

STEMCOR SHIPPING LIMITED

(Registered Number 2017839)

DIRECTORS' REPORT

1. The company has not traded during the year ended 31 December 2002. The members have resolved not to appoint auditors in accordance with the provisions of section 250 of the Companies Act 1985.
2. The members of the board during the year ended 31 December 2002 were:

Roderick J.A. Smith
Andrew S. Goldsmith

The directors held no interest in the company's shares during the year. The interests of directors in the shares of the ultimate parent company are as follows:-

| | Ordinary Shares | | Options | |
|------------------|-----------------|-------|---------|-------|
| | 2002 | 2001 | 2002 | 2001 |
| Roderick Smith | 2,300 | 2,300 | 6,900 | 6,900 |
| Andrew Goldsmith | 1,000 | 1,000 | - | - |

The directors are eligible to participate in a sharesave scheme and an executive share scheme of the ultimate parent company, Stemcor Holdings Limited. The exercise price of the share options is £2.50.

By order of the Board

Roderick Smith

Roderick Smith
Company Secretary

Level 27, CityPoint
1 Ropemaker Street
London EC2Y 9ST



21 March 2003

BALANCE SHEET AS AT 31 DECEMBER 2001

| | <u>2002</u> | <u>2001</u> |
|---------------------------------------|-------------|-------------|
| Current assets | | |
| Debtors | <u>£10</u> | <u>£10</u> |
| Capital and reserves | | |
| Allotted and fully paid share capital | <u>£10</u> | <u>£10</u> |

The authorised share capital is £100.

The ultimate holding company of Stemcor Shipping Limited is Stemcor Holdings Limited which is incorporated in the United Kingdom and registered in England and Wales. The largest and smallest group which consolidates the company's accounts is Stemcor Holdings Limited. Copies of the ultimate holding company accounts can be obtained from: Companies House, Crown Way, Cardiff CF4 3UZ.

The company has been dormant throughout the year ended 31 December 2002.

Roderick Smith
..... Director
Roderick Smith

21 March 2003