

Society of Petroleum Engineers Europe Limited

Consolidated financial statements for the year ended 31 March 2003

Registered number: 2778741

Registered charity number: 1017482



Trustees and Officers

Trustees

S G Oddie (Chairman)
E P Deliac
D H St. John
M Rubin
I C Phillips

Company secretary

R Davidson

Registered office

Empire House
175 Piccadilly
London W1J 9EN

Auditors

Grant Thornton
Registered Auditors
Chartered Accountants
Churchill House
Chalvey Road East
Slough
Berkshire
SL1 2LS

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Solicitors

Monier-Williams & Boxalls
71 Lincoln's Inn Fields
London WC2A 3JF

Investment Advisors

Ely Fund Managers Limited
Audrey House
Ely Place
London EC1N 6SN

Trustees' report

For the year ended for the year ended 31 March 2003

The trustees, who are also the directors, present their report, together with the consolidated financial statements and auditors' report for the year ended 31 March 2003.

Objectives and principal activities

The objectives and principal activities of Society of Petroleum Engineers Europe Limited continue to be to promote (a) the science and technology of petroleum and natural gas exploration and recovery, and (b) the oil and natural gas industry and improvements in efficiency. The company organises conferences, participants of which are generally employees of companies involved in the oil and gas industry. These conferences are organised by its trading subsidiaries, SPE Trading Limited, SPE Ventures Limited and SPE-Asia Pacific (M) SDN BHD.

Results and dividend

The net outgoing resources for the year amounted to £667,187 (2002 - net incoming resources - £370,528). The trustees do not recommend the payment of a dividend (2002: £nil).

The net funds generated by the charity in the year ended 31 March 2003 have been mainly applied to conference operating and administrative expenses including a £165,000 (2002: £165,000) contribution to Conference Distinguished Lecturer costs. In addition in 2002 £75,000 was applied to sending the Journal of Petroleum Technology to SPE members.

Status

Society of Petroleum Engineers Europe Limited is a company limited by shares, which was incorporated on 6 January 1993 and commenced trading on 1 March 1993. It is a subsidiary undertaking of Society of Petroleum Engineers, Inc, a charitable company incorporated and operating in the United States of America. The objects of the company are set out in its Memorandum and Articles of Association and are as summarised above. In February 1993, the company was registered as a charity, with the purpose of aiding the dissemination of petroleum engineering knowledge through a variety of programmes including publications, specialist meetings and scholarships. As such, it is not subject to United Kingdom corporation tax on profits arising from its charitable activities.

Trustees and their interests

The trustees, who are also the directors, who served during the year were as follows:

Simon Oddie (Chairman)
Eric Deliac
David St. John
Mark Rubin
Ian Phillips

The trustees are appointed on the recommendation of the board of directors of the parent undertaking and the existing trustees and in accordance with the Companies Act 1985.

The trustees held no beneficial interests in the shares of Society of Petroleum Engineers Europe Limited, or any other company in the group, at any time during the year.

Trustees report (continued)

Principal officer

The principal officer of the company and group during the year was:

Director of Operations and Company Secretary - Ross Davidson

Trustees' responsibilities

Company law in the United Kingdom requires the trustees, in their capacity as 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 the group and of the income and expenditure of the company and the group for the year. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and which enable them to ascertain their financial position and to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and regulations thereunder. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Investment policy

There are no restrictions on the charity's power to invest. The trustees, who consider the income requirements, the risk profile and the investment manager's view of the market prospects, in the medium term, set the investment strategy. This strategy is set within an overall policy which states that the funds are to be invested in low and medium risk investments with a view to ensuring capital growth. Along with most investment portfolios, the portfolio fell in the year by some 17%.

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a minimal level on the basis that the parent undertaking would be able to provide additional funds should they be required. Conferences are organised to ensure that the fees charged recover costs.

Risk management

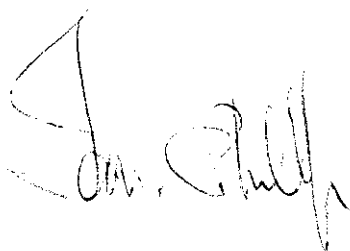
The trustees have commissioned a review to examine the major strategic, business and operational risks which the charity faces and are in the process of establishing systems to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Trustees report (continued)

Auditors

Grant Thornton were appointed as auditors during the year and offer themselves for reappointment in accordance with Section 385 of the Companies Act 1985.

By order of the Trustees

A handwritten signature in dark ink, appearing to be 'S. M. Gifford', written over a horizontal line.

Trustee

28 August 2003

Independent auditors' report

To the Members of the Society of Petroleum Engineers Europe Limited

We have audited the financial statements of the Society of Petroleum Engineers Europe Limited for the year ended 31 March 2003 which comprise the principal accounting policies, the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet and the related notes numbered 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we may state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees who as directors of the charity for the purposes of company law are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the trustees report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we became aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 March 2003 and of the group's incoming resources and resources expended for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

Grant Thornton
Registered Auditors
Chartered Accountants
Slough

5 September 2003

Consolidated statement of financial activities
(Incorporating an income and expenditure account)
For the year ended 31 March 2003

	Notes	2003 £	2002 £
Incoming resources			
Conference income	2	660,790	1,019,781
Income from associated undertaking	2	-	850,000
Contribution from parent undertaking		-	150,000
Bank interest receivable		10,722	24,170
Investment income from listed investments		18,340	12,425
Total incoming resources		<u>689,852</u>	<u>2,056,376</u>
Resources expended			
Cost of generating income			
Investment managers fees		<u>5,013</u>	<u>5,856</u>
Charitable expenditure			
Conference operating and administrative costs		1,156,393	1,409,084
Journal distribution costs		-	75,000
Support costs		93,522	97,806
Management and administration costs		<u>102,111</u>	<u>98,102</u>
Total charitable expenditure		<u>1,352,026</u>	<u>1,679,992</u>
Total resources expended	5	<u>1,357,039</u>	<u>1,685,848</u>
Net (outgoing)/incoming resources for the year	3	(667,187)	370,528
Net investment losses	7	<u>(220,470)</u>	<u>(62,361)</u>
Net movement in funds		<u>(887,657)</u>	<u>308,167</u>
Unrestricted funds at the start of the year		<u>180,754</u>	<u>(127,413)</u>
Unrestricted funds at the end of the year		<u>(706,903)</u>	<u>180,754</u>

There are no recognised gains or losses other than the net (outgoing)/incoming resources for the year.

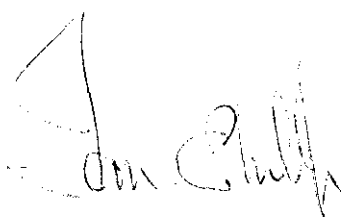
All activities are continuing activities.

The accompanying accounting policies and notes form an integral part of the financial statements

Consolidated balance sheet
for the year ended 31 March 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	6	88,175	114,462
Investments	7	546,518	753,660
		<u>634,693</u>	<u>868,122</u>
Current assets			
Debtors	8	337,065	92,470
Cash at bank and in hand		629,277	763,061
		<u>966,342</u>	<u>855,531</u>
Creditors: Amounts falling due within one year	9	(2,306,938)	(1,541,899)
Net current liabilities		<u>(1,340,596)</u>	<u>(686,368)</u>
Total assets less current liabilities		<u>(705,903)</u>	<u>181,754</u>
Capital and funds			
Called-up share capital	10	1000	1,000
Unrestricted funds	11	(706,903)	180,754
Total capital and funds	11	<u>(705,903)</u>	<u>181,754</u>

The financial statements were approved by the board and signed on its behalf by:



Trustee

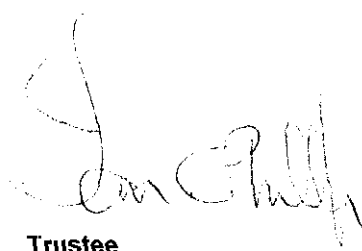
25 August 2003

The accompanying accounting policies and notes form an integral part of the financial statements

Company balance sheet
for the year ended 31 March 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	6	15,054	22,656
Investments	7	598,894	863,581
		<u>613,948</u>	<u>886,237</u>
Current assets			
Debtors	8	603,006	372,007
Cash at bank and in hand		220,704	50,825
		<u>823,710</u>	<u>422,832</u>
Creditors: Amounts falling due within one year	9	(2,270,824)	(1,286,651)
Net current assets		<u>(1,447,114)</u>	<u>(863,819)</u>
Total assets less current liabilities		<u>(833,166)</u>	<u>22,418</u>
Capital and funds			
Called-up equity share capital	10	1,000	1,000
Unrestricted funds	11	(834,166)	21,418
Total capital and funds	11	<u>(833,166)</u>	<u>22,418</u>

The financial statements were approved by the board and signed on its behalf by:



Trustee

25 February 2003

The accompanying accounting policies and notes form an integral part of the financial statements

Notes to the financial statements

For the year ended for the year ended 31 March 2003

1 Accounting policies

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

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with applicable financial reporting and accounting standards, including the Statement of Recommended Practice: Accounting and Reporting by Charities issued in October 2000 (SORP).

The financial statements have been drawn up on a going concern basis. The trading pattern of the group is cyclical in nature, most revenues occurring on a biennial basis. The trustees have received assurances that the parent undertaking The Society of Petroleum Engineers Inc. will provide sufficient financial support to enable the group to meet its debts as they fall due for a period not less than 12 months from the approval of these financial statements. Taken together with their future plans for the Society, the trustees conclude it is appropriate to adopt the going concern basis.

b) Basis of consolidation

The group Financial Statements consolidate the accounts of Society of Petroleum Engineers Europe Limited and all its subsidiary undertakings up to 31 March 2003. In the company's accounts, investments in subsidiary undertakings are stated at cost, less amounts written off.

No statement of financial activities (ie income and expenditure account) is presented for Society of Petroleum Engineers Europe Limited as provided by Section 230 of the Companies Act 1985. The company's results for the year are shown in note 11.

c) Fund accounting

General funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

d) Resources expended

Conference operating and administrative costs comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of resources. Conference staff also perform work on behalf of Society of Petroleum Engineers, Inc., the parent company (note 14). However, staff costs are not recharged to Society of Petroleum Engineers, Inc. to reflect this and have therefore been included in conference operating and administrative costs.

Notes to the financial statements (continued)

1 Accounting policies (continued)

e) *Tangible fixed assets*

Tangible fixed assets are shown at original historical cost. Depreciation is provided on a straight line basis on all tangible fixed assets at rates designed to write off costs, less estimated residual values, over their expected useful lives, as follows:

Leasehold improvements	- 5 years
Computer equipment	- 5 years
Fixtures, fittings and equipment	-10 years

f) *Investments*

Investments are stated at market value. It is the group's policy to keep valuations up to date such that when investments are sold, there is no gain or loss arising. As a result, the Statement of Financial Activities only includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. Disclosure is made in note 7(b) of the difference between the historical cost and the sale proceeds of the investments sold during the year.

g) *Operating lease commitments*

Rentals paid under operating leases are charged on a straight line basis over the lease term.

h) *Foreign currency*

In the accounts of individual undertakings, transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. 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 income and expenditure account.

The results of overseas operations are translated at the average rate of exchange during the period and the balance sheet at the rate ruling at the balance sheet date.

i) *Cash flow statement*

Under the provisions of Financial Reporting Standard No. 1, the company has not prepared a cash flow statement because it is entitled to the exemptions available in Sections 246 to 249 of the Companies Act 1985 for small companies when filing accounts with the Registrar of Companies.

j) *Pension costs*

The group provides pensions to all employees through a funded defined contribution scheme. The amount expended in the statement of financial activities is the contributions payable in the year.

Notes to the financial statements (continued)

2 Incoming resources

Conference income

Conference income represents amounts receivable (exclusive of VAT) from visitors to, and exhibitors at, petroleum conferences organised by the group, together with donations from sponsor companies and other contributions.

	2003 £	2002 £
Conferences held in:		
Europe	331,734	210,525
Malaysia	329,056	809,256
	<u>660,790</u>	<u>1,019,781</u>

Income from associated undertaking

The group is entitled to draw the whole of its share of the profits of Offshore Europe Partnership, a trading partnership.

Offshore Europe Partnership holds a biennial conference for petroleum engineers. Audited accounts are prepared for the partnership in each year in which the conference takes place and thus audited accounts are only produced every two years. The last conference was held during the year ended 31 March 2002, and therefore the next audited accounts will be available for the two years ended 31 March 2004.

The group received, as part of its entitlement under the partnership agreement, an amount of £850,000 in the year ended 31 March 2002, but no income in the year ended 31 March 2003. Income is expected to arise in the year ended 31 March 2004.

3 Net outgoing resources for the year

a) *Net outgoing resources for the year are stated after charging:*

	2003 £	2002 £
Staff costs (see below)	382,723	388,254
Depreciation	31,384	30,710
Operating lease rentals	74,547	63,232
Auditors' remuneration	14,000	21,000
Loss on disposal of fixed assets	<u>200</u>	<u>5,215</u>

Notes to the financial statements (continued)

3 Net outgoing resources for the year (continued)

b) Staff costs

	2003 £	2002 £
Wages and salaries	338,791	275,031
Social security costs	32,311	96,221
Other pension costs (note 12c)	11,620	17,002
	<u>382,722</u>	<u>388,254</u>

The average number of employees during the year employed in:

	2003 Number	2002 Number
Conference organisation	8	13
Support	5	2
Management and administration	4	1
	<u>17</u>	<u>16</u>

The number of employees earning over £50,000 during the year, excluding pension contributions, was as follows:

	2003 Number	2002 Number
Income band - £60,001 - £70,000	<u>1</u>	<u>1</u>

c) Trustees' remuneration

No remuneration was paid, nor was due, to any of the trustees during the year.

The trustees expenses for the year amounted to £nil (2002: £1,995).

4 Taxation

Society of Petroleum Engineers Europe Limited is a registered charity and is not subject to UK corporation tax on profits from its charitable activities.

SPE-Asia Pacific (M) SDN BHD is subject to Malaysian taxation and the charge for the year was £6,402 (2002 – charge of £62,951). This charge is included in conference operating and administrative costs.

Notes to the financial statements (continued)

5 Total resources expended

	Staff costs	Lecture costs	Other costs	Total 2003	Total 2002
	£	£	£	£	£
Cost of generating funds	-	-	5,013	5,013	5,856
Conference operating and admin costs	280,904	165,000	710,489	1,156,393	1,409,084
Journal distribution costs	-	-	-	-	75,000
Support costs	63,068	-	30,454	93,522	97,806
Management and administration costs	38,750	-	63,361	102,111	98,102
	<u>382,722</u>	<u>165,000</u>	<u>809,317</u>	<u>1,357,039</u>	<u>1,685,848</u>

6 Tangible fixed assets

Group	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At beginning of year	28,018	172,857	17,241	218,116
Additions	-	6,460	-	6,460
Disposals	-	(6,237)	-	(6,237)
At end of year	<u>28,018</u>	<u>173,080</u>	<u>17,241</u>	<u>218,339</u>
Depreciation				
At beginning of year	8,341	88,192	7,121	103,654
Charge for the year	1,633	28,042	1,451	31,126
Exchange difference	41	110	16	167
Disposals	-	(4,783)	-	(4,783)
At end of year	<u>10,015</u>	<u>111,561</u>	<u>8,588</u>	<u>130,164</u>
Net book value				
At beginning of year	<u>19,677</u>	<u>84,665</u>	<u>10,120</u>	<u>114,462</u>
At end of year	<u>18,003</u>	<u>61,519</u>	<u>8,653</u>	<u>88,175</u>

Notes to the financial statements (continued)

6 Tangible fixed assets (continued)

Company	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost			
At beginning and end of year	44,420	7,953	52,373
Depreciation			
At beginning of year	23,970	5,747	29,717
Charge for the year	7,218	384	7,602
At end of year	31,188	6,131	37,319
Net book value			
At beginning of year	20,450	2,206	22,656
At end of year	13,232	1,822	15,054

All of the company's fixed assets are held for use on a continuing basis for the organisation of conferences.

7 Fixed asset investments

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Listed investments	461,687	539,243	461,687	539,243
Cash awaiting investment	84,830	214,417	84,830	214,417
Subsidiary undertakings	-	-	52,373	109,921
	<u>546,518</u>	<u>753,660</u>	<u>598,894</u>	<u>863,581</u>

a) Principal group investments

The company has three wholly-owned subsidiary undertakings, SPE Trading Limited and SPE Ventures Limited, both of which are registered in England and Wales, and SPE-Asia Pacific (M) SDN BHD, which is incorporated in Malaysia.

Notes to the financial statements (continued)

7 Fixed asset investments (continued)

b) Listed investments

	2003 £	2002 £
Market value as at beginning of year	539,243	510,064
Additions	242,688	1,877,034
Disposal proceeds	(154,169)	(1,767,149)
Net investment losses	(220,470)	(62,361)
Market value at end of year	461,687	539,243
Historical cost at end of year	679,483	590,963
Unrealised loss at end of year	(217,796)	(51,720)
Realised (loss) on historical cost basis	(53,019)	(192,410)

Listed investments comprise investments listed on the UK Stock Exchange.

c) Investments in subsidiary undertakings

	Company 2003 £	2002 £
Cost		
At beginning of year	109,921	82,226
(Decrease)/increase in investment	(57,546)	27,695
At end of year	52,373	109,921

8 Debtors: Amounts falling due within one year

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Trade debtors	15,045	-	-	-
Amount owed by ultimate parent undertaking	54,912	-	-	-
Amounts owed by subsidiary undertakings	-	-	577,512	363,621
Amounts owed by associated undertakings	130,618	-	-	-
Other debtors	27,666	10,252	15,553	2,434
Prepayments and accrued income	108,824	82,218	9,971	5,952
	337,065	92,470	603,006	372,007

Notes to the financial statements (continued)

9 Creditors: amounts falling due within one year

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Amounts owed to ultimate parent undertaking	2,092,098	1,330,849	1,942,873	886,195
Amount owed to subsidiary undertakings	-	-	292,029	340,001
Social security and other taxes	28,518	63,302	7,404	7,398
Accruals and deferred income	186,322	147,601	28,518	52,910
Other creditors	-	147	-	147
	<u>2,306,938</u>	<u>1,541,899</u>	<u>2,270,824</u>	<u>1,286,651</u>

10 Called-up equity share capital

	2003	2002
	£	£
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called-up and fully-paid</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11 Reconciliation of movements in capital and funds

	Balance 1 April 2002	Income	Losses on investment	Expenditure	Balance 31 March 2003
Group	£	£	£	£	£
Called-up equity share capital	1,000	-	-	-	1,000
Unrestricted general funds	180,754	689,852	(220,470)	(1,357,039)	(706,903)
Total capital and funds	<u>181,754</u>	<u>689,852</u>	<u>(220,470)</u>	<u>(1,357,039)</u>	<u>(705,903)</u>
 Company	 £	 £	 £	 £	 £
Called-up equity share capital	1,000	-	-	-	1,000
Unrestricted general funds	21,418	154,563	(220,470)	(789,679)	(834,166)
Total capital and funds	<u>22,418</u>	<u>154,563</u>	<u>(220,470)</u>	<u>(789,679)</u>	<u>(833,166)</u>

Notes to the financial statements (continued)

12 Guarantees and financial commitments

a) Capital commitments

At the end of the year there were no capital commitments (2002 - £Nil).

b) Lease commitments

Annual commitments under non-cancellable operating leases are as set out below:

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Operating leases, for land and buildings, which expire:				
within two to five years	14,430	66,500	-	52,156

c) Pension arrangements

The company provides defined contribution pension schemes for all employees.

The amount charged to the statement of financial activities is the contributions payable in the year and amounted to £11,620 (2002 - £17,002). There were no outstanding or prepaid contributions at 31 March 2003 (2002 - £Nil).

d) Contingent liabilities

As a partner in Offshore Europe Partnership, SPE Trading Limited is jointly and severally liable, without limit, for the debts of the partnership. In the event that the partnership fails to pay any debt for which it has primary liability or is unable to pay amounts due, creditors may look directly to SPE Trading Limited for settlement of their debts or obligations.

Notes to the financial statements (continued)

13 Subsidiary undertakings

The results of the three wholly owned subsidiaries are:

	SPE Ventures Limited £	SPE Trading Limited £	SPE-Asia Pacific (M) SDN BHD £	Total £
Turnover	276,769	54,965	329,057	660,791
Income from associated undertaking	-	-	-	-
Interest receivable	-	8,315	1,773	10,088
Costs	(158,863)	(45,597)	(362,785)	(567,245)
Net profit	117,906	17,683	(27,617)	107,972
Gift Aid payment	(117,906)	(17,683)	-	(135,589)
Tax charge	-	-	(4,339)	(4,339)
Retained funds	-	-	(31,956)	(31,956)

14 Ultimate parent undertaking

The company is a subsidiary undertaking of Society of Petroleum Engineers, Inc., a charitable company incorporated and operating in the United States of America, from P.O. Box 833836, Richardson, Texas 75083-3836, USA.

The largest group in which the results of the company are consolidated is that headed by Society of Petroleum Engineers, Inc. The consolidated accounts of this group are available to the public and may be obtained from the address noted above.