

VENTURE PRODUCTION plc

2002 Final Results

25 March 2003

2002 Overview

2002 Financial Highlights

Net Production	:	8,681 boepd	(up 78% over 2001)
Revenue	:	£52.7 million	(up 109% over 2001)
Operating Profit	:	£14.3 million	(up 131%* over 2001)
Profit Before Tax	:	£12.7 million	(up 182%* over 2001)
Operating Cashflow	:	£35.1 million	(up 388%* over 2001)

- Listed on London Stock Exchange raising £32.5 million
- Total capital expenditure of £63.6 million

* allowing for non-recurring charges reported in 2001



2002 Operational Highlights

Organic Growth

- Strong production from Larch and Mallard in the North Sea
- Fast track development of the Sycamore field
- Trinidad offshore drilling campaign - commitments substantially complete

Acquisitions

- Three new North Sea acquisitions adding 7.1 MMboe of 2P reserves
- Acquisition of additional interest in Brighton Marine agreed (1.5 MMboe)
- Total interests in 19 oil and gas fields (12 as operator)

Commercial

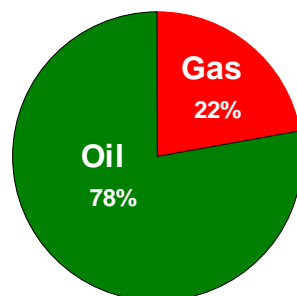
- Successful renegotiation of Ann/Alison gas sales contracts



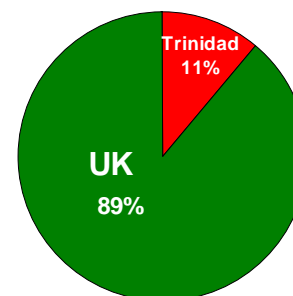
2002 Production Summary

	2002			Remarks	2003 Current Production (boepd)
	Oil (bopd)	Gas (MMscfd)	Total (boepd)		
UK					
• Trees	4,859	3.9	5,513	Ahead of expectations	16,465
• Mallard	895	0.3	953	In line with plan	964
• A-Fields	33	7.3	1,257	1H 2002 constrained by GSAs	2,291
Trinidad	958	-	958	In line with plan	1,285
Total Production	6,745	11.6	8,681	Up 78% over 2001	21,005

By Hydrocarbons

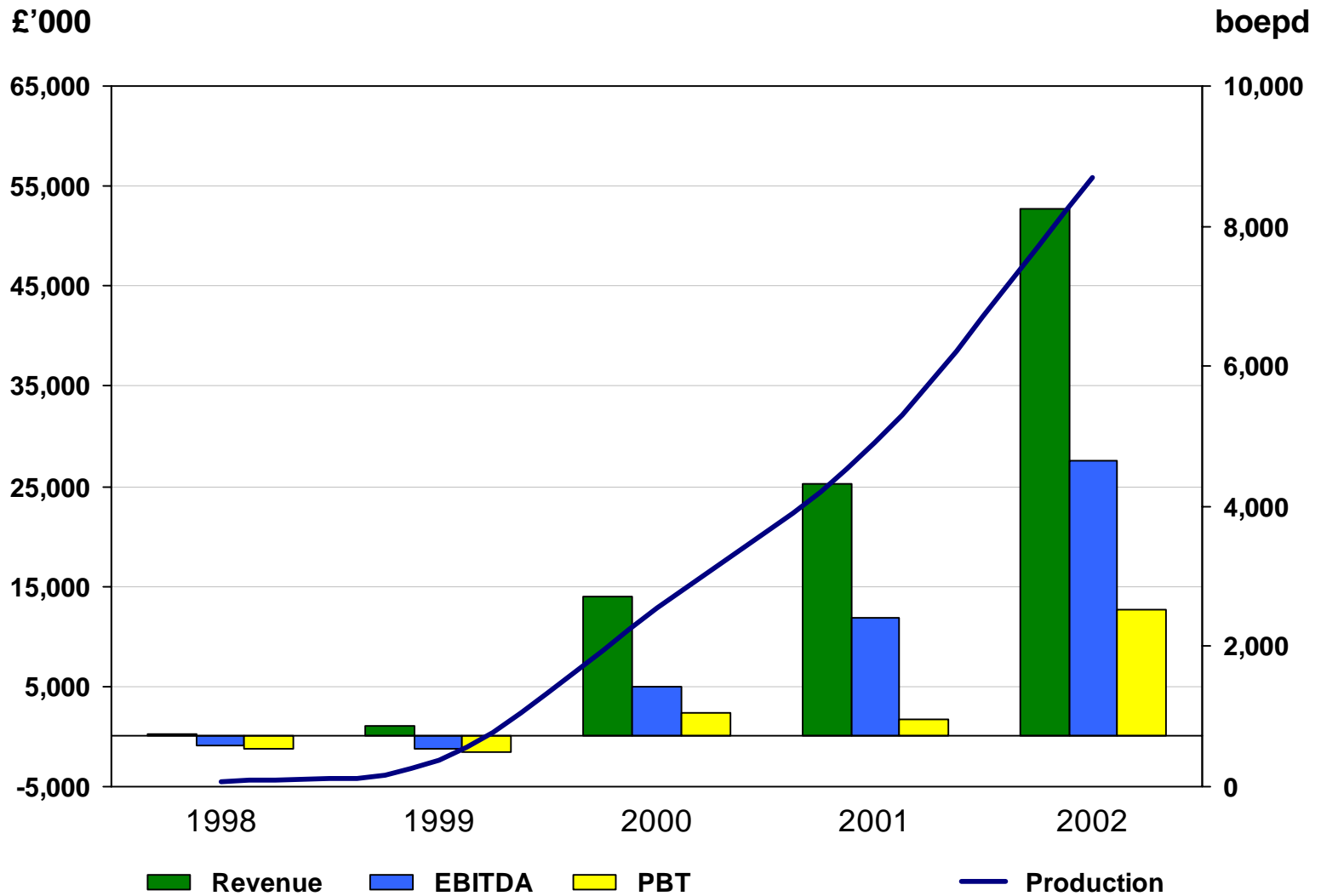


By Geography



Production Split

Financial Performance



Financial Summary

Income Statement

£'000	2001	2002
Turnover	25,242	52,671
Gross Profit	6,867	18,326
Administrative/Other Expenses	(2,914)	(3,996)
Operating Profit	3,952	14,331
Profit before Taxation	1,769	12,724
Tax	(828)	(5,549)
Profit on Ordinary Operating Activities	940	7,176
Finance Cost of Non-Equity Shares	(72) ^①	(192) ^②
Attributable to Equity Shareholders	868	6,984
Cashflow from Operations	5,024	35,077

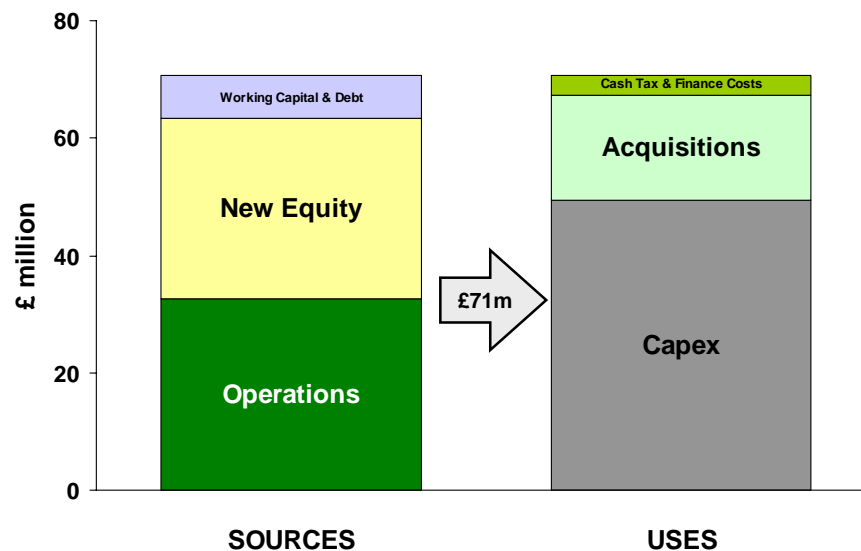
① Related to convertible preferred shares converted to ordinary shares in October 2001

② Redemption of 3i preference shares at flotation in March 2002



Cashflow Statement

£'000	2001	2002
Operating Profit	3,952	14,330
DD&A	5,629	13,154
EBITDA	9,581	27,484
Change in Working Capital	(4,535)	7,593
Abandonment Expenditure	15	-
Gain on Sale of Tangible Assets	(39)	-
Operating Cash	5,024	35,077



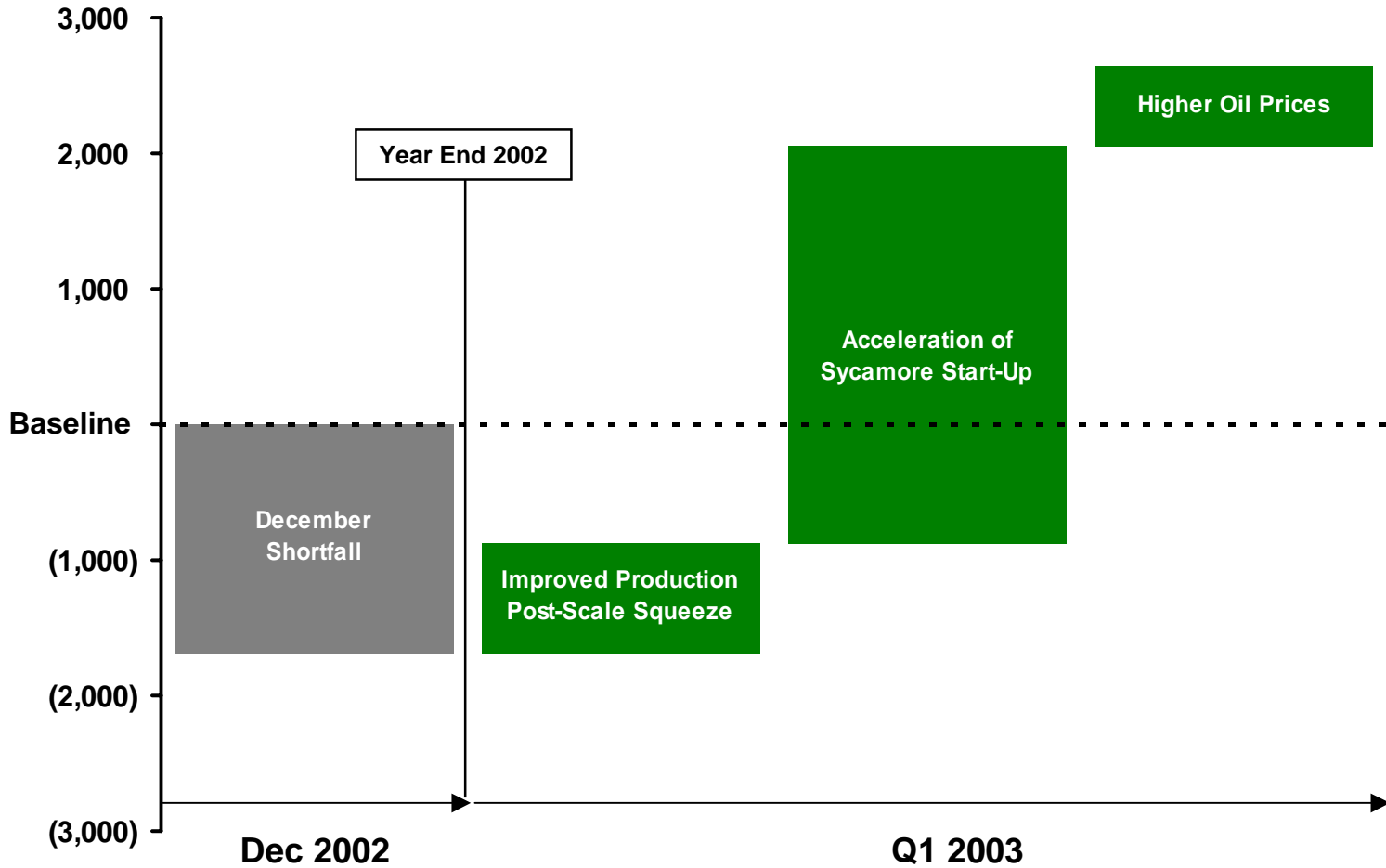
Balance Sheet

£'000	Dec 2001	Dec 2002
ASSETS		
Cash	5,425	2,775
Other Current Assets	13,927	13,392
Investments in Fields	76,236	127,527
Investments	422	319
Total Assets	96,010	144,013
LIABILITIES		
Current Liabilities	11,462	18,314
Long Term Liabilities		
- Bank Loans	24,943	26,259
- Provisions and Other Liabilities	13,386	16,403
Shareholders Equity	46,219	83,037
Total Liabilities	96,010	144,013



December Deferrals Reversed (Larch)

Revenue Impact
\$'000s



December Deferrals Reversed (Mallard)

- December tanker lifting postponed by operator (Shell)
- Sales of 78,000 produced barrels deferred from December
- 144,000 barrels lifting sold in February

Hedging Update

Venture Strategy

- Hedge oil price risk on 50 - 75% of net oil production

Downside Risk Protection (excluding Sycamore)

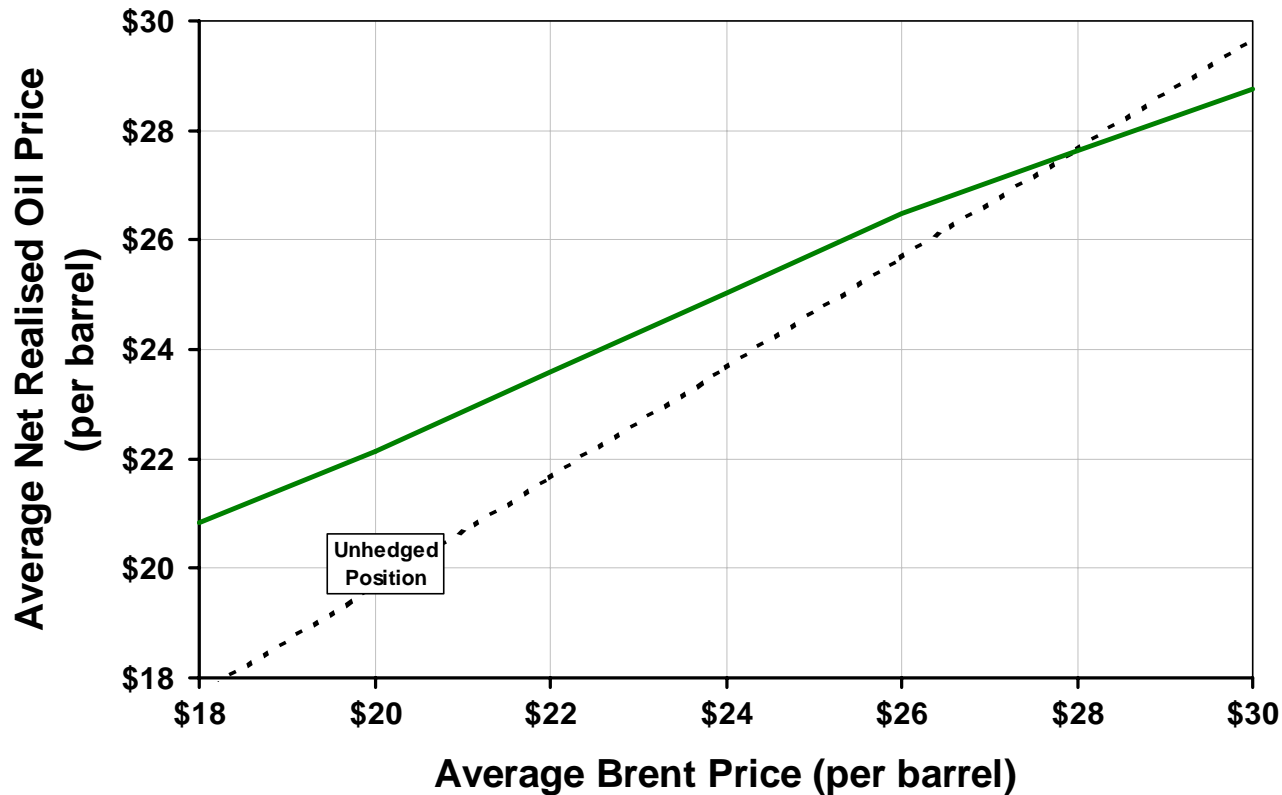
- Put options purchased at \$18.50 per barrel
- Call options sold at between \$25.70 and \$26.45 per barrel
- Cashless collars cover 66% of hedged volumes
- 64% of total forecast production hedged in 2003

Sycamore Specific Hedging (2003)

- Additional put options at \$18.50 per barrel covering 4,500 bopd for 2H
- 5,000 bopd hedged at \$29.00 per barrel through swaps



Impact of 2003 Hedging



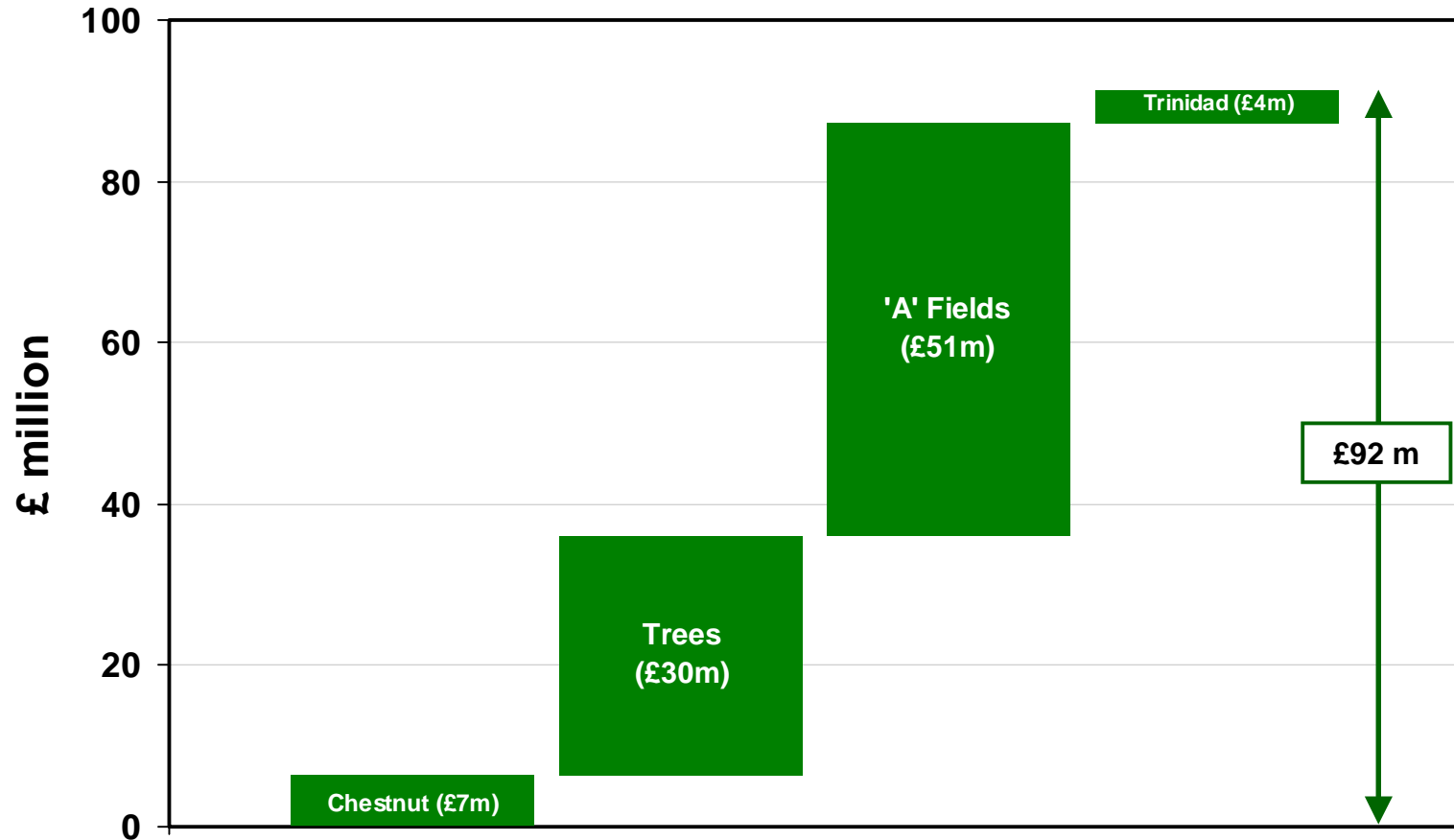
Period	Q1	Q2	Q3	Q4
Oil Production Hedged	91%	48%	78%	55%

New Banking Facilities

- Refinancing to be completed in March 2003
- New \$175 million corporate credit facility
 - \$150 million senior secured revolving credit facility
 - \$25 million subordinated additional 'top-up' facility
- Purpose
 - Refinance existing debt (currently \$56 million)
 - Fund ongoing development of existing asset base
 - Substantial headroom for acquisitions
- Underwritten by Royal Bank of Scotland and Bank of Scotland
- Intention is to syndicate to a small group of major banks
 - Broaden banking group consistent with corporate growth

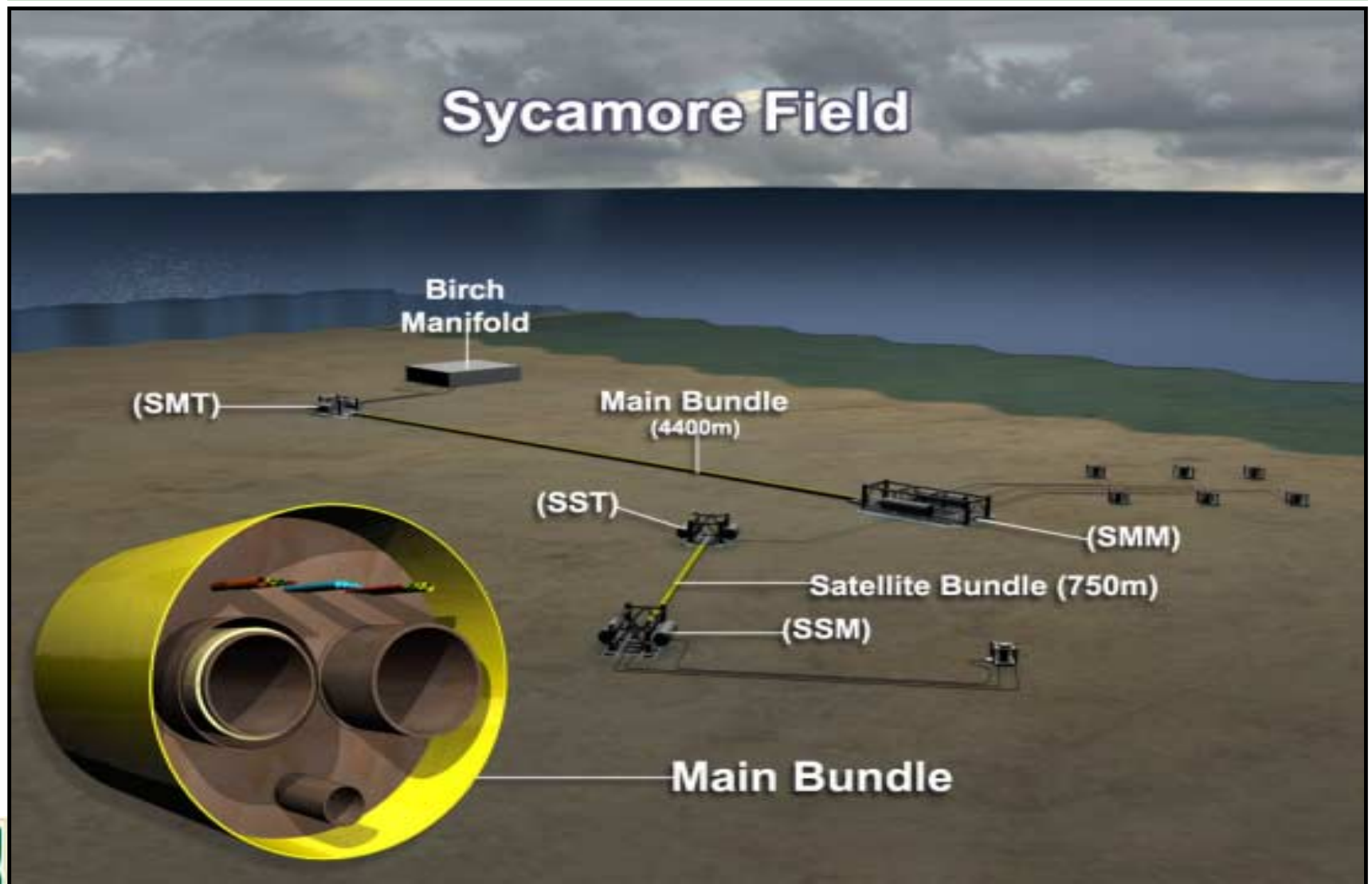


2003 Capital Expenditures



Operational Update and Trading Outlook

Sycamore : A 'Home Grown' Project

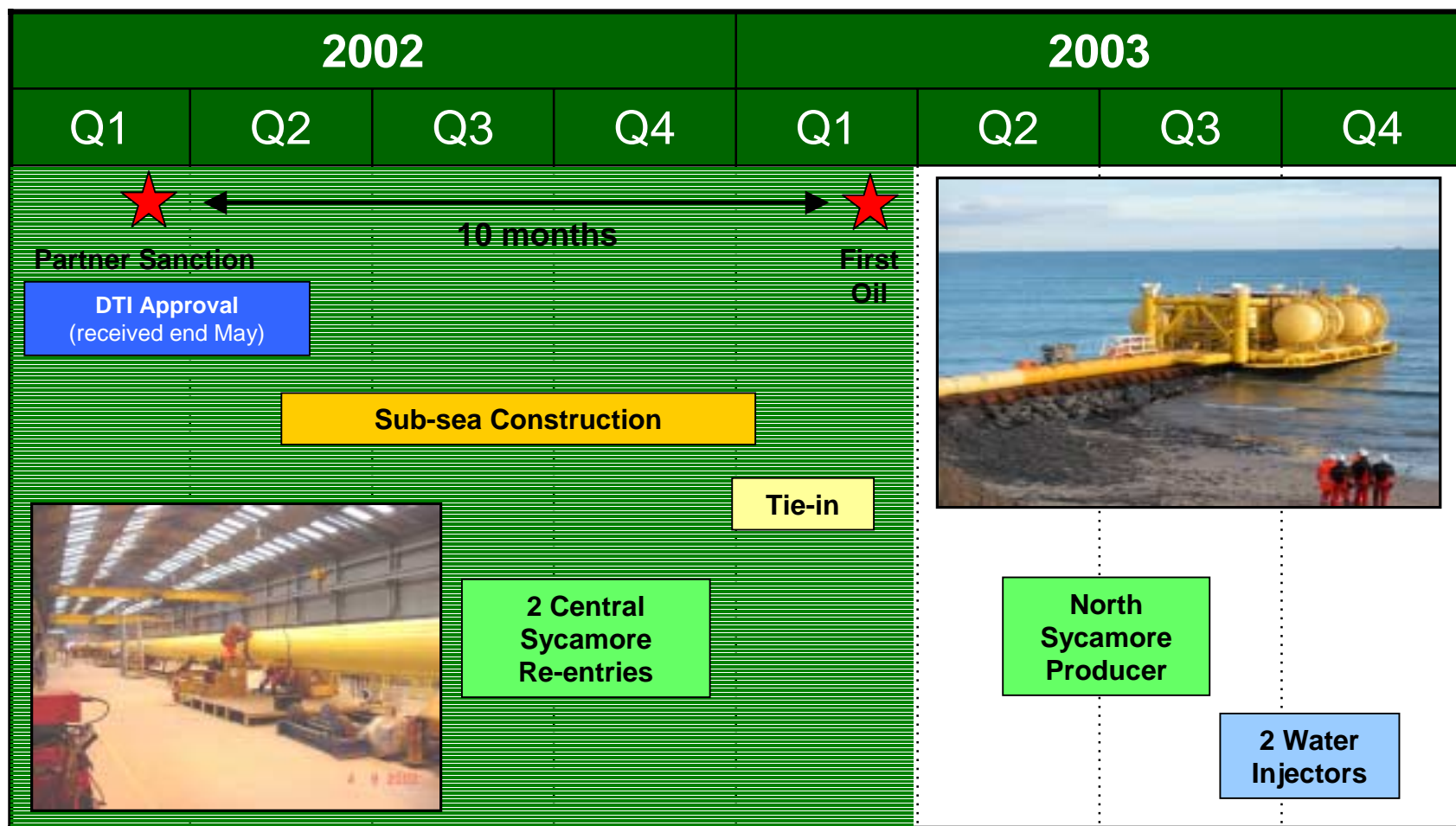


Sycamore : Key Features

- Creating 'something from nothing'
- Fourth largest new field development announced in 2002
- Use of existing facilities and re-use of suspended wells to reduce costs
- Operatorship key to fast track development
- 10 months from FDP approval to first oil
- First ever successful winter tow-out of a sub-sea bundle in UKCS



Sycamore : 'Fast Track' Project Schedule

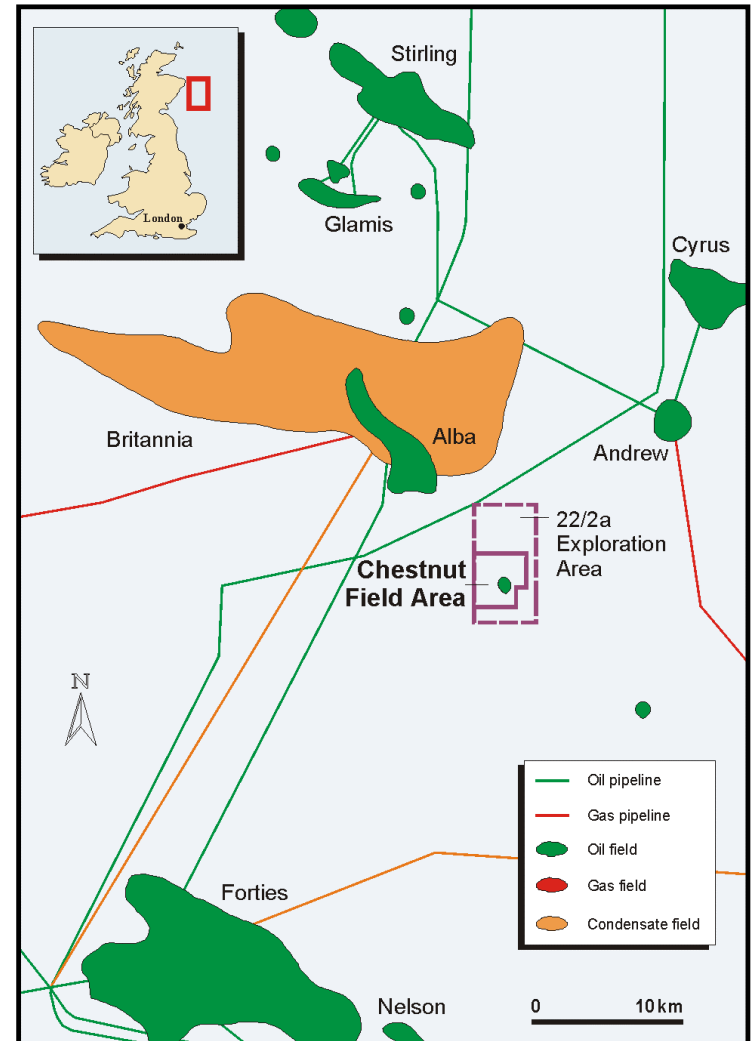


First oil achieved one month early, costs in line with AFE



Chestnut Acquisition - New Leadership

- Acquisition of additional 50% and operatorship of Chestnut (March 2003)
- Total interest increased to 69.9%
- Consideration £6.5m cash plus up to £4m deferred
- Additional 8.1 MMboe of 2P reserves
- Leveraging Venture's in-house sub-sea and delivery skills



2003 Work Programme - UK Gas Assets

● Ann

- A2 workover in Q2
- Drill new in-fill production well in 2004

● Annie/Agatha

- Drill two production wells in Q2/Q3
- Tie-back to Alison

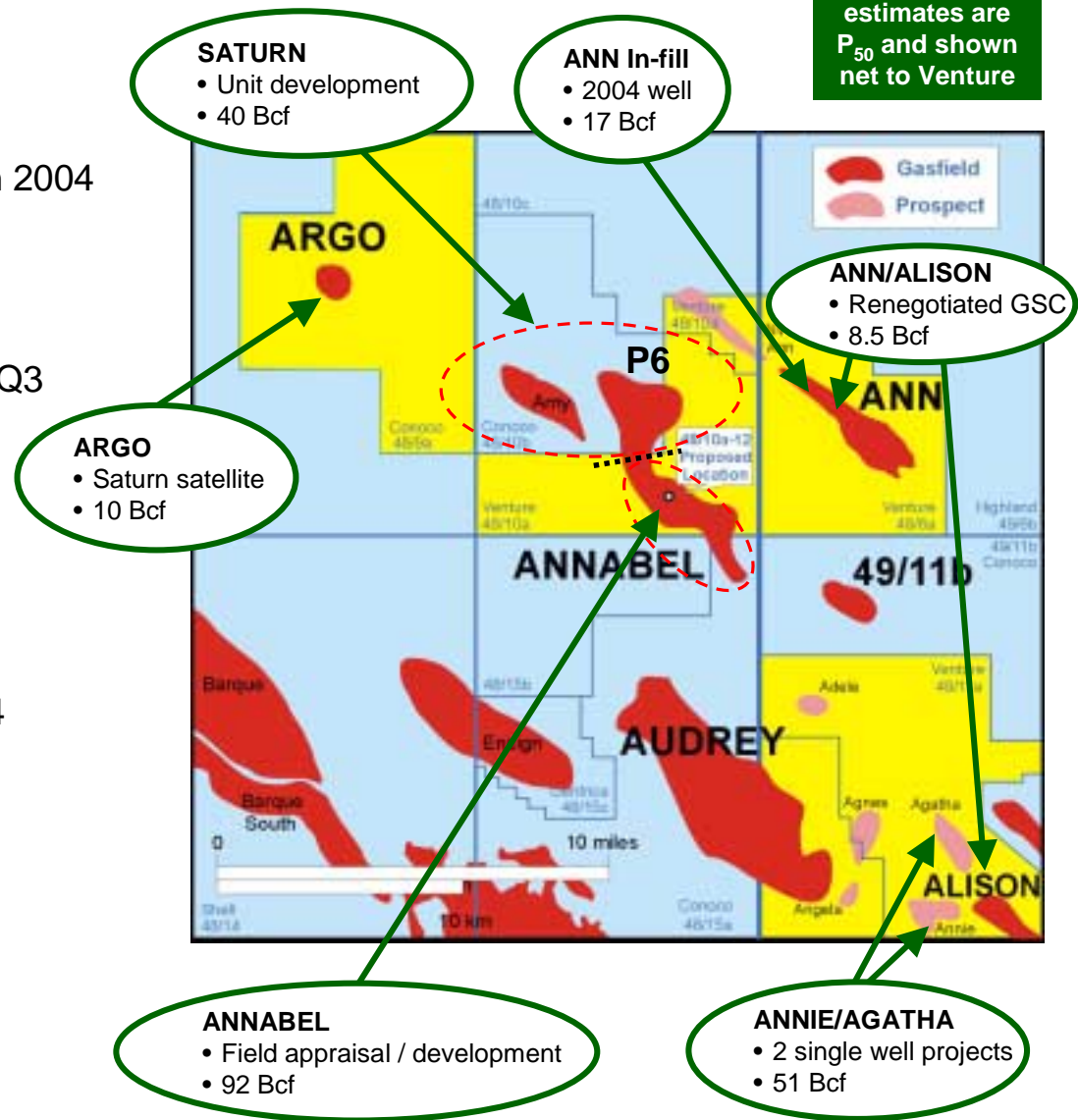
● Annabel

- Drill appraisal well in Q4
- Export via Saturn; first gas 2004

● Saturn

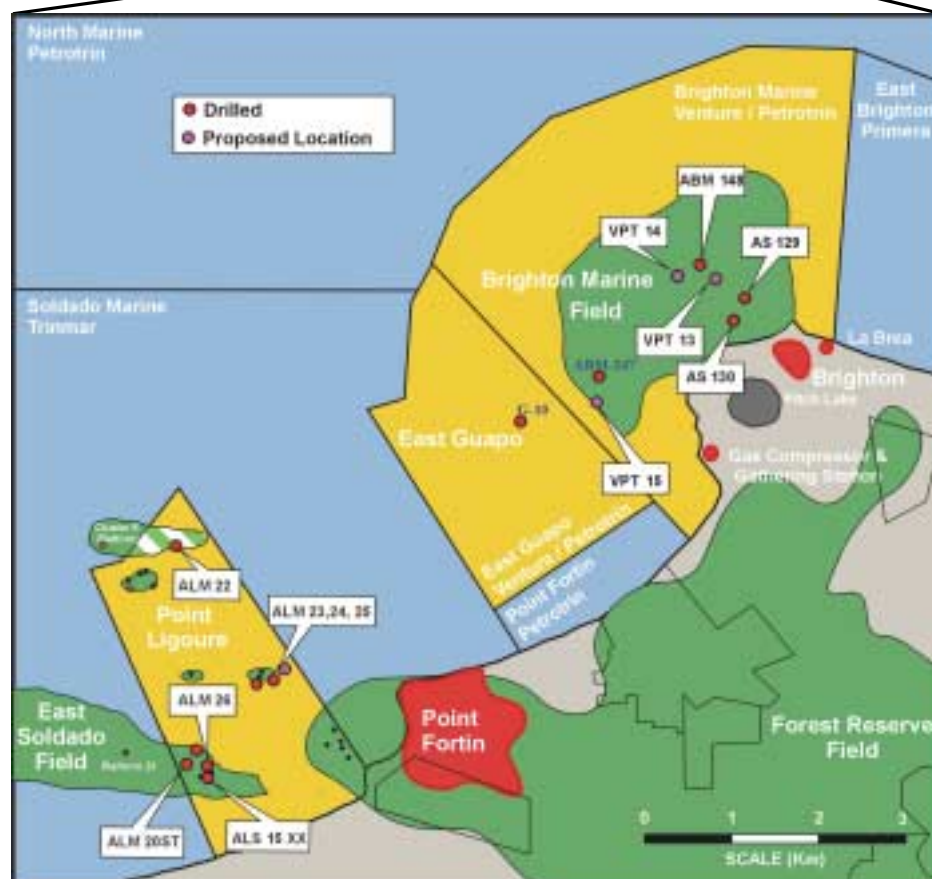
- 2004 development plan
- Venture working interest ~ 16%

All reserves estimates are P₅₀ and shown net to Venture



2003 Work Programme - Trinidad

- Forest Reserve
 - Drill up to 10 producers
- Tabaquite
 - Seismic programme to secure deep rights
- Brighton Marine
 - ABM151 follow up
- Point Ligoure
 - Technical studies in support of investment in 2004 and beyond



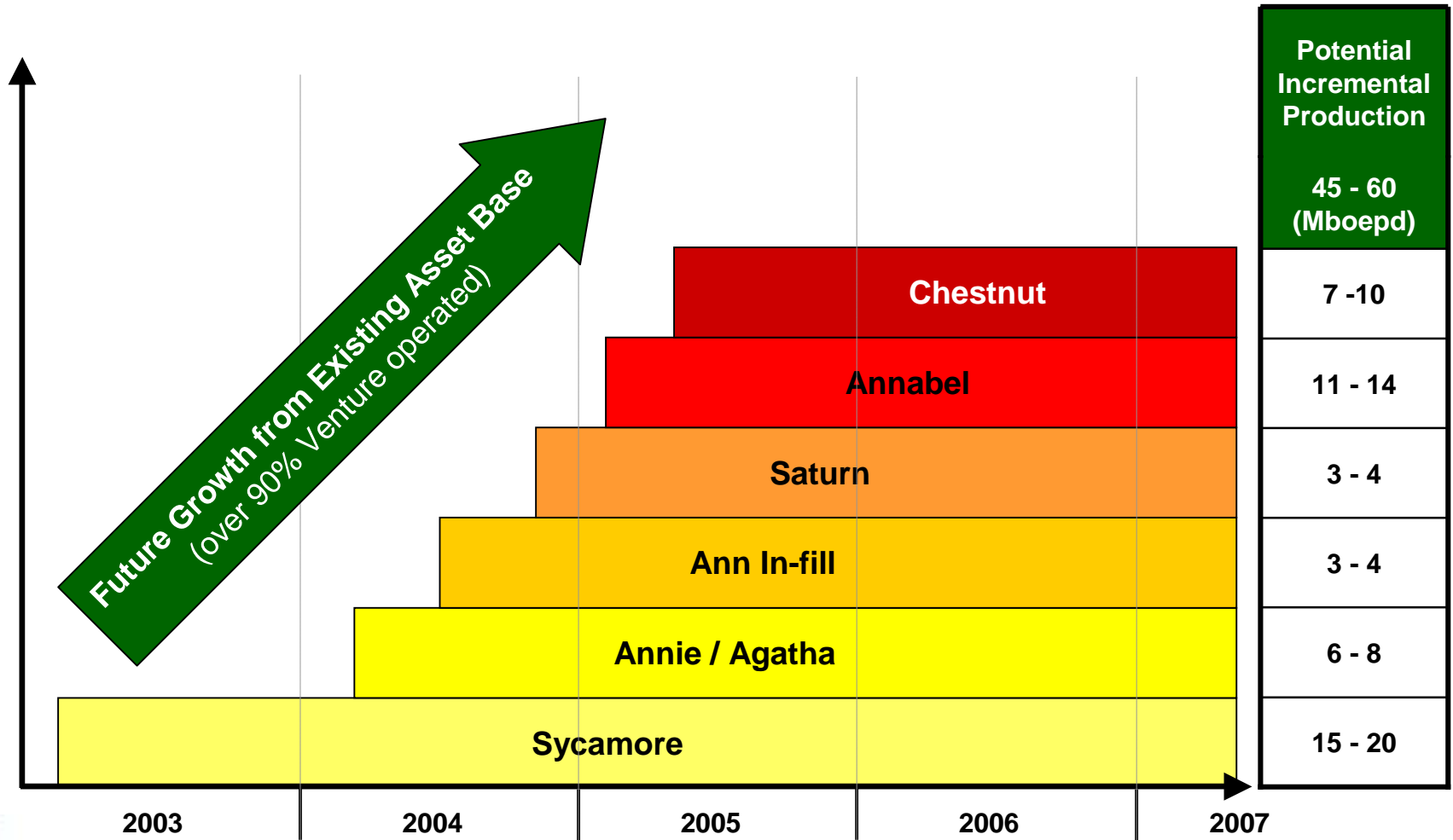
Reserves Summary / Movements

Proven and Probable Reserves (MMboe)	UK	Trinidad	Total
At 1 January 2002	35.5	3.5	39.0
Movements:			
Revised Estimates	5.2	1.7	6.9
Acquisitions	7.1	-	7.1
Production	(3.0)	(0.3)	(3.3)
	9.3	1.4	10.7
At 31 December 2002	44.8	4.9	49.7
Brighton Marine ORR Conversion	-	1.5	1.5
Chestnut Acquisition	8.1	-	8.1
	8.1	1.5	9.6
At 25 March 2003	52.9	6.4	59.3



Summary

Development Inventory



Investment Highlights

- **Record results in 2002**

- Increased scale of business

- **Successful development activity in 2002**

- Already delivering in 2003
- Current production 21,000 boepd

- **Growing development inventory on existing asset base**

- Virtually all Venture operated

- **2003/4 investment will fuel growth in 2004/2005**

- Growth momentum sustained by repeatable business model

- **Well positioned for further acquisitions in the North Sea and Trinidad**



END