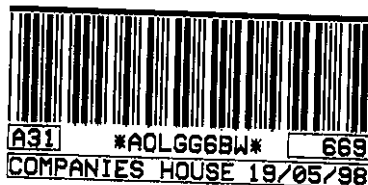


Advanced Production Technology Limited

Directors' report and financial statements

31 December 1997

Registered Number 2832348



Advanced Production Technology Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Balance sheet	4
Notes	5

Advanced Production Technology Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1997.

Business review

The company did not trade during the year.

Directors and directors' interests

The directors who held office during the year were as follows:

DJ Leach	(Resigned 20 February 1998)
JB Fay	
D Cassie	

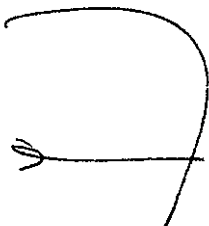
The directors who held office at the end of the financial period had no interests in the ordinary shares of the company which require to be recorded in the register of directors' interests.

Liability insurance

The company's ultimate parent company maintains liability insurance for its officers.

On behalf of the board

JB Fay
Director


6th April 1998

Greybrook House
28 Brook Street
London W1Y 1AG

April 1998

Advanced Production Technology Limited

Statement of 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of Advanced Production Technology Limited

We have audited the accounts on pages 4 to 5 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

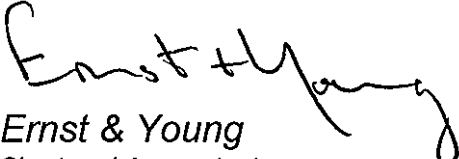
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1997 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Aberdeen

6th April 1998

Advanced Production Technology Limited

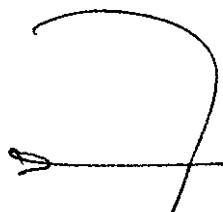
Balance sheet

at 31 December 1997

	Note	1997 £	1996 £
Current assets			
Debtors	4	<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital - equity shareholders' funds	5	<u>1</u>	<u>1</u>

These financial statements were approved by the board of directors on 6th April 1998 and were signed on its behalf by:

JB Fay
Director


6th April 1998

Advanced Production Technology Limited

Notes

(forming part of the financial statements)

1 Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

2 Profit and loss account

During the year, the company was dormant and consequently, made neither a profit nor a loss.

3 Remuneration of directors

None of the directors received emoluments in respect of their services to the company during the year.

4 Debtors

	1997 £	1996 £
Amounts owed by parent and fellow subsidiary undertakings	1	1

5 Share capital

	1997 £	1996 £
Authorised 100 Ordinary shares of £1 each	100	100
Allotted, and called up 1 Ordinary share of £1	1	1

6 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Coflexip SA, a company incorporated in France.

The largest group in which the results of the company are consolidated is that headed by Coflexip SA. Copies of the financial statements can be obtained from Greffe du Tribunal de Commerce de Paris, 1 Quai de Corse, 75181 Paris Cedex 04, France.

The smallest group in which they are consolidated is that headed by Coflexip Stena Offshore Limited, a company incorporated in England and Wales. Copies of the consolidated financial statements can be obtained from the Companies Registration Office (England and Wales), Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.