

Company Registration No 5072227 (England and Wales)

SENNING (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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SENNING (UK) LIMITED

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SENNING (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO SENNING (UK) LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Senning (UK) Limited for the year ended 31 December 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Alliotts

Chartered Accountants
Registered Auditor

16 October 2007

9 Kingsway
London
WC2B 6XF

SENNING (UK) LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2006

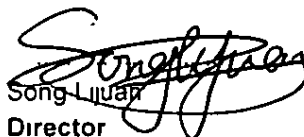
| | Notes | 2006 £ | £ | 2005 £ | £ |
|---|-------|-----------------|--------------------|-----------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 2 | | 78,289 | | 115,047 |
| Current assets | | | | | |
| Debtors | | 6,268 | | 13,112 | |
| Cash at bank and in hand | | 512,165 | | 295,787 | |
| | | <u>518,433</u> | | <u>308,899</u> | |
| Creditors amounts falling due within one year | | <u>(19,670)</u> | | <u>(66,484)</u> | |
| Net current assets | | | <u>498,763</u> | | <u>242,415</u> |
| Total assets less current liabilities | | | <u>577,052</u> | | <u>357,462</u> |
| Creditors amounts falling due after more than one year | | | <u>(1,257,974)</u> | | <u>(634,000)</u> |
| | | | <u>(680,922)</u> | | <u>(276,538)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 3 | 100,000 | | 100,000 | |
| Profit and loss account | | (780,922) | | (376,538) | |
| Shareholders' funds | | | <u>(680,922)</u> | | <u>(276,538)</u> |

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board for issue on 20 SEPTEMBER 2007



Wang Shali
Director



Song Lijuan
Director

SENNING (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 January 2005)

The company has continued to make significant losses and therefore has total assets that are less than total liabilities. The company is able to pay its debts as they fall due. The parent company China National Oil and Gas Exploration and Development Corporation, a company registered in The People's Republic of China, has pledged continuing financial support. For these reasons, the directors expect the company to remain a going concern for the foreseeable future.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|-------------------|
| Land and buildings Leasehold | 10% straight line |
| Fixtures, fittings & equipment | 25% straight line |

1.4 Foreign currency translation

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

2 Fixed assets

| | Tangible assets £ |
|---|-------------------------|
| Cost | |
| At 1 January 2006 & at 31 December 2006 | 151,805 |
| Depreciation | |
| At 1 January 2006 | 36,758 |
| Charge for the year | 36,758 |
| At 31 December 2006 | 73,516 |
| Net book value | |
| At 31 December 2006 | 78,289 |
| At 31 December 2005 | 115,047 |

SENNING (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

| 3 | Share capital | 2006 £ | 2005 £ |
|---|---|----------------|----------------|
| | Authorised | | |
| | 50,000 Ordinary Shares of £2 each | 100,000 | 100,000 |
| | | <u>100,000</u> | <u>100,000</u> |
| | Allotted, called up and fully paid | | |
| | 50,000 Ordinary Shares of £2 each | 100,000 | 100,000 |
| | | <u>100,000</u> | <u>100,000</u> |