profits in the opinion of the Board justify that course.

Any dividend unclaimed after a period of twelve years from its date of declaration shall be forfeited and shall revert to the Company.

Winding up

If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company, divide amongst the shareholders *in specie* the whole or any part of the assets of the Company in such manner as he shall think fair and may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as he shall with the like sanction think fit.

Borrowing powers

- (a) The Board may, subject to (b) below, exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- (b) The aggregate borrowings (including loan capital) of the Company and (so far as its powers of control can ensure) any of its subsidiaries (excluding intra-group borrowings and up to £100,000,000 of Non Recourse Borrowings), shall

not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the aggregate of the nominal amount paid up or credited as paid up on the issued share capital of the Company and the consolidated reserves of the Company and its subsidiaries (calculated and adjusted as provided in the Articles). Non Recourse Borrowings are defined as borrowings by any subsidiary for the purpose of financing expenditure on or in connection with the production of hydrocarbons provided that such project is or will become the sole business or the sole material asset of the subsidiary and that the repayment of such moneys borrowed is not secured or guaranteed by any other group company.

Directors

- (a) No director is required to hold any shares in the Company by way of qualification.
- (b) Unless and until otherwise determined by ordinary resolution of the Company the remuneration of each director for his services as such shall not exceed £10,000 per annum. The directors shall also be entitled to be paid all travelling, hotel and other reasonable expenses incurred by them in connection with the business of the Company.
- (c) Any director who, when called upon, performs any special service or goes abroad for the Company, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the directors may determine.
- (d) The Board may from time to time appoint any one or more of its members to the office of Managing Director or to any other office (except that of auditor) or employment in the Company for such period and on such terms as it thinks fit. Any such director shall receive such emoluments as the Company may determine and agree with him.
- (e) No director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, or from being interested whether directly or indirectly in any contract or arrangement entered into by or on behalf of the Company. No such contract or arrangement in which any director shall be so interested shall be avoided, nor shall any director so contracting, or being so interested, be liable to account to the Company for any profit realised by him from such contract or arrangement by reason of such director holding that office or the fiduciary relationship thereby established. A director so interested in any contract or arrangement shall declare the nature of his interest in accordance with the relevant statutory provisions.
- (f) Save in the particular circumstances specified in sub-paragraph (g) below, a director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company nor shall he be counted in the quorum present at the relevant meeting. A director is specifically deemed to have a material interest in respect of any contract pursuant to which his services or those of any company of which he is a director, member or employee are provided to the Company or its subsidiaries. The Company in general meeting may suspend or relax these provisions to any extent or ratify any transaction not duly authorised because of a contravention of these provisions.
- (g) A director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:—
 - (i) the giving of any security or indemnity to him in respect of money lent or obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
 - (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived), or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of the Articles to be a material interest in all circumstances); and
 - (iv) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes.
- (h) The Board may (by establishment or maintenance of schemes or otherwise) pay or procure the payment of pensions, annuities, allowances, gratuities or other benefits to or for the benefit of past or present directors or employees of the Company or any of its subsidiaries or any company associated with, or any business acquired by, any of them to or for the benefit of persons who were related to or dependents of any such directors or employees.

- (i) Any director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.
- (j) Unless otherwise determined by an ordinary resolution, the number of directors shall be not less than three.
- (k) The statutory provisions as to retirement at the age of 70 apply to the Company.

3. Directors' and other interests

- (a) The interests of the directors and proposed additional directors of Monument and their immediate families in Monument shares as shown in the register of directors' interests required to be kept under the Companies Act 1985 (or in the case of the proposed directors as would be shown if they were already directors) are as follows:—

	<i>Beneficial</i>	<i>Non-beneficial</i>	<i>Options</i>
A.R.G. McGibbon	25,000	—	—
A. Craven Walker	475,000	210,452**	—
E.P. Airey	61,000	61,000	—
J.W. Guest	17,182*	—	600,000
J.B. Heaney	190,000	—	—
J.T. Hornabrook	—	—	—
T.C.H. Lyons	344,154	210,452**	—
J.A. Patrick	62,033*	210,452**	600,000
G.H.J. Robinson	46,272	—	—
K.C. Short	—	—	62,789

* Including interests in shares as members of the Monument participating share scheme.

** Shares held as a trustee of the Monument participating share scheme.

- (b) Nimex holds 193,148,482 Monument shares representing 40.2 per cent. of the present issued share capital of Monument. A. Craven Walker, E.P. Airey, J.B. Heaney and J.T. Hornabrook are all directors of and shareholders in Nimex.
- (c) Scottish Amicable Investment Managers Limited holds 25,724,932 Monument shares, representing 5.3 per cent. of the present issued share capital.
- (d) Prudential Portfolio Managers Limited holds 21,002,412 Monument shares, representing 4.3 per cent. of the present issued share capital.
- (e) Save for the interests referred to above, the directors have not been notified of any holding of 3 per cent. or more of the Company's issued ordinary share capital.
- (f) Save for indirect interests in Nimex Petroleum (UK) Limited, which was acquired by Monument as detailed in paragraph 5(b) of this Part VII below, and save as disclosed herein, no Director has, or has had within the two years immediately preceding the date of this document, any interest, direct or indirect, in any assets which within such period have been acquired by or disposed of or leased to or by any company in the enlarged Group and no contract or arrangement subsists at the date hereof in which a Director is materially interested and which is significant to the business of the Group taken as a whole.

4. Directors' service contracts and emoluments

- (a) J.A. Patrick has a service agreement with Monument determinable by Monument on giving three years' notice and by J.A. Patrick on giving six months' notice. The present salary payable is £85,000 p.a.
- (b) J.W. Guest has a service agreement with Monument determinable by Monument on giving three years' notice and by J.W. Guest on giving six months' notice. The present salary payable is £85,000 p.a.
- (c)
 - (i) Conditional on completion of the Acquisition E.P. Airey has entered into a service agreement with Monument, determinable by Monument on giving three years' notice and by E.P. Airey on giving six months' notice. The salary will be £85,000 p.a. The agreement also provides for a grant to E.P. Airey of options over 600,000 new ordinary shares in Monument under the Monument share option scheme.
 - (ii) Conditional on completion of the Acquisition Firstearl Limited has agreed to provide Monument with certain consultancy services (including the services of A. Craven Walker) in consideration of a fee of £45,000 per quarter (subject to VAT). This consultancy agreement is determinable by either party giving the other one year's notice.
 - (iii) Conditional on completion of the Acquisition Coolhaven Limited has agreed to provide Monument with certain consultancy services (including the services of J.T. Hornabrook) in consideration of a fee of £28,500 per quarter

(subject to VAT). This consultancy agreement is determinable by either party giving the other one year's notice. In addition J.T. Hornabrook will be paid a director's fee amounting to £500 per month.

- (iv) A. Craven Walker and J.T. Hornabrook or their families are the beneficial owners of 100 per cent. of the issued share capital of Firstearl Limited and Coolhaven Limited respectively.
- (d) Save as aforesaid, there is no contract of service between any Director of Monument and Monument or any of its subsidiaries which has more than twelve months to run.
- (e) The aggregate emoluments (excluding pension contributions) and fees relating to directors who served during the year ended 31 December 1989 in respect of that year amounted to approximately £64,000. The aggregate emoluments (excluding pension contributions) and fees relating to the Directors, assuming completion of the Acquisition, for the year ending 31 December 1990 are forecast to amount to approximately £370,000.
- (f) Except as stated herein, the total emoluments receivable by the Directors will not be varied as a consequence of the Acquisition

5. Material contracts

The following contracts have been entered into by Monument other than in the ordinary course of business within the period of two years immediately preceding the date of this document and are or may be material:—

- (a) agreement dated 18 July 1988 between (1) Lombard Odier et Cie., (2) Nimex and (3) Monument providing *inter alia* for the sale to Nimex by Lombard Odier et Cie. of 12,870,000 Monument shares in consideration for the payment of the sum of £1,544,400;
- (b) agreement dated 18 July 1988 between (1) Nimex and (2) Monument for the sale by Nimex to Monument of the entire issued share capital of Nimex Petroleum (UK) Limited in consideration of the issue to Nimex of 8,000,000 Monument shares;
- (c) agreement dated 18 November 1988 between (1) Charterhouse Petroleum plc and (2) Monument for the sale by Charterhouse Petroleum plc to Monument of the entire issued ordinary share capital and debenture stock of Fina Petroleum Mitre Limited in consideration of the issue of 200,784,878 Monument shares to Charterhouse Petroleum plc;
- (d) placing agreement dated 18 November 1988 between (1) Charterhouse Petroleum plc, (2) Monument, (3) County NatWest Limited and (4) Nimex under which County NatWest Limited invited applications from qualifying shareholders to purchase 119,997,782 of Monument's shares and, to the extent that the same were not acquired pursuant to such applications, to purchase such Monument shares at the placing price of 15p per share;
- (e) consultancy agreement dated 16 April 1989 between (1) Monument and (2) Nimex whereby Nimex agreed to provide certain consultancy services, including the services of A. Craven Walker, to Monument in consideration of a fee to be agreed by Nimex and the independent directors of Monument annually;
- (f) agreement dated 21 November 1989 between (1) Consolidated Gold Fields PLC, (2) Kleinwort Benson Limited, (3) Kleinwort Benson Property Management & Services Limited ("KBPMS"), (4) Gold Fields ARC Limited ("GFA") and (5) Monument for the sale by KBPMS and GFA to Monument of the whole of the issued share capital, £30 million of fully paid loan capital and the £15 million nil paid loan capital of Renown Energy Limited, in consideration of the allotment of 224,421,818 Monument shares;
- (g) placing and offer agreement dated 21 November 1989 between (1) Monument, (2) CNWM, (3) Shearson Lehman Hutton International, Inc. ("Shearsons") and (4) Nimex under which CNWM and Shearsons jointly and severally agreed to use their reasonable endeavours to place 135,973,886 of the Monument shares to be allotted to the vendors of Renown Energy Limited and the 3,043,454 Monument shares issued for cash with institutional investors and to invite applications from qualifying shareholders to purchase such shares at the offer price of 27.5p per share, or, failing that, to purchase or subscribe for the shares themselves. Under the agreement Nimex also purchased 91,491,386 Monument shares thereby retaining its percentage interest in the issued share capital of the Company;
- (h) novation Agreement dated 11 January 1990 between (1) Monument, (2) Nimex and (3) Nimex Services whereby the Consultancy Agreement referred to in paragraph (e) above was novated to Nimex Services;
- (i) agreement dated 4 July 1990 between (1) Monument and (2) Nimex for the sale by Nimex to Monument of the whole of the issued share capital and loan capital of Nimex Overseas, Nimex Petroleum and Nimex Services, in consideration of the allotment of 54,081,574 new Monument shares, conditional, *inter alia*, upon:
 - (i) the passing by the shareholders of Monument at an Extraordinary General Meeting of the ordinary resolution set out in the notice at the end of the Circular; and

- (ii) the Council of The Stock Exchange admitting the Monument consideration shares and the new Monument shares to the Official List of The Stock Exchange; and
- (iii) underwriting agreement dated 4 July 1990 between (1) Monument, (2) CNWM and (3) Nimex under which:
 - (i) CNWM has agreed to underwrite the issue of the new Monument shares except for Nimex's entitlement which Nimex has agreed not to take up;
 - (ii) CNWM is entitled to receive (together with VAT where applicable) (A) a commission at the rate of $\frac{3}{4}$ per cent. on the sum equal to the price of 37p per share at which the new Monument shares are proposed to be offered for subscription, multiplied by the maximum number of new Monument shares (excluding Nimex's entitlement) and (B) a commission at the rate of $1\frac{1}{4}$ per cent. on the sum equal to the price of 37p per share at which the new Monument shares are proposed to be offered for subscription, multiplied by the number of new Monument shares (excluding Nimex's entitlement) in respect of the first 30 days of its commitment and at the rate of $\frac{1}{6}$ per cent. on such sum for each period of 7 days or part thereof of its commitment thereafter, which commission shall be paid by CNWM to the sub-underwriters by way of commission. CNWM will also receive a fee of £100,000 out of which it will pay its own legal and out-of-pocket expenses;
 - (iii) the obligations of CNWM are conditional, *inter alia*, upon the admission of the new Monument shares and the Monument consideration shares to the Official List of The Stock Exchange on or before 1 August 1990 (or such later date as CNWM may reasonably agree); and
 - (iv) the Company has given certain warranties and undertakings to CNWM.

6. Subsidiary companies

Monument has at the date of this document the following subsidiaries which, unless indicated otherwise, are incorporated in England at 30 St. James's Street, London SW1A 1HB:—

KBH Oil Services Limited
 Oil Holdings Limited
 Monument Exploration and Production Limited
 Monument Petroleum (U.K.) Limited
 Monument Petroleum Mitre Limited
 Monument Energy Limited (formerly Renown Energy Limited)
 Monument Exploration (S.E.) Limited
 Monument Resources Limited (formerly Renown Petroleum Limited)
 Renown Indonesia Ritan Limited
 Renown Petroleum Incorporated (incorporated in the state of Delaware, USA at 100 West Tenth Street, Wilmington).

Monument owns directly or indirectly 100 per cent. of the issued ordinary share capital of each of these subsidiaries.

Following the Acquisition the following additional companies will be subsidiaries of Monument and Monument will directly or indirectly own 100 per cent. of their issued ordinary share capitals:—

Nimex Petroleum Limited (incorporated in England at 103 Kingsway, London WC2B 6QX)
 Nimex Services Limited (incorporated in England at 103 Kingsway, London WC2B 6QX)
 NMX Resources Overseas Holdings Limited
 NMX Resources (Australia) Limited
 NMX Resources (Egypt) Limited
 NMX Resources (Overseas) Limited
 NMX Resources (Malaysia) Limited
 NMX Resources (Pakistan) Limited
 NMX Resources (Philippines) Limited
 NMX Resources (Taiwan) Limited
 NMX Resources (Thailand) Limited

All of the above additional subsidiaries are incorporated in Bermuda, at 41 Cedar Avenue, Hamilton HM12 Bermuda, unless indicated otherwise

7. Monument share schemes

The Company has established two employee share schemes. Certain provisions of these schemes may be amended by the directors but their basic structure (and in particular the limitations on participation and on the number of ordinary shares that may be issued under them as indicated below) cannot be altered without the prior sanction of the Company in general meeting. The following is a summary of the schemes as amended following the Introduction.

(a) The Monument participating share scheme

This scheme is constituted by a trust deed dated 8 September 1989 between the Company and Messrs. A. Craven Walker, T.C.H. Lyons and J.A. Patrick. It is approved by the Inland Revenue under the Income and Corporation Taxes Act 1988 (the "Taxes Act").

All UK resident employees (including executive directors) working 20 hours or more per week who have not less than one year's (or such shorter period as the directors may determine) continuous service with the Company, or any subsidiary nominated to join in the scheme, are eligible to participate in the scheme. Other employees may be invited to participate at the directors' discretion.

The scheme may be operated following the preliminary announcement of the Company's final results each year in either or both of the following ways—

- (i) the employing companies may provide the trustees with funds to enable them to subscribe and/or purchase ordinary shares ("Allocated Shares") which are then appropriated to eligible employees who indicate that they wish to participate in the scheme: the amount of the funds thus made available, and the amount available for each individual employee, will be determined by the directors;
- (ii) eligible employees may be invited to vest in the trustees ordinary shares (subject to a specified maximum value) ("Deposited Shares"), whereafter the trustees will be put in funds by the employing companies to subscribe and/or purchase additional shares ("Allocated Shares") to be appropriated to eligible employees accepting such offer; the ratio between the Deposited Shares and the Allocated Shares will be determined by the directors.

The maximum value of Allocated Shares which may be appropriated to an eligible employee may not exceed the limit from time to time permitted by the Taxes Act.

The maximum amount which may be made available in respect of any financial year by the Group for the purposes of acquiring ordinary shares pursuant to the scheme may not exceed 5 per cent. of the profits (before tax and extraordinary items and after adding back amortisation of the Group's exploration expenditure) of the Company and the participating subsidiaries for that year.

The subscription price for each ordinary share subscribed under the scheme is determined by the directors but may not be less than the higher of (i) an amount equal to the arithmetic average of the middle market quotations of an ordinary share, as derived from The Stock Exchange Daily Official List, for the five dealing days following the announcement of the Company's final results and (ii) the nominal value of an ordinary share.

The Company will apply for the ordinary shares issued pursuant to the scheme to be admitted to the Daily Official List. Ordinary shares will rank *pari passu* with ordinary shares in issue on the date of subscription, save as regards rights attaching to shares by reference to a record date preceding the date of allotment. In addition, the directors may determine that they shall not rank for a dividend payable in respect of a period beginning before the date of their issue.

As required by the provisions of the Taxes Act, Allocated Shares will be held by the trustees for a minimum period of two years during which they may not be sold except in the case of death, attainment of statutory pensionable age or cessation of service by reason of redundancy or disability or in the event of a takeover. For the following three years the trustees will retain such shares unless the employee concerned wishes to sell or otherwise dispose of them and thereafter will transfer them to the employee concerned. Deposited shares acquired will, in the absence of special circumstances, be held by the trustees for two years and will then be transferred to the employee concerned.

The individual employees will be the beneficial owners of the shares and all dividends and other distributions received in respect of the shares will be passed on to the employees concerned by the trustees as soon as practicable after receipt, subject to the requirements of the Taxes Act. The trustees will not vote except in accordance with the wishes of the employees. In the event of a general offer being made to shareholders or a rights or capitalisation issue, employees will be able to instruct the trustees how to act or vote on their behalf.

(b) The Monument share option scheme

This scheme is operated and administered by the directors. It is divided into two sub-schemes known as the Approved Part and the Unapproved Part. The Approved Part is approved by the Inland Revenue under the Taxes Act.

All full-time employees and directors of the Company and its subsidiaries are eligible to be nominated for participation in the scheme at the invitation of the directors, who have a discretion in selecting the persons to whom options are to be granted and (subject to the limits set out below) in determining the number and terms of options to be so granted.

Options so granted are exercisable within a period of 10 years and entitle the recipient to subscribe for ordinary shares at a price determined by the directors being not less than the higher of (a) the middle market quotation of an ordinary share,

... determined from The Stock Exchange Daily Official List, for the dealing day immediately prior to the date of grant and (b) the nominal amount of an ordinary share. Each individual's participation is limited so that the aggregate price payable on the exercise of all options granted to him under the scheme in any 10 year period may not exceed four times his annual remuneration (as defined in the scheme).

Options may normally only be granted within six weeks following the dealing day after the announcement of the Company's interim or final results in any year. No options may be granted more than 10 years after the first grant of options. Options are non-transferable.

An option is normally only exercisable after the expiry of three years from the date of its grant. Options may, however, be exercised earlier in certain specified circumstances, including death, redundancy or retirement or (at the discretion of the committee) if the employee ceases to be employed in any other circumstances. Options will normally lapse if an optionholder ceases to be employed except as referred to above. Early exercise is also possible in the event of an amalgamation, reconstruction or take-over of the Company. In such circumstances, options may also be surrendered in exchange for equivalent options over shares in the acquiring company. Options may also be exercised in the event of a voluntary winding-up of the Company.

Ordinary shares will be allotted and issued within 30 days after the exercise of an option and such shares will rank (subject to dividend and other entitlements arising by reference to a date prior to their issue) *pari passu* with the other ordinary shares then in issue. Application will be made to the Council of The Stock Exchange for their listing.

In the event of any capitalisation or rights issue by the Company, or of any consolidation, sub-division or reduction of its share capital, the number, nominal amount and class of shares subject to any option and the subscription price may be adjusted by the directors, subject to the auditors confirming in writing that such adjustment is, in their opinion, fair and reasonable but the shares must not be issued at less than nominal value.

(c) Limits applying to the schemes

The schemes are subject to the following limits:—

- (i) the maximum number of ordinary shares that may be issued pursuant to the Monument share option scheme may not exceed 12,632,715 (before adjustment for the Rights Issue);
- (ii) the maximum number of ordinary shares that may be issued to the trustees of the Monument participating share scheme using money provided by the Group may not exceed 25,265,430 (before adjustment for the Rights Issue);
- (iii) the maximum number of ordinary shares that may be so issued to the trustees of the Monument participating share scheme in any 12 month period may not exceed 1 per cent. of the number of ordinary shares in issue at the time;
- (iv) on any date, the aggregate number of ordinary shares that may be so issued to the trustees of the Monument participating share scheme or in respect of which options may be granted under the Monument share option scheme, when added to:—
 - (a) the number of ordinary shares so issued to the trustees in the previous two (or ten) years, and
 - (b) the number of ordinary shares issued or remaining issuable in respect of options granted in the previous two (or ten) years,may not exceed 3 (or 10) per cent. of the number of ordinary shares in issue immediately before that date. The 3 per cent. limit is increased to 4 per cent. for options granted under the Monument share option scheme before June 1991 and for ordinary shares issued under the Monument participating share scheme before November 1995.
- (v) on any date, the aggregate number of ordinary shares in respect of which options may be granted under the Monument share option scheme when added to the number of ordinary shares issued and remaining issuable in respect of options granted in the previous 10 years, may not exceed 5 per cent. of the number of ordinary shares in issue immediately before that date.

The numbers referred to in paragraph (i) and (ii) above may be adjusted as appropriate (subject to the Company's auditors confirming that such adjustment is, in their opinion, fair and reasonable) to take account of capitalisation and rights issues or any consolidation, sub-division or reduction of capital by the Company.

8. Working capital statement

The Directors are of the opinion that the Monument Group or the enlarged Monument Group, as the case may be, will have sufficient working capital for its present requirements, taking account of available cash resources and facilities.

9. Rights Issue arrangements

On 4 July 1990 the Company announced a Rights Issue. The allotment of new Monument shares under the Rights Issue is conditional upon the passing of a resolution at the Extraordinary General Meeting of the Company to be held on 20 July 1990, and on the Acquisition Agreement becoming unconditional in all respects, which will take place on admission of the new Monument shares and Monument consideration shares to the Official List of The Stock Exchange. The Rights Issue will be made on the terms of the Circular, and the details are as follows:—

(a) Terms

Monument has proposed an issue of new Monument shares by way of rights to shareholders on the register at the close of business on 11 July 1990 on the basis of:

7 new Monument shares at a price of 37p per share for every 25 Monument shares then held.

Entitlements will be rounded down to the nearest whole new Monument share and fractional entitlements will be aggregated and sold in the market for the benefit of the Company.

The new Monument shares will, when fully paid, rank *pari passu* in all respects with the existing Monument shares.

(b) Despatch of provisional allotment letters

Provisional allotment letters, containing full details regarding acceptance and payment and the procedure to be followed for the disposal, whether before or after payment, of all or part of an entitlement to the new Monument shares, are expected to be despatched to shareholders immediately following the Extraordinary General Meeting to be held on 20 July 1990.

(c) Procedure for acceptance and payment

To take up an entitlement to new Monument shares, in whole or in part, a shareholder must lodge his or her provisional allotment letter together with a cheque for the full amount payable on acceptance in respect of the new Monument shares to be taken up, in accordance with the instructions printed thereon, with **Barclays Registrars, New Issues, PO Box 123, Fleetway House, 25 Farringdon Street, London EC4A 4FD, not later than 3.00 p.m. on Monday, 13 August 1990**. Cheques must be in pounds sterling drawn on a bank in the United Kingdom, made payable to "Barclays Registrars, a/c Monument plc" and crossed "a/c Payee". It is a term of the Rights Issue that all cheques should be honoured on first presentation. No interest will be payable on any such payments. The right is reserved to present cheques upon receipt.

(d) Renunciation and splitting

Provisional allotment letters will be fully renounceable, save as required by the laws of certain foreign jurisdictions, and will contain full instructions concerning renunciation and splitting. Provisional allotment letters may be split or lodged with Barclays Registrars, New Issues, PO Box 123, Fleetway House, 25 Farringdon Street, London EC4A 4FD up to 3.00 p.m. on Thursday, 9 August 1990 (nil paid) or up to 3.00 p.m. on Wednesday, 8 September 1990 (fully paid). The latest time for registration of renunciation will be 3.00 p.m. on Friday, 7 September 1990.

(e) Procedure in respect of rights not taken up

If payment in full has not been received by 3.00 p.m. on Monday, 13 August 1990 the provisional allotment will be deemed to have been declined and will lapse. New Monument shares not taken up by this date (other than Nimex's entitlement) will, if possible, be sold at a net premium in the market not later than 3.00 p.m. on Thursday, 16 August 1990 and the net proceeds, after deducting expenses of sale and the issue price, will be distributed among persons originally entitled thereto, except that amounts of less than £2.50 will not be distributed but will be retained for the benefit of the Company. Payment will be made by cheque for the amounts due and will be sent to the first-named or sole original allottee at his or her registered address.

Any sales undertaken pursuant to this paragraph shall be deemed to have been undertaken at the request of the person to whom such new Monument shares were provisionally allotted and neither Monument nor its agents shall be liable for any such loss or alleged loss arising from any alleged insufficiency of the sale price or the timing of such sale.

(f) Dealings and settlement

Dealings in the new Monument shares, nil paid, are expected to begin on Tuesday, 24 July 1990 and dealings are expected generally to be in fully paid form from Friday, 10 August 1990.

Definitive certificates in respect of the new Monument shares are expected to be despatched on Friday, 5 October 1990. After 3.00 p.m. on Friday, 7 September 1990, new Monument shares will only be transferable by instrument of transfer in the common form. Pending the issue of definitive share certificates for the new Monument shares, instruments of transfer will be certified by Barclays Registrars, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU against lodgement of fully paid provisional allotment letters and/or, in the case of renunciation against temporary receipts for renounced provisional allotment letters.

(g) Taxation

(i) Stamp duty and stamp duty reserve tax

No United Kingdom stamp duty or stamp duty reserve tax is payable by holders of existing Monument shares on the issue of the new Monument shares or on the registration of renounced provisional allotment letters.

Sales of rights to the new Monument shares (whether nil paid or fully paid) will (except in the case of sales to charities and sales to certain market-makers, brokers and dealers) be subject to stamp duty reserve tax at the rate of 50p per £100 (or part thereof) of the consideration paid. Transfers on sales of new Monument shares after the last date for registration of renunciation will be subject to stamp duty at the rate of 50p per £100 (or part thereof) on the consideration paid. Agreements for such transfers are also subject to stamp duty reserve tax (unless, in general, the transfer of the relevant shares is duly stamped for stamp duty within two months of the agreement) generally at the rate of 50p per £100 (or part thereof) on the consideration paid. Liability to pay any stamp duty or stamp duty reserve tax is that of the transferee or purchaser.

(ii) United Kingdom taxation on capital gains

For the purpose of United Kingdom taxation on capital gains, if a shareholder takes up all or part of his entitlement to new Monument shares, his existing Monument shares and the new Monument shares taken up will be treated as the same asset acquired at the time the existing Monument shares were acquired. The consideration paid for new Monument shares will be added to the base cost of such shareholder's existing holding of Monument shares but, for the purposes of the indexation allowance, the expenditure incurred on taking up the new Monument shares will be treated as having been incurred at the time the consideration was paid or was liable to be paid for the new Monument shares. If all or some of the new Monument shares, or the rights thereto, to which a shareholder is provisionally entitled are sold, or if rights are allowed to lapse and a cash payment is received in respect of them, such ordinary shareholder may, depending on his circumstances, incur a liability to United Kingdom taxation on any capital gain thus realised.

A shareholder not resident or ordinarily resident in the United Kingdom will not normally be subject to United Kingdom taxation on capital gains except where such shareholder carries on a trade through a branch or agency in the United Kingdom and the shares in respect of which the gain arises are used or held for the purposes of that branch or agency.

If you are in any doubt as to your tax position, you should consult your professional adviser.

(h) Overseas shareholders

(i) General

(A) The making of the Rights Issue to persons who are resident in, or citizens of, countries other than the United Kingdom ("overseas shareholders") may be affected by the law of the relevant jurisdiction. Such persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirements to enable them to take up their rights. In cases where overseas shareholders do not or are unable to take up the new Monument shares provisionally allotted to them because of local securities laws, the arrangements referred to under the heading "Procedure in respect of rights not taken up" (paragraph 9(e) above) will apply.

(B) In accordance with Section 90(5) of the Companies Act 1985, the offer by way of rights to shareholders who have no registered address within the United Kingdom, and who have not given to the Company an address within the United Kingdom for the service of notices, will be made by the Company publishing a Notice in the London Gazette on 24 July 1990 stating where copies of the Circular, this document and the provisional allotment letter may be inspected or obtained on personal application by or on behalf of such shareholders. However, in order to facilitate acceptance of the offer made to such shareholders by virtue of such publication, provisional allotment letters will also be posted to overseas shareholders (other than North American persons as described below) on 23 July 1990. Accordingly such shareholders may accept the offer by way of rights either by returning the provisional allotment letters posted to them in accordance with the instructions set out therein or (subject to

surrendering the original provisional allotment letters so posted to them) by obtaining copies thereof from the place stated in the notice and completing and returning them in accordance with the instructions set out therein.

(C) All payments in respect of the Rights Issue must be made in pounds sterling

(II) North America

The new Monument shares have not been and will not be registered under the United States Securities Act of 1933 as amended ("the Act") nor under the securities legislation of any province of Canada. Accordingly, other than pursuant to the notice in the London Gazette referred to in sub-paragraph (i)(B) above, the new Monument shares may not be directly or indirectly offered, sold, renounced or delivered in the US or Canada or to or for the benefit of any North American person. No provisional allotment letter will be sent to any shareholders with a registered address in the US or Canada. If a provisional allotment letter is received by any North American person, or that person's agent on his or her behalf, he or she should not seek to take the relevant allotment unless to do so would constitute an exempt transaction under relevant legislation.

Payment under a provisional allotment letter will constitute a representation and warranty that the person entitled to the same is not a North American person and is not subscribing for any of the new Monument shares for the account of any North American person or with a view to their offer, sale or delivery directly or indirectly in the US or Canada or to or for the account of a North American person.

As used herein, "North American person" means any person who is a national or resident of the US or of Canada (including corporations, partnerships or other entities created or organised therein or any estate or trust that is subject to US federal or Canadian income taxation regardless of the source of its income) and "US" and "Canada" include their respective possessions and territories and all areas subject to their respective jurisdictions or any political sub-division thereof. "North American person" does not include a branch or agency of a US bank or insurance company that is operating outside the US for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not solely for the purpose of investing in securities not registered under the Act.

(III) Republic of Ireland

The attention of shareholders in the Republic of Ireland is drawn to the Irish Exchange Control regulations applicable to holders of United Kingdom securities. If such shareholders wish to take up their rights they should consult an approved agent in the Republic of Ireland (i.e. a bank, stockbroker or solicitor) to ensure that they obtain the necessary permission to enable them to take up their rights.

(iv) South Africa

In order to comply with South African law, provisional allotment letters to be sent to shareholders with registered addresses in South Africa will not be renounceable. Such persons may require the approval of the South African Exchange Control authorities if they wish to take up their rights.

(i) Posting

All documents and remittances will be sent to or by the allottees or their renounees at their risk.

10. Introduction to the Official List

Application has been made for the existing Monument shares to be admitted to the Official List of The Stock Exchange and it is intended that dealings in Monument shares in the Unlisted Securities Market will cease at the close of business on Friday, 6 July 1990 and that the listing will become effective on Monday, 9 July 1990. Subject to the conditions of the Rights Issue being satisfied, provisional allotment letters for the new Monument shares are expected to be posted on Monday, 23 July 1990 and the new Monument shares and the Monument consideration shares are expected to be admitted to the Official List with effect from Tuesday, 24 July 1990.

11. General

- (a) Save as disclosed herein and other than as a result of changes in exchange rates and in the price of oil, there has been no material change in the financial or trading position of the Monument Group since 31 December 1989, the date of the last audited report and accounts of the Group.
- (b) The Directors are not aware of any legal or arbitration proceedings pending or threatened against the Company or any of its subsidiaries which may have or have had in the 12 months preceeding the date of this statement a significant effect on the Group's financial position.
- (c) The Rights Issue has been underwritten by County NatWest Wood Mackenzie, acting as agent for NatWest Investment Bank Limited. County NatWest Wood Mackenzie is a member of The Securities Association and is incorporated in England with registered number 2223013. Its registered office is at 135 Bishopsgate, London EC2M 3XT.

- (f) The expenses of the Rights Issue and Introduction (including underwriting commission, The Stock Exchange listing fees, the Company's professional costs, the costs of printing and distribution and the fee payable to the receiving bank) are estimated to amount to £1,000,000 (excluding VAT) and are payable by the Company.
- (g) The price of 37p per share at which the new Monument shares are being offered includes a premium of 32p per share over the 5p per share nominal value.
- (h) Arthur Andersen & Co and Scott Pickford have each given and not withdrawn their written consents to the issue of this document and the Circular with the inclusion therein of their letters and the references to their respective names in the form and context in which they appear.
- (i) For the purposes of the indebtedness statement foreign currency indebtedness and cash balances have been translated into sterling at exchange rates ruling on 31 May 1990.
- (j) The Monument Group leases premises at 30 St. James's Street, London SW1. The lease has an unexpired term of 22 years and the current rent is £179,434 per annum, subject to review in September 1992 and five yearly thereafter.
- (k) When paying a dividend, Monument has to remit to the Inland Revenue an amount of advance corporation tax ("ACT") at a rate which is related to the basic rate of income tax and is currently one third of the dividend paid. Accordingly the ACT related to a dividend currently equals 25 per cent. of the sum of the cash dividend plus the ACT.

For shareholders resident in the United Kingdom, the ACT paid is available as a tax credit which individual shareholders who are so resident may set off against their total income tax liability, or, in appropriate cases, reclaim in cash. A United Kingdom resident corporate shareholder will not be liable to United Kingdom corporation tax on any dividend received.

Whether the holders of Monument shares who are resident in countries other than the United Kingdom are entitled to a payment from the Inland Revenue of a proportion of the tax credit in respect of dividends on such shares depends in general on the provisions of any double tax convention or agreement which exists between such countries and the United Kingdom. Persons who are not resident in the United Kingdom should consult their own tax advisers on the possible applicability of such provisions, what relief or credit may be claimed in a jurisdiction in which they are resident for such tax credit and the procedure for claiming payment.

12. Documents available for inspection

Copies of the following documents are available for inspection at the offices of Slaughter and May, 35 Basinghall Street, London, EC2V 5DB during usual business hours on any weekdays (Saturdays and public holidays excepted) until 13 August 1990:

- (a) the Memorandum and Articles of Association of Monument;
- (b) the published audited consolidated accounts of Monument for the two financial years ended 31 December 1988, and an aggregation statement relating to the financial information on Monument for the financial year ended 31 December 1987;
- (c) the audited consolidated accounts of Nimex Overseas for the four months ended 31 December 1988, of Nimex Petroleum for the five months ended 31 December 1988 and of Nimex Overseas and Nimex Petroleum for the financial year ended 31 December 1989;
- (d) the petroleum consultants' report set out in Part IV;
- (e) the accountants' report on Nimex Overseas and Nimex Petroleum set out in Part V;
- (f) the rules of the Monument share option scheme and the Monument participating share scheme together with the proposed amendments to such schemes;
- (g) the service contracts, proposed service contracts and proposed consultancy agreements referred to in paragraph 4 of this Part VII;
- (h) the material contracts referred to in paragraph 5 of this Part VII;
- (i) the consent letters referred to in paragraph 11 of this Part VII;
- (j) a letter from CNWM to The Stock Exchange concerning the enlarged Group's working capital; and
- (k) a letter from Monument's auditors confirming that in their opinion the accounts of Monument have been prepared and audited in accordance with standards appropriate for companies of international standing and repute.