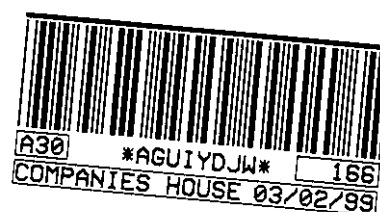


NEW ERA OIL (UK) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
AS AT
31 OCTOBER 1998

BSG VALENTINE
CHARTERED ACCOUNTANTS
LYNTON HOUSE
7-12 TAVISTOCK SQUARE
LONDON WC1H 9BQ



AUDITORS REPORT TO THE DIRECTORS OF NEW ERA OIL (UK) LIMITED
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of New Era Oil (UK) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1998.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION


We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

Lynton House
7-12 Tavistock Square
London WC1H 9BQ


BSG VALENTINE
Chartered Accountants
Registered Auditor

Date 2 February 1999 

NEW ERA OIL (UK) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 OCTOBER 1998

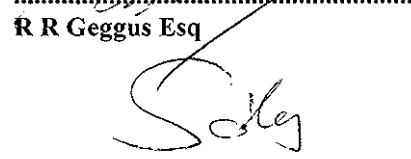
	Notes	1998	1997
FIXED ASSETS			
Tangible Assets	2	188,150	-
Investments		100	100
		-----	-----
		188,250	100
CURRENT ASSETS			
Stocks		69,974	-
Debtors		174,543	100
Cash at Bank and in Hand		3,468	-
		-----	-----
		247,985	100
CREDITORS: Amounts Falling Due Within One Year		(278,110)	-
		-----	-----
Net Current (Liabilities)/Assets		(30,125)	100
		-----	-----
Total Assets Less Current Liabilities		158,125	200
CREDITORS: Amounts Falling Due After More Than One Year	3	(10,500)	-
		-----	-----
		£ 147,625	£ 200
		=====	=====
CAPITAL AND RESERVES			
Share Capital	4	39,575	200
Profit and Loss Account		108,050	-
		-----	-----
		£ 147,625	£ 200
		=====	=====

The directors have taken advantage of special provisions of Part VII of the Companies Act 1985 relating to small companies in the preparation of the abbreviated financial statements and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

Approved by the Directors on


 R R Geggus Esq

] Directors


 S Olen Esq

The notes on pages 3 and 4 form an integral part of these abbreviated financial statements.

NEW ERA OIL (UK) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

1. ACCOUNTING POLICIES

a) Basis of Preparation

These financial statements have been prepared under the historical cost convention.

b) Fixed Assets

Depreciation is calculated in order to write off the cost of fixed assets, over their estimated useful lives.

The rates and methods generally applicable are:-

Plant, Machinery Fixtures and Fittings	20% p.a. on net book value
Motor Vehicles	25% p.a. on net book value
Improvement to Premises	2% p.a. on cost
Shop and Offices	4% p.a. on cost

c) Stocks

Stocks are stated at the lower of cost and net realisable value.

d) Turnover

Turnover represents invoiced sales during the year, exclusive of value added tax.

e) Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard No.1 not to prepare a cash flow statement on the basis that it qualifies as a small company.

f) Hire Purchase

Assets obtained under hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful lives. The interest element of the rental obligation is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance and capital repayments outstanding.

g) Foreign Currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the profit on ordinary activities.

h) Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

NEW ERA OIL (UK) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998 (CONTINUED)

2. FIXED ASSETS - TANGIBLE

	Plant and Machinery	Furniture Fixtures & Fittings	Motor Vehicles	Improvements to Premises	Shops & Offices	Total
Cost						
At 1 November 1997	-	-	-	-	-	-
Additions	99,076	49,216	46,633	9,232	41,000	245,157
Disposals	-	-	(11,976)	-	-	(11,976)
At 31 October 1998	£ 99,076	49,216	34,657	9,232	41,000	233,181
Depreciation						
At 1 November 1997	-	-	-	-	-	-
Charge for Year	19,815	19,528	10,810	206	2,000	52,359
Eliminated on Disposal	-	-	(7,328)	-	-	(7,328)
At 31 October 1998	£ 19,815	19,528	3,482	206	2,000	45,031
Net Book Value						
At 31 October 1998	£ 79,261	29,688	31,175	9,026	39,000	188,150
At 31 October 1997	£ -	-	-	-	-	-

**3. CREDITORS: Amounts Falling Due
After More Than One Year**

	1998	1997
Hire Purchase	£ 10,500	£ -

4. SHARE CAPITAL

Authorised:

1,060,000 Ordinary Shares of £1 Each	1,060,000	1,060,000
51,875 preference shares of £1 each	51,875	-
12,500 preference shares of £1 each redeemed	(12,500)	-
	£ 39,375	£ -

Allotted and Fully Paid

Ordinary shares of £1 each	200	200
Preference shares of £1 each	39,375	-
	£ 39,575	£ 200