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Petresco – KCC Limited

Report and Financial Statements

31 December 2009

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COMPANIES HOUSE

Directors

N J Winterbourne
K Fleming
G Mackie

Secretary

Abogado-Nominees Limited

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds LS11 5QR

Registered Office

Cameron House
61 – 73 Staines Road West
Sunbury-on-Thames
Middlesex TW16 7AH

Directors' report

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The loss for the year, after taxation, amounted to £6,000 (2008 – profit of £4,000)

The company did not pay an interim dividend during the year (2008 – £Nil) The directors do not propose a final dividend

Principal activities and review of the business

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

The directors consider the results for the year to 31 December 2009 to be satisfactory

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 present directors, who served throughout the year, are shown on page 1

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware Having made enquiries of fellow directors, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

PricewaterhouseCoopers LLP resigned as auditors on 15 December 2009 and Ernst & Young LLP were appointed in their place

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board



G Mackie
Director

30 September 2010

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

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 2009 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

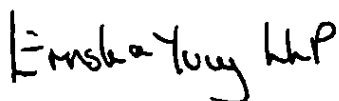
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report**to the members of Petreco – KCC Limited (continued)****Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



E M Barber (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds

30 September 2010

Profit and loss account

for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Administrative expenses		(8)	(1)
Operating (loss)/profit	2	(8)	(1)
Interest receivable and similar charges		-	14
Interest payable	4	-	(4)
(Loss)/profit on ordinary activities before taxation		(8)	9
Tax on (loss)/profit on ordinary activities	5	2	(5)
(Loss)/profit for the financial year	9	(6)	4

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.

Balance sheet

at 31 December 2009

	Notes	2009 £000	2008 £000
Current assets			
Taxation recoverable		1	-
Cash at bank and in hand		66	77
		<u>67</u>	<u>77</u>
Creditors: amounts falling due within one year	6	(15)	(19)
Net current assets		<u>52</u>	<u>58</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	51	57
Shareholders' funds	9	<u>52</u>	<u>58</u>

The financial statements were approved for issue by the board of directors and signed on its behalf by



G Mackie
Director

30 September 2010

Notes to the financial statements

at 31 December 2009

1. Accounting policies

Basis of preparation

The financial statements 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.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the *Review of business and future developments* on page 2.

The group has strong financial resources and the company is continuing in its role within the wider Cameron group. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of cash flows

The company is an ultimately 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 statement of cash flows under FRS 1.

Interest costs

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

Deferred 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 a 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.

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.

2. Operating (loss)/profit

This is stated after charging

	2009	2008
	£000	£000
Auditors remuneration	2	2

Notes to the financial statements

at 31 December 2009

3. Staff costs

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 2009 (2008 – £nil)

4. Interest payable

	2009 £000	2008 £000
Bank interest	-	4

5. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax (credit)/charge is made up as follows

	2009 £000	2008 £000
<i>Current tax</i>		
UK corporation tax on the (loss)/profit for the year	(2)	5
Tax on (loss)/profit on ordinary activities	(2)	5

(b) Factors affecting tax (credit)/charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2008 – 28.5%) The differences are explained below

	2009 £000	2008 £000
(Loss)/profit on ordinary activities before tax	(8)	9
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 – 28.5%)	(2)	3
<i>Effects of</i>		
Other timing differences	-	2
Current tax for the year (note 5(a))	(2)	5

The company has an unprovided deferred tax asset of £2,000 (2008 – £2,000) The asset has not been recognised due to uncertainties over its recoverability

Notes to the financial statements

at 31 December 2009

5. Tax (continued)

c) Factors that will affect future tax charges

On 22 June 2010, the UK government announced proposals to reduce the main rate of corporation tax from 28% to 24% over 4 years with effect from 1 April 2011. As of 31 December 2009, the tax rate change was not substantially enacted.

In addition, changes to the capital allowances regime were proposed including a reduction in the rate of capital allowances on plant and machinery additions from 20% to 18% and a reduction in the rate of the special rate pool from 10% to 8% with effect from 1 April 2012. As of 31 December 2009, this proposal was not substantially enacted.

6. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Amounts owed to group undertakings	12	12
Accruals and deferred income	3	2
Corporation tax payable	-	5
	<u>15</u>	<u>19</u>

7. Called-up share capital

	Authorised		Allotted, called-up and fully paid	
	2009 No	2008 No	2009 £000	2008 £000
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1</u>	<u>1</u>

8. Profit and loss account

	£000
At beginning of year	57
Loss for the year	(6)
At end of year	<u>51</u>

9. Reconciliation of shareholders' funds and movements on reserves

	2009 £000	2008 £000
(Loss)/profit for the year	(6)	4
Shareholders' funds at the beginning of the year	<u>58</u>	<u>54</u>
Shareholders' funds at the end of the year	<u>52</u>	<u>58</u>

Notes to the financial statements

at 31 December 2009

10. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Petresco International Inc, a company registered in the United States of America. The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Cameron International Corporation, which is incorporated in the United States of America.

Cameron International Corporation is also the company's ultimate parent undertaking and controlling party. Copies of the Annual report of Cameron International Corporation are available from Cameron International Corporation, 1333 West Loop South, Suite 1700, Houston, Texas, 77027, USA.