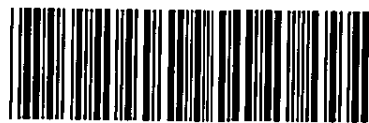


Petresco – KCC Limited

Directors' report and financial statements
for the year ended 31 December 2007

Registered number 04738647

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Petresco - KCC Limited

Directors' report and financial statements for the year ended 31 December 2007

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Petresco - KCC Limited

Directors' report for the year ended 31 December 2007

The Directors present their annual report and the audited financial statements for the year ended 31 December 2007.

Principal activities

The company's principal activity is the supply of custom built process plant and services for oil and gas production and treatment to the worldwide energy industry. The company has ceased to actively seek new contracts.

Business review

The directors consider the results for the year to 31 December 2007 to be satisfactory.

Dividend

The directors are recommending a £nil dividend for the year.

Key performance Indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Directors

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

NJ Winterbourne
K Fleming
G Mackie

Research and development

The company is currently undertaking research and development activities towards improving products to enhance performance, increase the product run life, reduce costs and reduce the environmental impact.

Petresco - KCC Limited

Directors' report for the year ended 31 December 2007 (continued)

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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;
- state whether applicable UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board



Director

1 Dec 2008

Independent auditors' report to the members of Petreco - KCC Limited

We have audited the financial statements of Petreco – KCC Limited for the year ended 31 December 2007 which comprise profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

29 December 2008

Petresco - KCC Limited

Profit and loss account for the year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		1	(3)
Operating profit/(loss)	1	1	(3)
Interest receivable and similar income		2	1
Interest payable and similar charges	3	(6)	-
Loss on ordinary activities before taxation		(3)	(2)
Tax on loss on ordinary activities	4	-	-
Result for the year		(3)	(2)

There were no recognised gains or losses in the year other than those shown above. All results were derived from continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

Petresco - KCC Limited

Balance sheet as at 31 December 2007

	Note	2007 £'000	2006 £'000
Current assets			
Debtors	5	160	200
Cash at bank and in hand		-	-
		160	200
Creditors: amounts falling due within one year	6	(106)	(143)
Net current assets and net assets		54	57
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	53	56
Total shareholders' funds	9	54	57

The financial statements on pages 4 to 10 were approved by the Board on 1 December 2008 and signed on its behalf by:



G Mackie
Director

Petresco - KCC Limited

Notes to the financial statements for the year ended 31 December 2007

1. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards. Where a choice of treatment is available the directors have applied the most appropriate accounting policies and estimation techniques in accordance with FRS 18. A summary of the significant accounting policies, which have been applied consistently, are set out below.

Interest costs

Interest costs are taken to the profit and loss account as incurred.

Taxation

The charge for taxation is based on the profit for the year and takes into account timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation arises when items are recognised for tax purposes in years that differ from the years in which they are recognised for accounting purposes. Deferred taxation is recognised as a liability or asset, using the full provision method, if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or right to pay less taxation in the future. A deferred tax asset is recognised to the extent that it is regarded as recoverable. Deferred tax assets and liabilities are not discounted

Related parties

The company has taken advantage of the exemption contained in FRS8 'Related party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group.

Cash flow statement

The company is ultimately a wholly owned subsidiary of Cameron International Corporation, and is included in the consolidated financial statements of Cameron International Corporation. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under FRS 1.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account.

Petresco - KCC Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

1. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2007	2006
	£'000	£'000
Auditors' remuneration:		
Audit	2	2

2. Staff costs and remuneration of directors

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2007	2006
	Number	Number
Management and administration	3	3

There were no employees during the year other than the directors.

No directors received remuneration in respect of their services to the company for the year ended 31 December 2007.

3. Interest payable and similar charges

	2007	2006
	£'000	£'000
Bank interest	6	-

Petresco - KCC Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

4. Taxation

	2007	2006
	£'000	£'000
UK corporation tax		
Current tax on income for the year	-	-
Tax on profit on ordinary activities	-	-
Factors affecting the tax charge for the current year:		
	2007	2006
	£'000	£'000
Loss on ordinary activities before tax	(3)	(2)
Current tax at 30%	(1)	(1)
Other timing differences	1	1
Total current tax charge (see above)	-	-

The company has an unprovided deferred tax asset of £1,000 (2006: £nil). This asset has not been recognised due to uncertainties over its recoverability.

Petresco - KCC Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

5. Debtors

	2007	2006
	£'000	£'000
Accounts recoverable on contracts	-	41
Corporation tax recoverable	160	159
	160	200

6. Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Bank overdraft	89	97
Amounts owed to group undertakings	12	44
Accruals and deferred income	5	2
	106	143

7. Called up share capital

	2007	2006
	£'000	£'000
Authorised		
Equity: 1,000 ordinary shares of £1 each	1	1
Allotted, called up and fully paid		
Equity: 1,000 ordinary shares of £1 each	1	1

Petresco - KCC Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

8. Reserves

	Profit and loss account
	£
At beginning of year	56
Loss for the year	(3)
At end of the year	53

9. Reconciliation of shareholders' funds

	2007	2006
	£'000	£'000
Loss for the year	(3)	(2)
Shareholders' funds at the beginning of the year	57	59
Shareholders' funds at the end of the year	54	57

10. Immediate and ultimate parent company

The company's immediate parent company is Petresco International Inc, a company registered in the United States of America. The company's ultimate parent company is Cameron International Corporation, a company registered in the United States of America. Cameron International Corporation is the parent undertaking of the smallest and largest group to consolidate these financial statements.