

DELTA OIL (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

Company No: 3772705



WILKINS KENNEDY
Bridge House
London Bridge
LONDON
SE1 9QR

DELTA OIL (UK) LIMITED

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DELTA OIL (UK) LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was to carry on business as an investment company.

DIRECTORS

The directors who served during the year and their beneficial interests in the share capital of the company, at the balance sheet date or on appointment if later, were as follows:-

| | £1 ordinary shares | |
|---|--------------------|------|
| | 2001 | 2000 |
| Philip James Beck | - | - |
| Sohail Hameed Khan (resigned 7 February 2001) | - | - |
| Badr M Al-Aiban (appointed 7 February 2001) | 100 | 100 |

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 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.

AUDITORS

The auditors, Wilkins Kennedy, are deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985.

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

This report was approved by the Board on 29/1/ 2002.

Director



BADR M AL-AIBAN

DELTA OIL (UK) LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF DELTA OIL (UK) LIMITED

We have audited the financial statements on pages 3 to 6 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies on page 5.

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. 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 judgments 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.

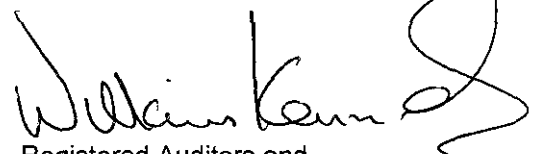
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Bridge House
London Bridge
LONDON
SE1 9QR

31 January 2002



Registered Auditors and
Chartered Accountants

WILKINS KENNEDY

DELTA OIL (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2001

| | Notes | Year ended 31 March 2001 £ | Period ended 31 March 2000 £ |
|--|----------|----------------------------------|------------------------------------|
| Administrative expenses | | (587,307) | (54,805) |
| Operating loss | 2 | (587,307) | (54,805) |
| Loss on ordinary activities before taxation | | (587,307) | (54,805) |
| Tax on loss on ordinary activities | | - | - |
| Loss for the period | | (587,307) | (54,805) |
| Retained loss for the period | 7 | <u>£(587,307)</u> | <u>£(54,805)</u> |

The notes on pages 5 and 6 form part of these financial statements.

DELTA OIL (UK) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2001

| | Notes | 2001 £ | 2000 £ |
|--|-------|--------------------------|-------------------------|
| Fixed assets | | | |
| Investments | 3 | 4,728,750 | 4,728,750 |
| Creditors: amounts falling due within one year | 4 | <u>(7,168)</u> | <u>(3,525)</u> |
| Total assets less current liabilities | | 4,721,582 | 4,725,225 |
| Creditors: amounts falling due after more than one year | 5 | <u>(5,363,594)</u> | <u>(4,779,930)</u> |
| Net liabilities | | <u><u>£(642,012)</u></u> | <u><u>£(54,705)</u></u> |
| Capital and reserves | | | |
| Called up share capital | 6 | 100 | 100 |
| Profit and loss account | 7 | <u>(642,112)</u> | <u>(54,805)</u> |
| Shareholder's funds | | <u><u>£(642,012)</u></u> | <u><u>£(54,705)</u></u> |

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standards for Smaller Entities (effective March 2000).

Approved by the Board on

29/1/

2002

Director

B M Al Aiban

GADR M AL-AIBAN

The notes on pages 5 and 6 form part of these financial statements.

DELTA OIL (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. OPERATING PROFIT

2001
£

2000
£

This is stated after charging:

Auditors' remuneration

3,643

3,525

Unrealised exchange loss

583,664

51,280

£587,307

£54,805

3. INVESTMENTS

£

£

Cost – listed investments (note 9)

At 1 April 2000 and 31 March 2001

£4,728,750

£4,728,750

Listed investments at market value

£4,703,951

£4,042,435

4. CREDITORS: amounts falling due within one year

£

£

Other creditors

£7,168

£3,525

5. CREDITORS: amounts falling due after one year

£

£

Other creditors

£5,363,594

£4,779,930

6. SHARE CAPITAL

£

£

Authorised

100 ordinary shares of £1 each

£100

£100

Allotted, called up and fully paid

100 ordinary shares of £1 each

£100

£100

Movement in share capital

At 1 April 2000

100

-

Shares issued

-

100

At 31 March 2001

£100

£100

DELTA OIL (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2001

| 7. PROFIT AND LOSS ACCOUNT | 2001 £ | 2000 £ |
|-----------------------------------|--------------------------|-------------------------|
| At 1 April 2000 | (54,805) | - |
| Retained loss | (587,307) | (54,805) |
| At 31 March 2001 | <u>£(642,112)</u> | <u>£(54,805)</u> |

8. CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

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 £5,363,594 (2000: £4,779,930).

At the balance sheet date the company owed Delta Oil Services (UK) Limited £3,525 (2000: £nil), a company under common control.

9. INFORMATION IN RESPECT OF LISTED INVESTMENTS

The company's listed investments comprise a holding of 25% 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 2000.

| | £ | £ |
|--|--------------------|--------------------------|
| Share of profit and loss account | | |
| Share of turnover | | 3,071,887 |
| Share of profit before tax | | 1,896,934 |
| Share of taxation | | 757,901 |
| Share of profit after tax | | <u>1,139,033</u> |
| Share of assets | | |
| Share of fixed assets | 9,004,169 | |
| Share of current assets | <u>2,324,169</u> | |
| Share of liabilities | | 11,328,338 |
| Liabilities due within one year | (937,724) | |
| Liabilities due after more than one year | <u>(1,711,963)</u> | |
| | | <u>(2,649,687)</u> |
| Share of net assets | | <u>£8,678,651</u> |