

VENTURE PRODUCTION TRUSTEES LIMITED

(Registered Number 183241)

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

31 DECEMBER 1999



VENTURE PRODUCTION TRUSTEES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The directors present their report and audited financial statements of the company for the year ended 31 December 1999.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company is a Trustee company and acts as corporate trustee to the Venture Production Company Limited employee benefit trust.

RESULT AND DIVIDEND

The company did not trade during the year and consequently made no gain or loss. The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year were as follows:

M J Fleming	(resigned 21 December 1999)
B A I Dingwall	
L W Kinch	
D J Neely	(resigned 21 December 1999)
M Wagstaff	(appointed 21 December 1999)

None of the directors had any interests in the issued share capital of the company. The directors' interests in the share capital of the company's immediate parent, Venture Production Company Limited, are disclosed in the financial statements of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 for that year. 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

VENTURE PRODUCTION TRUSTEES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

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.

AUDITORS

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the Annual General Meeting.

By Order of the Board



Director

25 October 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF VENTURE PRODUCTION TRUSTEES LIMITED

We have audited the financial statements on pages 4 to 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 transactions is not disclosed.

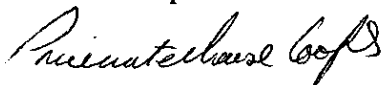
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs at 31 December 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and
Registered Auditors,
ABERDEEN

25 October 2000

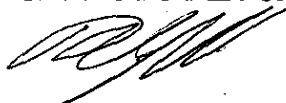
VENTURE PRODUCTION TRUSTEES LIMITED

BALANCE SHEET – 31 DECEMBER 1999

	1999 £	1998 £
Unpaid share capital	<u>1</u>	<u>1</u>
CAPITAL AND RESERVES		
Called up share capital (note 4)	<u>1</u>	<u>1</u>
SHAREHOLDER'S FUNDS	<u>1</u>	<u>1</u>

The company did not trade during the year and previous period and for that reason no profit and loss account is presented.

APPROVED BY THE BOARD ON 25 OCTOBER 2000



DIRECTOR

VENTURE PRODUCTION TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1999

1 ACCOUNTING POLICY

Accounting convention

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

2 AUDITORS' REMUNERATION

Auditors' remuneration is borne by the company's immediate parent, Venture Production Company Limited.

3 DIRECTORS' REMUNERATION

No remuneration was paid to the directors during the year in respect of their services to the company.

4 SHARE CAPITAL

	1999 £	1998 £
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and unpaid:		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

5 PARENT UNDERTAKING

Venture Production Company Limited, a company registered in Scotland is the parent undertaking of the only group to consolidate the accounts of the company and is also the ultimate parent undertaking. Copies of the group financial statements may be obtained from the company secretary at 34 Albyn Place, Aberdeen.