

SC 157994

Downhole Technology Limited

Report and Financial Statements

31 December 2005

Registered No SC157994



Downhole Technology Limited

Registered No SC157994

Directors

I Fraser
B M Martin

Secretary

W G Fulton

Auditors

Ernst & Young LLP
Blenheim House
Fountainhall Road
Aberdeen
AB15 4DT

Registered Office

Weatherford House
Lawson Drive
Dyce
Aberdeen
AB21 0DR

Directors' report

The directors present their report and financial statements for the year ended 31 December 2005

Results and dividends

The company made a profit, after taxation, of £73,000 (2004 – profit £54,000) The directors recommend that no dividend be paid and the profit be transferred to reserves

Principal activity and review of the business

The company did not trade during the year and is not expected to trade for the foreseeable future

Directors and their interests

The directors who served during the year were

I Fraser

B M Martin

A Boardman (resigned 24 November 2005)

None of the directors at the year end have any interests required to be disclosed under Section 2 of Schedule 7 to the Companies Act 1985

Auditors

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



W G Fulton
Secretary

5 March 2007

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 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

The directors are responsible for keeping proper accounting records which 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

Independent auditors' report

to the members of Downhole Technology Limited

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 7. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 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

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards as 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).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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.

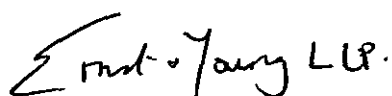
Basis of audit opinion

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 judgements 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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Aberdeen

5 March 2007

Profit and loss account

for the year ended 31 December 2005

	<i>Notes</i>	<i>2005 £000</i>	<i>2004 £000</i>
Administrative expenses			(75)
Operating profit	2		75
Profit on ordinary activities before taxation			75
Tax (credit)/charge on profit on ordinary activities	3	(73)	21
Retained profit for the year	6	73	54

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £73,000 in the year ended 31 December 2005 (2004 profit £54,000)

Balance sheet

at 31 December 2005

	Notes	2005 £000	2004 £000
Current assets			
Debtors	4	395	251
Creditors Amounts falling due after more than one year			
Amounts due to group undertakings		306	235
Total assets less current liabilities		<u>89</u>	<u>16</u>
Capital and reserves			
Called up share capital	5		
Profit and loss account	6	89	16
Shareholders' funds	6	<u>89</u>	<u>16</u>


Fraser
Director

5 March 2007

Notes to the financial statements

at 31 December 2005

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Related party transactions

The company has taken advantage of the FRS 8 exemption from having to provide details of transactions with fellow group undertakings

Cash flow statement

The company has taken advantage of the exemption from the requirements of FRS 1 (Revised) to prepare a cash flow statement as 90% or more of the voting rights are controlled within the group, and consolidated financial statements including the results of the company are available to the public

2 Operating profit

The remuneration of the auditors was paid by another group company

3. Tax (credit)/charge on profit on ordinary activities

(a) Tax (credit)/charge on profit on ordinary activities

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

	2005 £000	2004 £000
<i>Current tax</i>		
Group relief		21
Adjustments in respect of prior periods	(73)	
Total current tax (note 3(b))	<u>(73)</u>	<u>21</u>

(b) Factors affecting current tax (credit)/charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax of 30% (2004 – 30%) The differences are reconciled below

	2005 £000	2004 £000
Profit on ordinary activities before tax		75
Profit on ordinary activities multiplied by standard rate of 30% (2004 – 30%)		22
Short term differences		(1)
Tax overprovided in prior years	(73)	
Total current tax (note 3(a))	<u>(73)</u>	<u>21</u>

(c) Factors that may affect future tax charges

There are no factors considered to affect future tax charges

Notes to the financial statements

at 31 December 2005

4. Debtors

	2005 £000	2004 £000
Group relief receivable	324	251
Corporation tax	71	
	<u>395</u>	<u>251</u>

5. Share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2005	2004	2005	2004
	£	£	£	£
Ordinary shares of £1 each	100	100	2	2

6. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 1 January 2004		(38)	(38)
Profit for the year		54	54
At 31 December 2004		16	16
Profit for the year		73	73
At 31 December 2005		89	89

7. Ultimate parent company

The company's immediate parent undertaking is Orwell Group Limited registered in Scotland

Weatherford International Limited, a company registered in Bermuda, is the company's ultimate parent company and heads the largest group in which the results of the company are consolidated

Copies of the Orwell Group Limited financial statements can be obtained from the Registrar of Companies and copies of the Weatherford International Limited's financial statements can be obtained from PO Box 27608, Houston, Texas