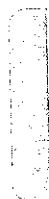


C/14

Registration number 3772705

Delta Oil (UK) Limited
Directors' report and financial statements
for the year ended 31 March 2003



A22 *A1UWLRIV* 0534
COMPANIES HOUSE 06/01/04

Delta Oil (UK) Limited

Company information

| | |
|------------------|--|
| Directors | Philip James Beck Badr M Al-Aiban |
| Company number | 3772705 |
| Accountants | A Gibson Taxation Services 28 Riverside Business Centre Victoria Street High Wycombe Bucks HP11 2LT |
| Business address | Charters House Charters Road Ascot Berks SL5 0HA |

Delta Oil (UK) Limited

Contents

| | Page |
|-----------------------------------|--------------|
| Directors' report | 1 |
| Accountants' report | 2 |
| Profit and loss account | 3 |
| Balance sheet | 4 - 5 |
| Notes to the financial statements | 6 - 8 |

Delta Oil (UK) Limited

**Directors' report
for the year ended 31 March 2003**

The directors present their report and the financial statements for the year ended 31 March 2003.

Principal activity

The principal activity of the company was to carry on business as an investment company.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

| | Ordinary shares | |
|-------------------|------------------------|-----------------|
| | 31/03/03 | 01/04/02 |
| Philip James Beck | - | - |
| Badr M Al-Aiban | 100 | 100 |

Sheikh Badr M Al-Aiban has an interest in Delta Oil Services (UK) Limited.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 30 November 2003 and signed on its behalf by




Director
Badr M Al-Aiban

Delta Oil (UK) Limited

**Accountants' report on the unaudited financial statements to the directors of
Delta Oil (UK) Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 March 2003 set out on pages 3 to 8 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.



A Gibson Taxation Services

**28 Riverside Business Centre
Victoria Street
High Wycombe
Bucks
HP11 2LT**

Date: 30 November 2003

Delta Oil (UK) Limited

**Profit and loss account
for the year ended 31 March 2003**

| | | 2003 | 2002 |
|--|--------------|-------------|-------------|
| | Notes | £ | £ |
| Administrative expenses | | 395,786 | 10,538 |
| Profit on ordinary activities before taxation | | 395,786 | 10,538 |
| Tax on profit on ordinary activities | 3 | (14,017) | - |
| Retained profit for the year | | 381,769 | 10,538 |
| Accumulated loss brought forward | | (631,574) | (642,112) |
| Accumulated loss carried forward | | (249,805) | (631,574) |

The notes on pages 6 to 8 form an integral part of these financial statements.

Delta Oil (UK) Limited

**Balance sheet
as at 31 March 2003**

| | | 2003 | | 2002 | |
|--|-------|----------|-------------|----------|-------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Investments | 4 | | 4,450,169 | | 4,728,750 |
| Creditors: amounts falling due within one year | 5 | (28,469) | | (10,928) | |
| Net current liabilities | | | (28,469) | | (10,928) |
| Total assets less current liabilities | | | 4,421,700 | | 4,717,822 |
| Creditors: amounts falling due after more than one year | 6 | | (4,671,405) | | (5,349,296) |
| Deficiency of assets | | | (249,705) | | (631,474) |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | 100 | | 100 |
| Profit and loss account | | | (249,805) | | (631,574) |
| Shareholders' funds | | | (249,705) | | (631,474) |

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 8 form an integral part of these financial statements.

Delta Oil (UK) Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 March 2003**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 March 2003 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 30 November 2003 and signed on its behalf by

Badr M Al-Aiban
Director



The notes on pages 6 to 8 form an integral part of these financial statements.

Delta Oil (UK) Limited

Notes to the financial statements for the year ended 31 March 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Investments

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

1.3. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Operating profit

and after crediting:

Profit on disposal of tangible fixed assets

Profit on foreign currencies

2003

£

83,055

(316,255)

2002

£

-

(14,298)

3. Tax on profit on ordinary activities

Analysis of charge in period

Current tax

UK corporation tax

2003

£

14,017

2002

£

-

4. Fixed asset investments

Listed
investments
£

Total
£

Cost

At 1 April 2002

Disposals

At 31 March 2003

Net book values

At 31 March 2003

At 31 March 2002

4,728,750

(278,581)

4,450,169

4,450,169

4,728,750

4,728,750

(278,581)

4,450,169

4,450,169

4,728,750

Delta Oil (UK) Limited

Notes to the financial statements for the year ended 31 March 2003

..... continued

| 4.1. Fixed asset investments | 2003 £ | 2002 £ |
|--|------------------|------------------|
| Market valuation of listed investments | <u>4,666,696</u> | <u>4,210,475</u> |

The company's listed investments comprise a holding of 24.47% (2002: 26%) in Centurion Energy International Inc., a company incorporated in Canada and quoted on the Toronto Stock Exchange.

The information given below in respect of the company's share of Centurion Energy International Inc. is for the year ended 31 December 2002:

| | £ | £ |
|--|------------------|------------------|
| Share of profit and loss account | | |
| Share of turnover | | <u>3,559,119</u> |
| Share of profit before tax | | 1,128,410 |
| Share of taxation | | <u>455,265</u> |
| Share of profit after tax | | <u>673,145</u> |
| Share of assets | | |
| Share of fixed assets | 12,757,799 | |
| Share of current assets | <u>1,834,341</u> | |
| | | 14,592,140 |
| Share of liabilities | | |
| Liabilities due within one year | 1,407,711 | |
| Liabilities due after more than one year | <u>3,647,620</u> | |
| | | <u>5,055,331</u> |
| Share of net assets | | <u>9,536,809</u> |

| 5. Creditors: amounts falling due within one year | 2003 £ | 2002 £ |
|---|---------------|---------------|
| Corporation tax | 14,017 | - |
| Directors' accounts | 5,346 | - |
| Other creditors | 3,525 | 3,525 |
| Accruals and deferred income | 5,581 | 7,403 |
| | <u>28,469</u> | <u>10,928</u> |

Delta Oil (UK) Limited

Notes to the financial statements for the year ended 31 March 2003

..... continued

| | | |
|---|------------------|------------------|
| 6. Creditors: amounts falling due after more than one year | 2003 | 2002 |
| | £ | £ |
| Long term director's loan | <u>4,671,405</u> | <u>5,349,296</u> |
| 7. Share capital | 2003 | 2002 |
| | £ | £ |
| Authorised | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

8. Controlling interest

The company is controlled by Sheikh Badr M Al-Aiban by virtue of his holding 100% of the issued share capital. Other creditors includes a loan from Sheikh Badr M Al-Aiban amounting to £4,676,751 (2002: £5,349,296). At the balance sheet date the company owed Delta Oil Services (UK) Limited £3,525 (2002: £3,525), a company under common control.

Delta Oil (UK) Limited

The following pages do not form part of the statutory accounts.