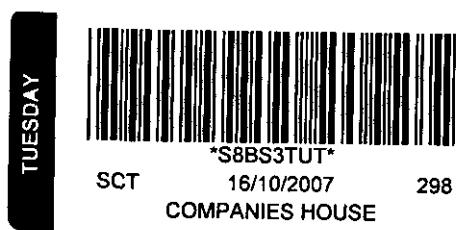


3D Stabilisers Limited

Financial statements

For the year ended 31 December 2006

Grant Thornton 



Company No. SC135878

Officers and professional advisers

| | |
|-----------------------------|--|
| Company Registration Number | SC135878 |
| Registered Office | 1 Howe Moss Drive Kirkhill Industrial Estate Dyce Aberdeen AB21 0GL |
| Director | Mr K T White |
| Secretary | Mr J Tepera |
| Solicitors | CMS Cameron McKenna Migvie House North Silver Street Aberdeen AB10 1RJ |
| Auditor | Grant Thornton UK LLP Chartered Accountants Registered Auditors 1-4 Atholl Crescent EDINBURGH EH3 8LQ |

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Report of the director

The director presents his report and the financial statements of the company for the year ended 31 December 2006

Principal activities and business review

No trading took place during the year, and the company is not expected to trade in the 2007 financial year

The loss for the financial year after taxation amounted to £228 (2005 £100)

The director does not recommend the payment of a dividend (2005 £nil)

Directors

The directors who served the company during the year were as follows

Mr J J Stewart
Mr K T White

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

Mr J J Stewart retired as a director on 20 April 2007

Director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 these financial statements, the director is 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 director is 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. He is 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.

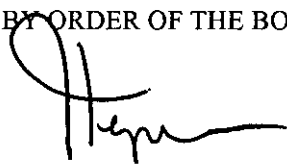
In so far as the director is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'J Tepera', written over the text 'BY ORDER OF THE BOARD'.

Mr J Tepera
Secretary
12 October 2007

Report of the independent auditor to the members of 3D Stabilisers Limited

We have audited the financial statements of 3D Stabilisers Limited for the year ended 31 December 2006 on pages 8 to 11. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 director and auditor

The director's responsibilities for preparing the Report of the Director and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's 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).

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 Report of the Director 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 director's remuneration and other transactions is not disclosed.

We read the Report of the Director 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 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 judgements made by the director 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.

Report of the independent auditor to the members of 3D Stabilisers Limited (continued)

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 applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 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 Report of the Director is consistent with the financial statements



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

EDINBURGH

12 October 2007

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Cash flow statement

The company has taken advantage of the exemption in FRS 1 (revised) "Cash Flow Statements" from including a cash flow statement in the financial statements on the grounds that its financial statements are incorporated into the consolidated financial statements of the ultimate parent company, which are publicly listed

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

| | Note | 2006 £ | 2005 £ |
|--|-------------|-------------------|-------------------|
| Turnover | | — | — |
| Gross profit | | — | — |
| Other operating charges | 1 | 228 | 100 |
| Loss on ordinary activities before taxation | | (228) | (100) |
| Loss for the financial year | 6 | (228) | (100) |

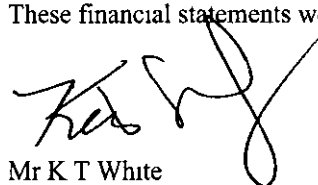
The accompanying accounting policies and notes form part of these financial statements

Balance sheet

| | Note | 2006 £ | 2005 £ |
|---|------|------------|------------|
| Current assets | | | |
| Debtors | 2 | 6,182 | 6,182 |
| Creditors: amounts falling due within one year | 3 | 6,049 | 5,821 |
| Net current assets | | <u>133</u> | <u>361</u> |
| Total assets less current liabilities | | <u>133</u> | <u>361</u> |
| Capital and reserves | | | |
| Called up equity share capital | 5 | 100 | 100 |
| Profit and loss account | 6 | <u>33</u> | <u>261</u> |
| Shareholders' funds | | <u>133</u> | <u>361</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved and signed by the director on 12 October 2007



Mr K T White
Director

Notes to the financial statements

1 Other operating charges

| | 2006 £ | 2005 £ |
|-------------------------|------------|------------|
| Administrative expenses | <u>228</u> | <u>100</u> |

2 Debtors

| | 2006 £ | 2005 £ |
|------------------------------------|--------------|--------------|
| Amounts owed by group undertakings | <u>6,182</u> | <u>6,182</u> |

The balance due from group companies is interest free, unsecured and is repayable on demand

3 Creditors amounts falling due within one year

| | 2006 £ | 2005 £ |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | <u>6,049</u> | <u>5,821</u> |

The balance owed to group companies is interest free, unsecured and is repayable on demand

4 Related party transactions

As a wholly owned subsidiary of W H Energy Services Inc, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by W H Energy Services Inc

5 Share capital

Authorised share capital

| | 2006 £ | 2005 £ |
|--------------------------------|------------|------------|
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Allotted, called up and fully paid

| | 2006 No | £ | 2005 No | £ |
|----------------------------|------------|------------|------------|------------|
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

6 Profit and loss account

| | 2006 | 2005 |
|-----------------------------|-----------|------------|
| | £ | £ |
| Balance brought forward | 261 | 361 |
| Loss for the financial year | (228) | (100) |
| Balance carried forward | <u>33</u> | <u>261</u> |

7 Ultimate parent company

The director considers that the ultimate parent undertaking and controlling related party of this company by virtue of it's shareholdings, is W H Energy Services Inc, a company incorporated in USA

The largest group of undertakings for which group accounts have been drawn up is that headed by W H Energy Services Inc, and the smallest such group of undertakings, including the company, is headed by Pathfinder Energy Services Limited. Copies of the financial statements for W H Energy Services Inc are available from 2000 West Sam Houston Parkway South, Suite 500, TX77042, USA