

ENRC Management (UK) Limited (formerly ENRC Services Limited)

(Registered Number 5965190)

**Financial Statements for the period from 12 October 2006
(date of incorporation) to 31 December 2007**

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ENRC Management (UK) Limited

Directors' Report for the period from 12 October 2006 to 31 December 2007

The Directors present their report and the audited financial statements of the company for the period from 12 October 2006 (date of incorporation) to 31 December 2007

Business review and principal activities

The company changed its name from "ENRC Services Limited" to "ENRC Management (UK) Limited" on 4 June 2007

The company provides management services for the headquarters of ENRC PLC and its subsidiaries (the "Group") and is reimbursed for this through a sister company, ENRC Limited

The results of the company show a retained profit of £612 thousand for the period

The Directors intend to propose to pay all of the retained profits as a dividend to the shareholder in 2008

Share capital

The company's authorised and issued and fully-paid share capital is £1 thousand divided into 1,000 shares of £1 nominal value each

Key performance indicators

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

Principal risks and uncertainties and foreign exchange risk

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. For ENRC PLC, these are discussed in the Group's annual report which does not form part of this report

Directors

The Directors of the company who served during the period were

Dr Johannes Sittard (appointed 12 October 2006)
Miguel Perry (appointed 26 September 2007)
Jim Cochrane (appointed 26 September 2007)
Beat Ehrensberger (appointed 26 September 2007)

Statement of Directors' Responsibilities

The Directors are responsible for preparing 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 for the period.

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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, and
- 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

ENRC Management (UK) Limited

Directors' Report for the period from 12 October 2006 to 31 December 2007

The Directors are responsible for keeping proper accounting records that 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.

Disclosure of information to auditors

Each of the Directors at the date of approval of this report confirms that

- 1) so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- 2) the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of relevant information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the reappointment of PricewaterhouseCoopers LLP as auditors of the company will be proposed at the Annual General Meeting.

By order of the Board



Miguel Perry
ENRC Management (UK) Limited
16 St James's Street
London SW1A 1ER

3 July 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENRC MANAGEMENT (UK) LIMITED

We have audited the financial statements of ENRC Management (UK) Limited for the period ended 31 December 2007 which comprise the 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

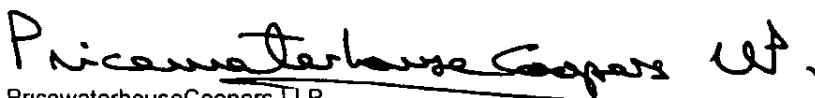
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 profit for the period 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

London
16 July 2008

ENRC Management (UK) Limited

Profit and Loss Account for the period ended 31 December 2007

In thousands of £	Notes	Period ended 31 December 2007
Continuing operations		
Turnover – management fee		45,680
Administrative expenses	4	(42,496)
Profit on ordinary activities before interest and taxation		3,184
Interest payable and similar charges		(2,572)
Profit on ordinary activities before taxation		612
Tax on profit on ordinary activities	5	-
Profit and retained profit for the period		612

The company had no recognised gains or losses during the period other than those reflected in the Profit and Loss Account above and therefore, no separate statement of total recognised gains and losses has been presented

There is no difference between the result as reported and its historical cost equivalent

ENRC Management (UK) Limited

Balance Sheet as at 31 December 2007

In thousands of £	Notes	As at 31 December 2007
Fixed assets		
Tangible assets	7	1,341
Investment		-
Total fixed assets		1,341
Current assets		
Debtors	8	12,729
Amounts owed by Group companies	9	36,938
Cash at bank and in hand		2,477
Total current assets		52,144
Creditors – amounts falling due within one year		
Trade creditors		(4,112)
Other creditors	10	(22,812)
Amounts owed to group companies	11	(25,948)
Total creditors – amounts falling due within one year		(52,872)
Net current liabilities		(728)
Total assets less current liabilities		613
Capital and reserves		
Called up share capital	12	1
Profit and loss account		612
Total capital employed		613

The financial statements on pages 5 to 10 were approved by the Board of Directors on 3 July 2008 and were signed on its behalf by



Miguel Perry

ENRC Management (UK) Limited

Notes to the Financial Statements for the period ended 31 December 2007 (continued)

1 Principal Accounting Policies

a) Basis of accounting

These financial statements are for the period from 12 October 2006 (date of incorporation) to 31 December 2007

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

The company is a wholly owned subsidiary of the ENRC PLC Group and is included in the consolidated financial statements of ENRC PLC Group which are publicly available. Consequently, the company has taken advantage of the exemption provided by Section 228 of the Companies Act 1985 not to prepare group accounts. Therefore, these accounts include financial information about the company as an individual undertaking rather than as a group.

b) Fixed Assets

Fixed assets are stated at cost and are depreciated over their estimated useful economic lives on a straight line basis. The principal rates used are as follows:

Fixtures, fittings and equipments	20% per annum
Motor vehicles	20% per annum
Computer equipments	33 3% per annum

c) Turnover recognition

Turnover (management fee) is recognised when the services are rendered and the right to receive payment is established.

Interest is accounted for on an accruals basis.

d) Leases

Operating lease rental is charged to the profit and loss account on a straight-line basis over the lease term.

e) Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Exchange differences are charged or credited to the profit and loss account in the year in which they arise.

f) Retirement benefits

The company operates a voluntary defined contribution scheme for all employees. The contributions are charged as an expense as they fall due.

g) Taxation including deferred tax

Full provision is made for deferred taxation on all timing differences that have arisen but not reversed at the balance sheet date, except that deferred tax assets are only recognised to the extent that it is more likely than not that they will be recovered. Deferred tax is recognised on an undiscounted basis.

ENRC Management (UK) Limited

Notes to the Financial Statements for the period ended 31 December 2007 (continued)

h) Dividends

Dividends payable are recognised when they meet the criteria of a present obligation

2 Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of ENRC PLC and is included in the consolidated financial statements of ENRC PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the ENRC PLC Group or investees of the ENRC PLC Group.

3. Directors' emoluments

The Directors are remunerated by the company and another Group company, in respect of their services as Group employees. The following represents the Directors' emoluments paid by the company.

In thousands of £	Period ended 31 December 2007
Aggregate emoluments	4,528
Aggregate amounts receivable under pension schemes	128
Highest paid director	
Total amount of emoluments and amounts receivable under long-term incentive schemes	3,450

Retirement benefits are accruing to four directors under a defined contribution scheme.

4. Administrative expenses

Administrative expenses include:

In thousands of £	Period ended 31 December 2007
Wages and salaries	12,647
Social security costs	1,414
Other pension costs	364
Staff costs	14,425

The fee for the audit of ENRC PLC, ENRC Limited and ENRC Management (UK) Limited (£0.7 million) has been borne by ENRC Management (UK) Limited with an appropriate portion subsequently recharged to ENRC Limited. This fee includes the subsidiary statutory account audits.

5. Taxation on profit on ordinary activities

In thousands of £	Period ended 31 December 2007
Tax on profit on ordinary activities	-
Reconciliation of current tax charge	
Profit on ordinary activities before taxation	612
Notional tax on profit on ordinary activities at the standard tax rate of 30%	184
Items not deductible for tax purposes	49
Group relief for Nil payment	(233)
Current tax charge for period	-

The standard rate of Corporation tax in the UK changed to 28% on 1 April 2008.

ENRC Management (UK) Limited

Notes to the Financial Statements for the period ended 31 December 2007 (continued)

6 Employee information

The average monthly number of persons (including executive directors) employed by the company during the period was

By activity	
Selling and distribution	1
Administration	9
Average monthly number of employees	10

7 Tangible assets

In thousands of £	Fixtures, fittings and equipments	Computer equipments	Motor vehicles	Total
Cost				
At 12 October 2006	-	-	-	-
Additions in period	1,043	306	82	1,431
At 31 December 2007	1,043	306	82	1,431
Depreciation				
At 12 October 2006	-	-	-	-
Charge for the period	5	74	11	90
At 31 December 2007	5	74	11	90
Net book value				
At 31 December 2007	1,038	232	71	1,341

8 Debtors

In thousands of £	At 31 December 2007
Other debtors and prepayments	10,027
Amount owed by Eurasian Capital AG, a related party	2,702
Total debtors	12,729

The amount receivable from Eurasian Capital AG is interest free and repayable on demand

9. Amounts owed by group companies

In thousands of £	At 31 December 2007
ENRC PLC	34,669
ENRC Marketing AG	2,269
Total amounts owed by group companies	36,938

The amounts owed by group companies relate to management recharges and are repayable on demand

ENRC Management (UK) Limited

Notes to the Financial Statements for the period ended 31 December 2007 (continued)

10 Other creditors

In thousands of £	At 31 December 2007
Accruals	9,524
Taxation and social security	13,288
Total other creditors	22,812

11. Amounts owed to group companies

In thousand of £	As at 31 December 2007
ENRC Limited	25,433
ENRC Marketing AG	515
Total amounts owed to group companies	25,948

The balance owed to ENRC Limited comprises the amount of £79 million loan repayable on demand, which bears interest at LIBOR plus 2 181% and a £54 million receivable on demand from ENRC Limited pertaining to management recharges. The amount owed to ENRC Marketing AG relates to management recharges and is repayable on demand.

12. Share capital

The authorised, issued, allotted and fully paid share capital of the company consists of 1,000 ordinary shares of £1 par value each.

13 Operating lease

Total operating lease rentals charged as an expense during the period amounted to £657 thousand. The commitment under the property lease which will expire in 2016 to pay rentals during 2008 amounts to £606 thousand.

14 Pension obligations

The cost of Company contributions for the period amounts to £364 thousand.

15 Related party transactions

During the period, the company paid Alferon Limited, a related party which is owned by the company's CEO, £3,021 thousand under the terms of a management services agreement. In addition, Alferon Limited assigned to the company its lease on the property occupied by the company at 16 St James's Street. The company paid Alferon Limited £1,000 thousand for the fixtures and fittings and £738 thousand as compensation for the transfer of the lease.

At the period end, there was a balance of £1,000 thousand payable to Alferon Limited.

16 Ultimate parent company

The company's ultimate parent company and controlling party is ENRC PLC which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of that company's consolidated financial statements are available from its registered office at 16 St James's Street, London SW1A 1ER.