

DELTA OIL (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

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 2002.

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	
	2002	2001
Philip James Beck	-	-
Badr M Al-Aiban	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 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.

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 17/10/2002


Director **B M AL-AIBAN**

DELTA OIL (UK) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF DELTA OIL (UK) LIMITED

We have audited the financial statements on pages 3 and 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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.

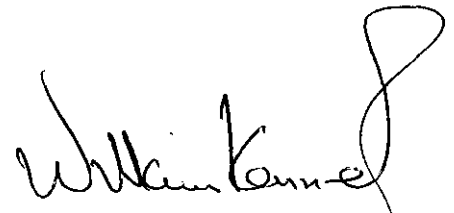
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bridge House
London Bridge
LONDON
SE1 9QR

25 October 2002


Registered Auditors and
Chartered Accountants
WILKINS KENNEDY

DELTA OIL (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Administrative expenses		10,538	(587,307)
Operating profit/(loss)	2	10,538	(587,307)
Profit/(loss) on ordinary activities before taxation		10,538	(587,307)
Tax on profit/(loss) on ordinary activities		-	-
Profit/(loss) for the period		10,538	(587,307)
Retained profit/(loss) for the period	8	£10,538	£(587,307)

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

DELTA OIL (UK) LIMITED

BALANCE SHEET


AS AT 31 MARCH 2002

	Notes	2002 £	2001 £
Fixed assets			
Investments	4	4,728,750	4,728,750
Creditors: amounts falling due within one year	5	<u>(10,928)</u>	<u>(7,168)</u>
Total assets less current liabilities		4,717,822	4,721,582
Creditors: amounts falling due after more than one year	6	<u>(5,349,296)</u>	<u>(5,363,594)</u>
Net liabilities		<u>£(631,474)</u>	<u>£(642,012)</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	<u>(631,574)</u>	<u>(642,112)</u>
Shareholder's funds		<u>£(631,474)</u>	<u>£(642,012)</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

17 / 10 / 2002


Director **BM 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 2002

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

2002
£

2001
£

This is stated after charging/crediting:

Auditors' remuneration

3,760

3,643

Unrealised exchange (gain)/loss

(14,298)

583,664

£(10,538)

£587,307

3. TAXATION

No liability to taxation arises on the result for the year (2001: £nil) due to the existence of trading losses.

4. INVESTMENTS

£

£

Cost – listed investments (note 9)

At 1 April 2001 and 31 March 2002

£4,728,750

£4,728,750

Listed investments at market value

£4,210,475

£4,703,951

5. CREDITORS: amounts falling due within one year

£

£

Other creditors

£10,928

£7,168

6. CREDITORS: amounts falling due after one year

£

£

Other creditors

£5,349,296

£5,363,594

7. 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

DELTA OIL (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2002

8. PROFIT AND LOSS ACCOUNT	2002 £	2001 £
At 1 April 2001	(642,112)	(54,805)
Retained profit/(loss)	10,538	(587,307)
At 31 March 2002	<u>£(631,574)</u>	<u>£(642,112)</u>

9. 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 £5,349,296 (2001: £5,363,594).

At the balance sheet date the company owed Delta Oil Services (UK) Limited £3,525 (2001: £3,525), a company under common control.

10. INFORMATION IN RESPECT OF LISTED INVESTMENTS

The company's listed investments comprise a holding of 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 2001.

	£	£
Share of profit and loss account		
Share of turnover		1,684,017
Share of profit before tax		677,787
Share of taxation		295,829
Share of profit after tax		<u>381,958</u>
Share of assets		
Share of fixed assets	13,553,332	
Share of current assets	1,294,594	
Share of liabilities		14,847,926
Liabilities due within one year	(3,368,724)	
Liabilities due after more than one year	<u>(2,128,334)</u>	
		<u>(5,497,058)</u>
Share of net assets		<u>£9,350,868</u>