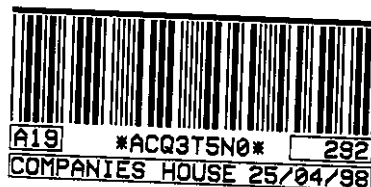


ENERGEN INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

2323-1996

Registered Office
3 New Burlington Street
London
W1X 1FE



ENERGEN INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1996

The directors present their report and financial statements for the year ended 31 December 1996.

Principal Activities and Review of the Business

The principal activity of the company continued to be that of an investment company and is also now a nominee company.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and Dividends

The results for the year are set out on page 4.

It is proposed that the retained loss of £ 1,977 is transferred to reserves.

Directors

The following directors have held office since the beginning of the year

M.W. Denton	
J.R. Beardsley	(Resigned 13 December 1996)
S.J. Townsend	(Appointed 20 August 1997)
J Butterfield	(Appointed 20 August 1997)
F M Forrai	(Appointed 20 August 1997)

The Directors had no interest in the issued share capital of the company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

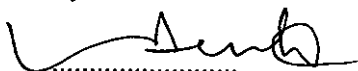
Directors' Responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

By order of the Board



M.W. Denton

Date 24-4-98

P.O. Box 227, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ

Telephone: +44 (0) 1624 663166 Facsimile: +44 (0) 1624 677108

+44 (0) 171 950 9800

+44 (0) 171 437 9509

E-mail edwards@bentinck.com

ENERGEN INVESTMENTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF ENERGEN INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because we were unable to obtain independent confirmation of the bank accounts and related information and have relied solely on bank statements provided to us to confirm bank balances held by the company. There were no other satisfactory audit procedures that we could adopt to confirm that all bank transactions were properly recorded.

We have also been unable to obtain independent confirmation of the investment stated at £1,934,916 as at the balance sheet date.

In addition, note 1.5 to the accounts states the company has relied upon the exemption given in S.229(3)(b) of the 1985 Companies Act. However in doing so has not complied with Financial Reporting Standard 2 which states that reliance on this is no longer a justifiable reason for not consolidating.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ENERGEN INVESTMENTS LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF ENERGEN INVESTMENTS LIMITED**

Qualified opinion arising from limitation in audit scope

Except for any adjustments or additional disclosures that may have been found to be necessary had we obtained independent confirmation of the bank balances, investment and failure to comply with FRS2, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In all other respects, we have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

Matthew Edwards & Co
Matthew Edwards & Co.

Chartered Accountants
Registered Auditor

24-4-98

Clinch's House, Lord Street
Douglas
Isle Of Man
IM99 1RZ

• **ENERGEN INVESTMENTS LIMITED**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996**

	Notes	1996 £	1995 £
Turnover	2	4,250	-
Administrative expenses		(6,227)	(3,794)
Loss on ordinary activities before taxation		<u>(1,977)</u>	<u>(3,794)</u>
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	9	<u>(1,977)</u>	<u>(3,794)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ENERGEN INVESTMENTS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 1996**

	Notes	1996 £	£	1995 £	£
Fixed Assets					
Investments	5		1,934,916		1,818,115
Current Assets					
Debtors	6	5,146		-	
Cash at bank and in hand		5,949		10,792	
		<u>11,095</u>		<u>10,792</u>	
Creditors: amounts falling due within one year	7	<u>(1,944,021)</u>		<u>(1,824,940)</u>	
Net Current Liabilities			(1,932,926)		(1,814,148)
Total Assets Less Current Liabilities			<u>1,990</u>		<u>3,967</u>
Capital and Reserves					
Called up share capital	8		20,000		20,000
Profit and loss account	9		(18,010)		(16,033)
Shareholders' Funds - equity interests	10		<u>1,990</u>		<u>3,967</u>

The financial statements were approved by the Board on 24-4-98



M.W. Denton
Director

ENERGEN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.5 Group accounts

The accounts of the subsidiary have not been consolidated because the company has relied upon S.229(3)(b) of the 1985 Companies Act.

1.6 Cash Flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

2 Turnover

Turnover represents fees receivable on a nominee basis.

3 Operating Loss

	1996	1995
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	550	554

4 Taxation

No UK corporation tax has been provided for due to tax allowable losses incurred in previous years.

ENERGEN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

5 Fixed Asset Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 1996	1,818,115
Additions	116,801
	<hr/>
At 31 December 1996	1,934,916
	<hr/>
At 31 December 1995	1,818,115
	<hr/>

The investment represents a 100% interest in Iberica de Arroces S.A., a company incorporated in Spain and is stated at acquisition cost. In the opinion of the directors, the market value of the investment is at least equivalent to its cost.

6 Debtors	1996 £	1995 £
Trade debtors	4,250	-
Prepayments and accrued income	896	-
	<hr/>	<hr/>
	5,146	-
	<hr/>	<hr/>

7 Creditors: amounts falling due within one year	1996 £	1995 £
Shareholders loan	1,940,717	1,823,916
Accruals and deferred income	3,304	1,024
	<hr/>	<hr/>
	1,944,021	1,824,940
	<hr/>	<hr/>

The shareholders loan is interest free, unsecured and has no fixed repayment date.

8 Share Capital

The authorised share capital of the Company comprises 100000 ordinary £1 shares of which 20000 have been issued and are fully paid up (1995 - 20000)

ENERGEN INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996**

9 Statement of Movements on Profit and Loss Account

	Profit and loss account £
Balance at 1 January 1996	(16,033)
Retained loss for the year	(1,977)
Balance at 31 December 1996	<u>(18,010)</u>

10 Reconciliation of Movements in Shareholders' Funds

	1996 £	1995 £
Loss for the financial year	(1,977)	(3,794)
Opening shareholders' funds	3,967	7,761
Closing shareholders' funds	<u>1,990</u>	<u>3,967</u>

11 Contingent liabilities

There were no contingent liabilities as at the balance sheet date.

12 Capital Commitments

There were no major capital commitments as at the balance sheet date.

13 Employees

Number of employees

There were no employees during the year apart from the directors

14 Ultimate Controlling Party

The directors are not aware of the identity of the ultimate controlling party.