

VENTURE PRODUCTION plc

2007 Interim Results

18 September 2007

Executive Summary

Mike Wagstaff
Chief Executive

Strong Production Levels

- Strong well and reservoir performance across all hubs
- 1H 2007 production down 3% on 1H 2006 at 42,160 boepd
- Chiswick will provide 20% increase in Group production

2007 Development Projects on Track

- Project delivery on track - key 1H milestones achieved
- £71.8 million invested - development programme is back end loaded
- Timing - new developments can only make limited contribution to 2007 production
- Increased levels of E&A activity - creating the next generation of opportunities

Financial Performance Driven by Production and UK Gas Price

- Comparisons impacted by record high UK gas prices in 2006
- Operating performance in line with expectations
- Strong cashflow generation financing re-investment

Commercial

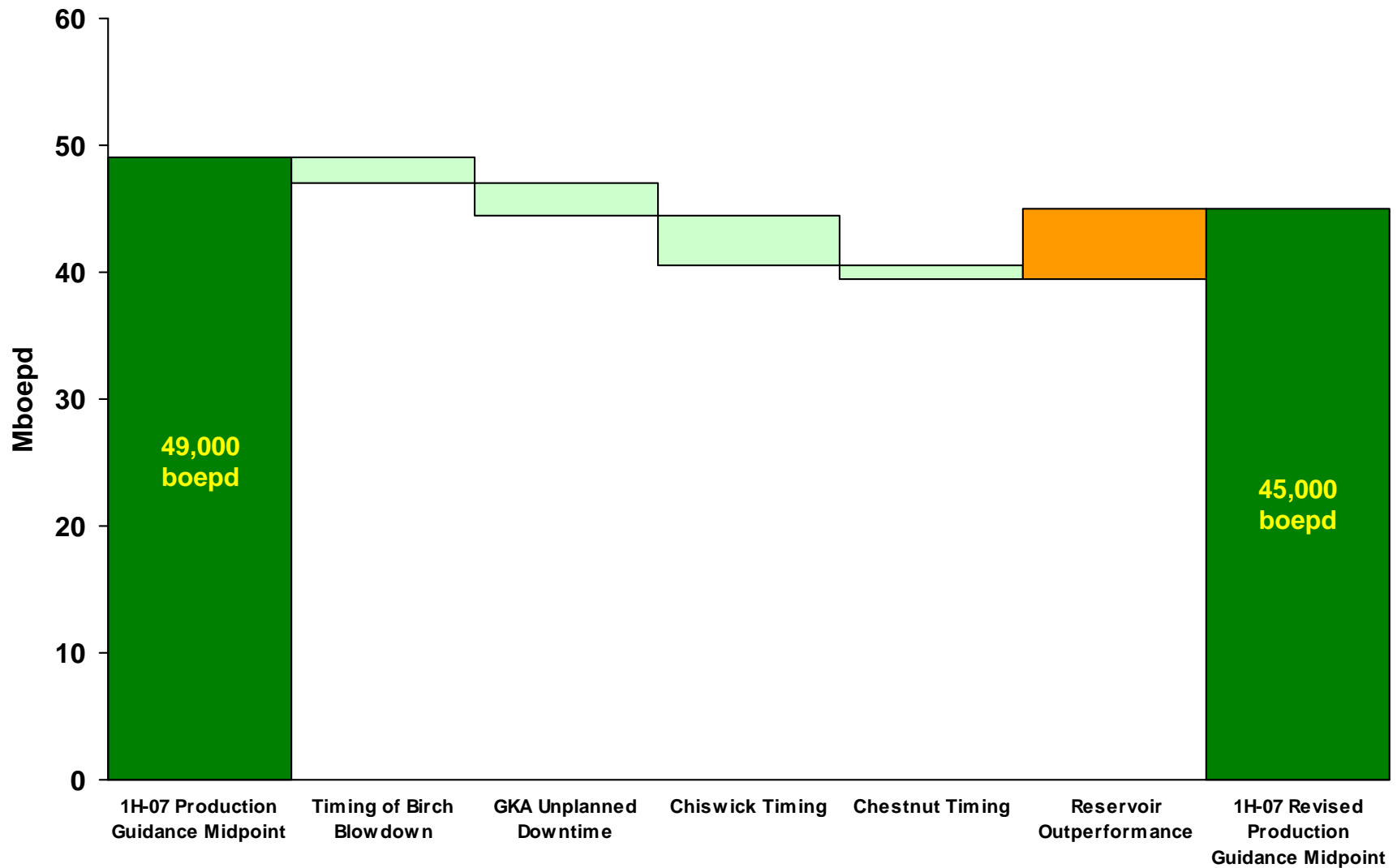
- Strategic partnerships with key contractors delivering real value and new business opportunities

Corporate Development

- 1H 2007 - limited activity, subdued North Sea asset trading market
- Two acquisitions continue to build SNS position - Barbarossa and WHAM
- Strong evidence of increasing North Sea consolidation
- £585 million debt refinancing provides significant growth capacity
- £200 million investment by 3i and ArcLight brings in strategic investors to back next phase of growth.

Revised Guidance Reconciliation

2007



Revised 2007 production guidance 44 - 46 boepd

Production

- Production at ~ 50,000 boepd post summer shut-ins
- Chiswick on stream will add 10,000 boepd in 4Q
- Total group 2007 production guidance 44 - 46 Mboepd

2H 2007 Project Development

- 'A' Fields : Ensign and Barbarossa appraisal wells
- GMA : Chiswick start-up and second production well
- GKA : Export pipeline start-up; Grouse appraisal well
- Chestnut : Hummingbird sail out and field start-up

2007 on track for continued growth

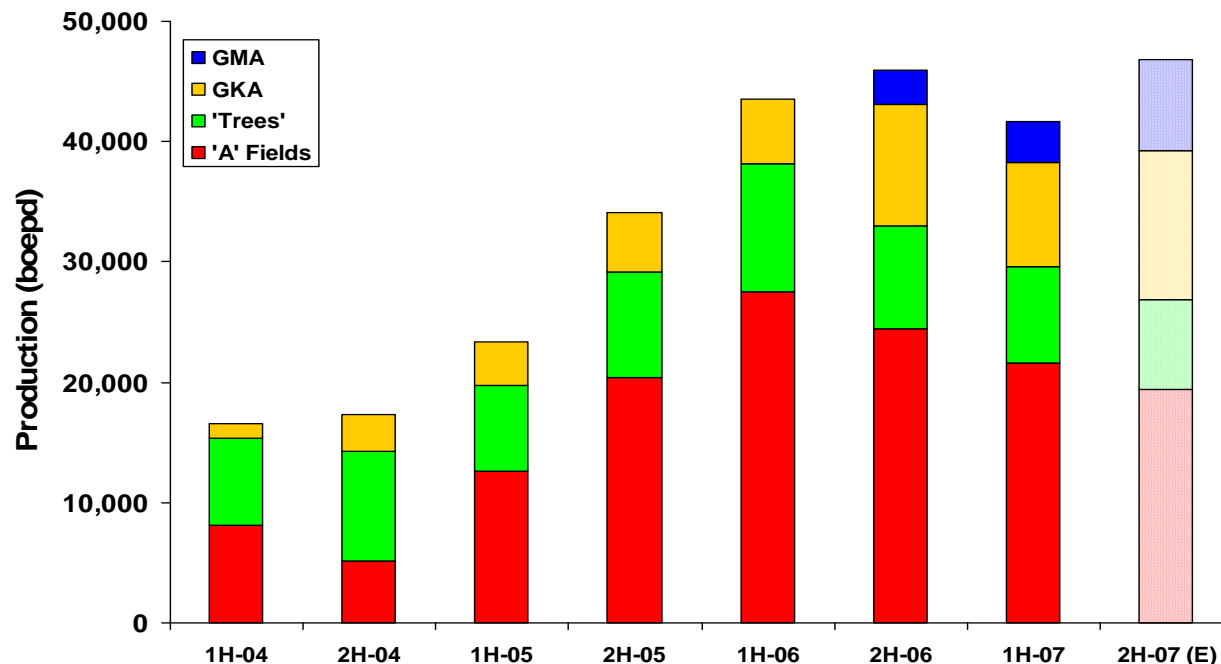
Operational and Project Update

Jon Murphy
Chief Operating Officer

Operational Highlights

1H 2007

- 'A' Fields : Annabel continues to perform above expectations; Mimas on-stream; Gas discovery at Channon; Ensign appraisal
- GMA : Chiswick Alpha successfully drilled and completed; Chiswick Gamma spudded; Compression Tower operational and yielding improved efficiencies
- GKA : Impacted by weather and tanker issues however strong well performance from all satellites continues. Export pipeline on track for 4Q start-up
- 'Trees' : Steady production from all fields
- Other CNS : Chestnut Hummingbird due in the field 4Q 2007; Pilot and Narwhal appraisal wells drilled and under review



Jan - June	July - Dec
<ul style="list-style-type: none"> • Drill Ensign appraisal well ✓ • Complete appraisal of the Pilot field ✓ • Complete appraisal of the Amanda field ✓ • Drill the Channon exploration well ✓ • Deliver first gas from Chiswick (due late September 2007) • Complete the Mimas development and deliver first gas ✓ • Completion of the Ash exploration well from Tiffany platform ✓ 	<ul style="list-style-type: none"> • Drill Grouse appraisal well • Deliver first production from Chestnut • Complete appraisal of the Selkirk field • Drill the Agatha exploration well (now 1Q 2008) • Drill the Adele exploration well (now 2009 due to prioritisation of projects) • Spud second Chiswick production well ✓ • Decision on Pilot project sanction • Drill Millburn appraisal well ✓ • Drill Second Ensign appraisal well • Spud Barbarossa appraisal well • GKA export pipeline start-up

Business Model



- Venture has built the capacity to deliver a sustainable business:
 - Deep and diversified inventory
 - Organisational capacity
 - Focus on delivery
 - Project execution
 - Effective contracting strategy - scale and relationships
 - Innovative approach to solving mature basin issues
- A recent example is Chiswick:
 - Acquired as part of CH4
 - Technical risks and uncertainties identified at the time of acquisition
 - Drilling risks mitigated through well planning
 - Reservoir uncertainty managed by well track through the target
 - Innovative approach to achieving hydraulic fracture of the reservoir

Chiswick



Economies of Scale – SNS Development

- Multi-project approach to contracting:
 - Lower cost base spread across several projects
 - Higher value obtained through lessons learned and longer term engagement
 - Continuity of contractor personnel leading to better performance
 - Improved commercial terms
- 2008 SNS Developments:

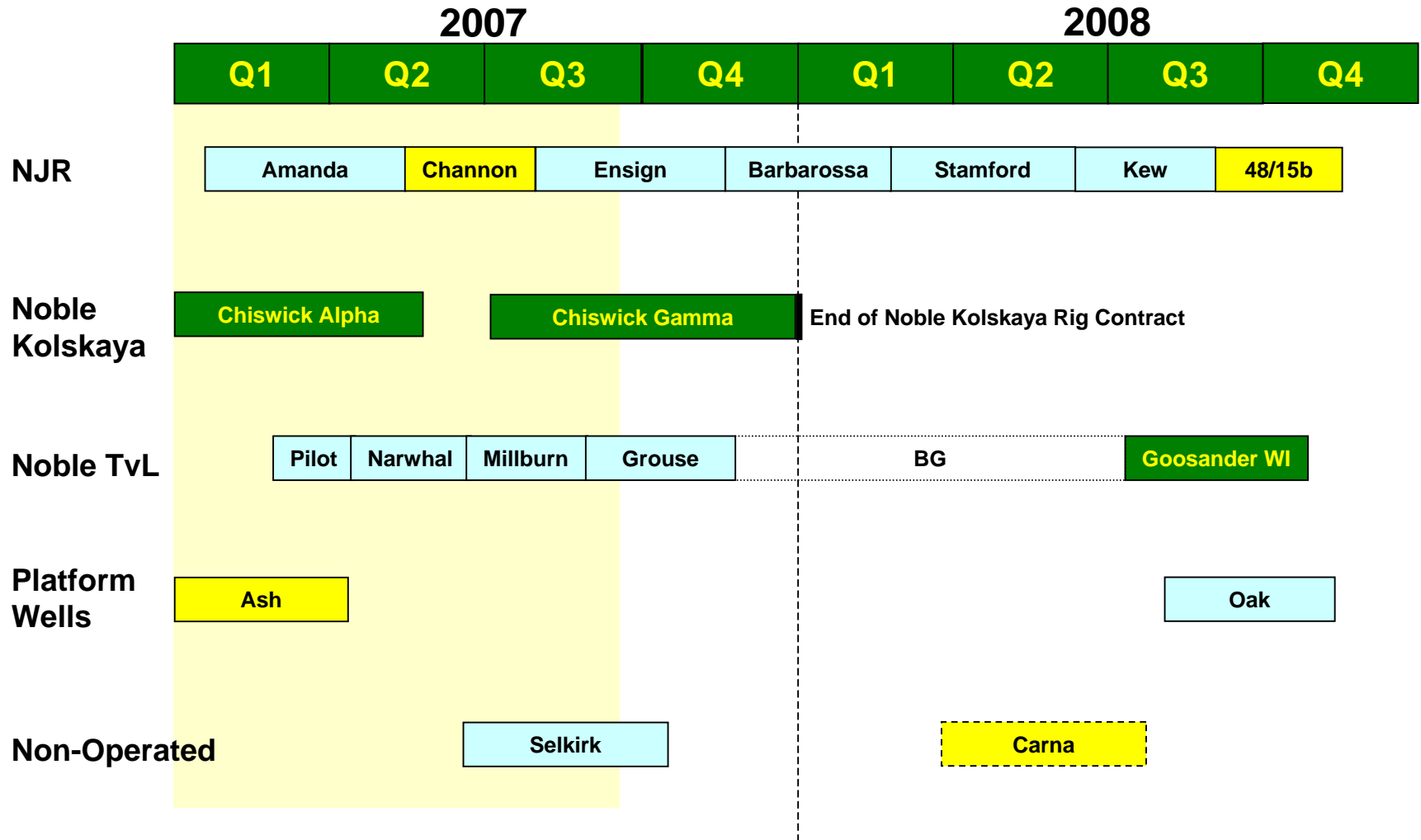
Net costs to Venture (£millions)	Channon	Barbarossa	Stamford	Total
Stand-alone	43	41	37	121
Multi-project	34	33	34	101
Saving	9	8	3	20

- Potential savings of £20 million (17%) and 9 -12 months project cycle time

Proactive, innovative and flexible approach to field development

Current Drilling Programme

2007/8



Development



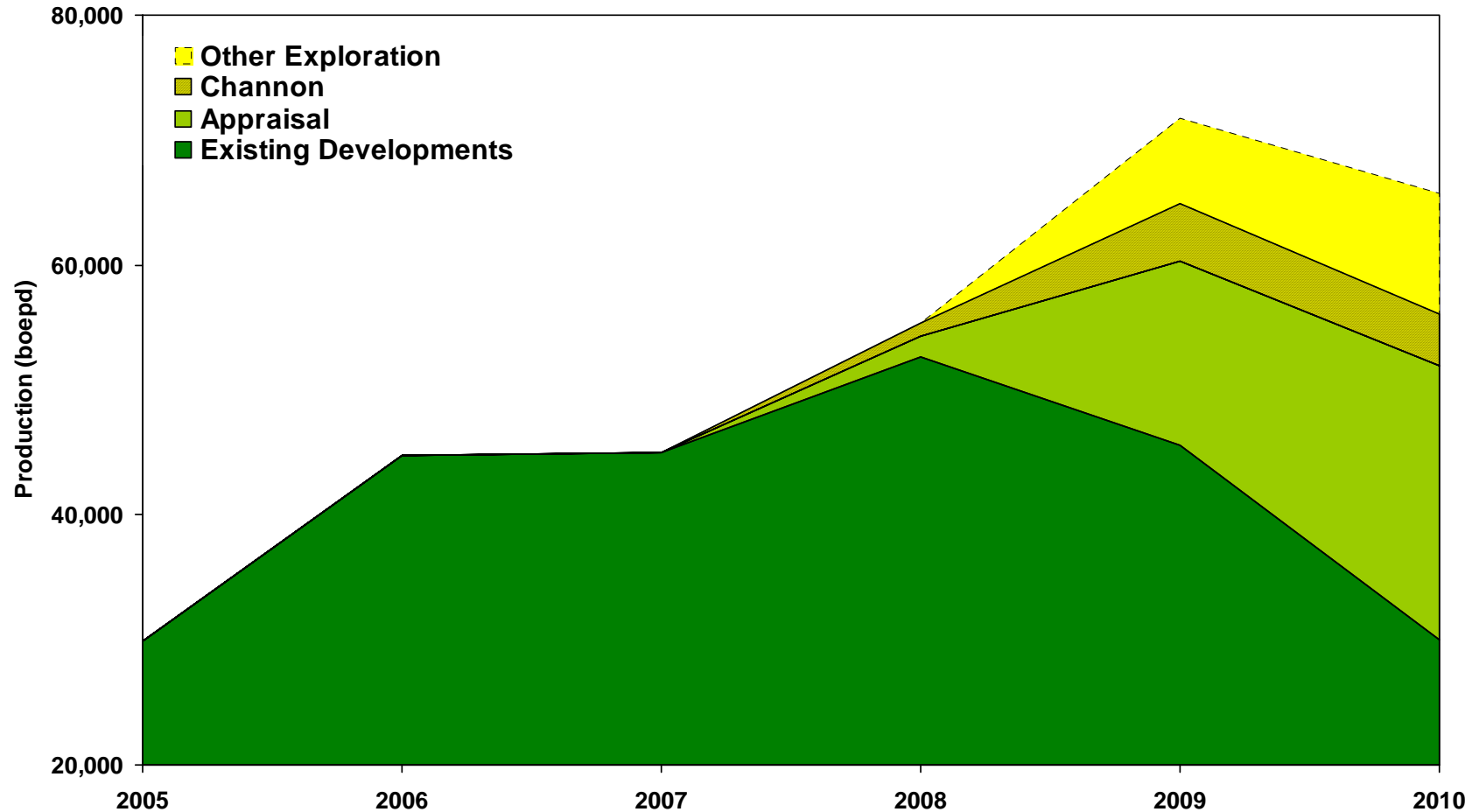
Appraisal



Exploration

Group Production Outlook

2006 - 2010



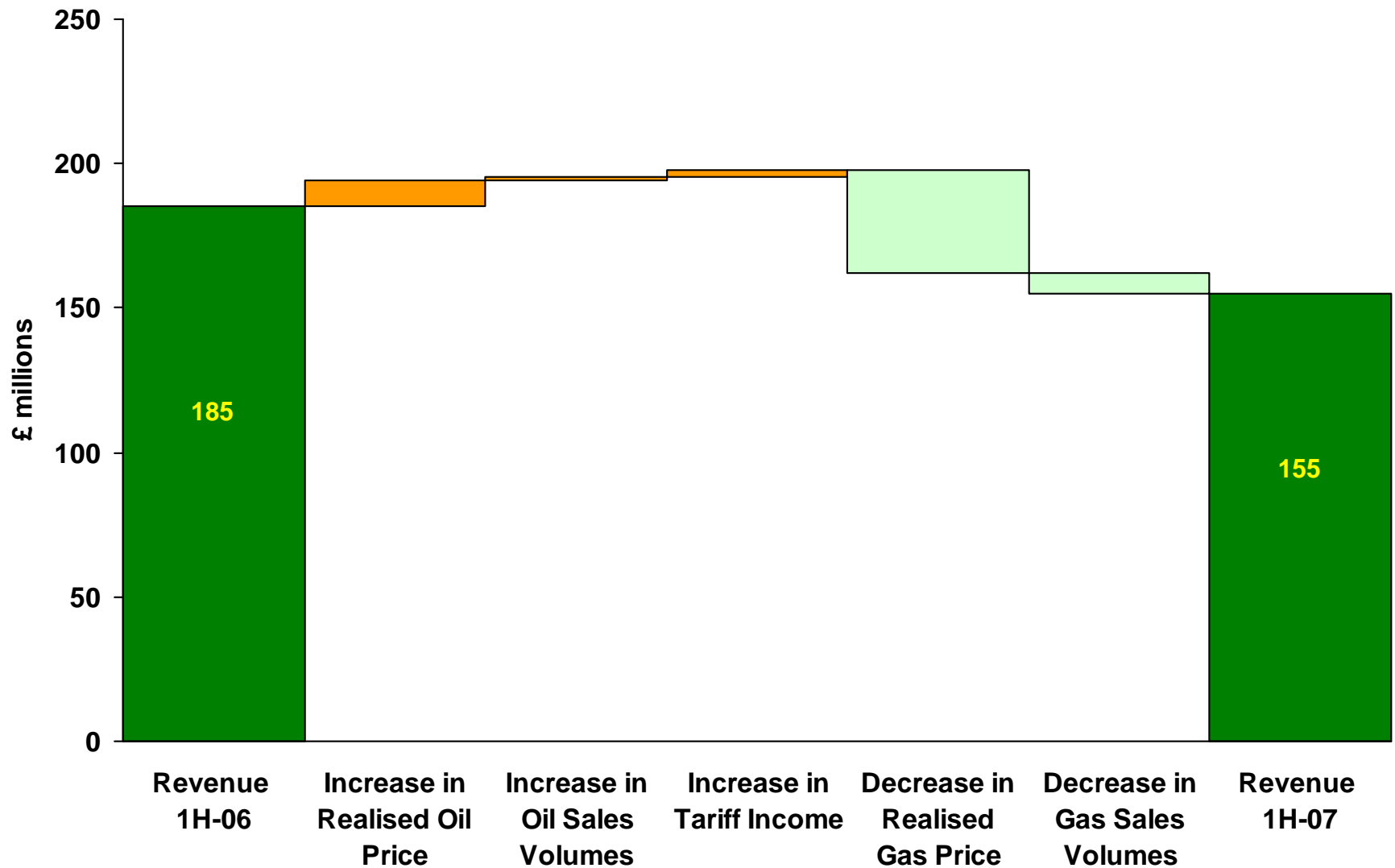
Sustained production growth from existing portfolio only

Financial Overview

Marie-Louise Clayton
Finance Director

Revenue Reconciliation

1H 2007 vs 2006

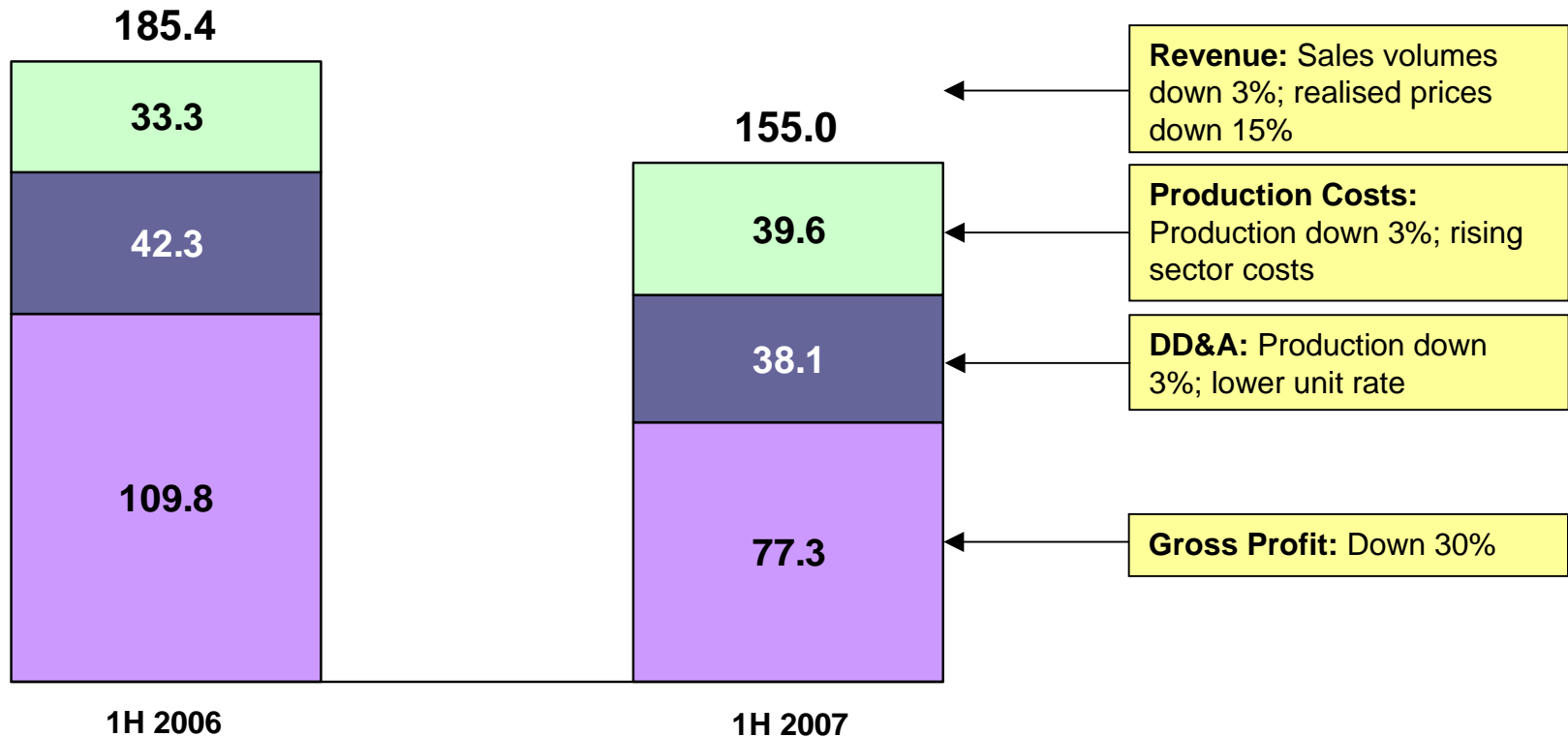
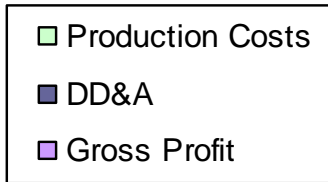


Financial Highlights

1H 2007

		1H 2007	1H 2006	Change
Net Production	(boepd)	42,160	43,572	- 3%
Effective Realised Price	(£/boe)	22.41	26.33	- 15%
Revenue	(£ million)	155.0	185.4	- 16%
Operating Profit	(£ million)	70.6	101.2	- 30%
EBITDAX	(£ million)	106.7	147.5	- 28%
Profit Before Tax	(£ million)	67.7	97.7	- 31%
Earnings Per Share (fully diluted)	(pence)	24.3	41.8	- 42%
Operating Cash Flow	(£ million)	98.1	155.5	- 37%

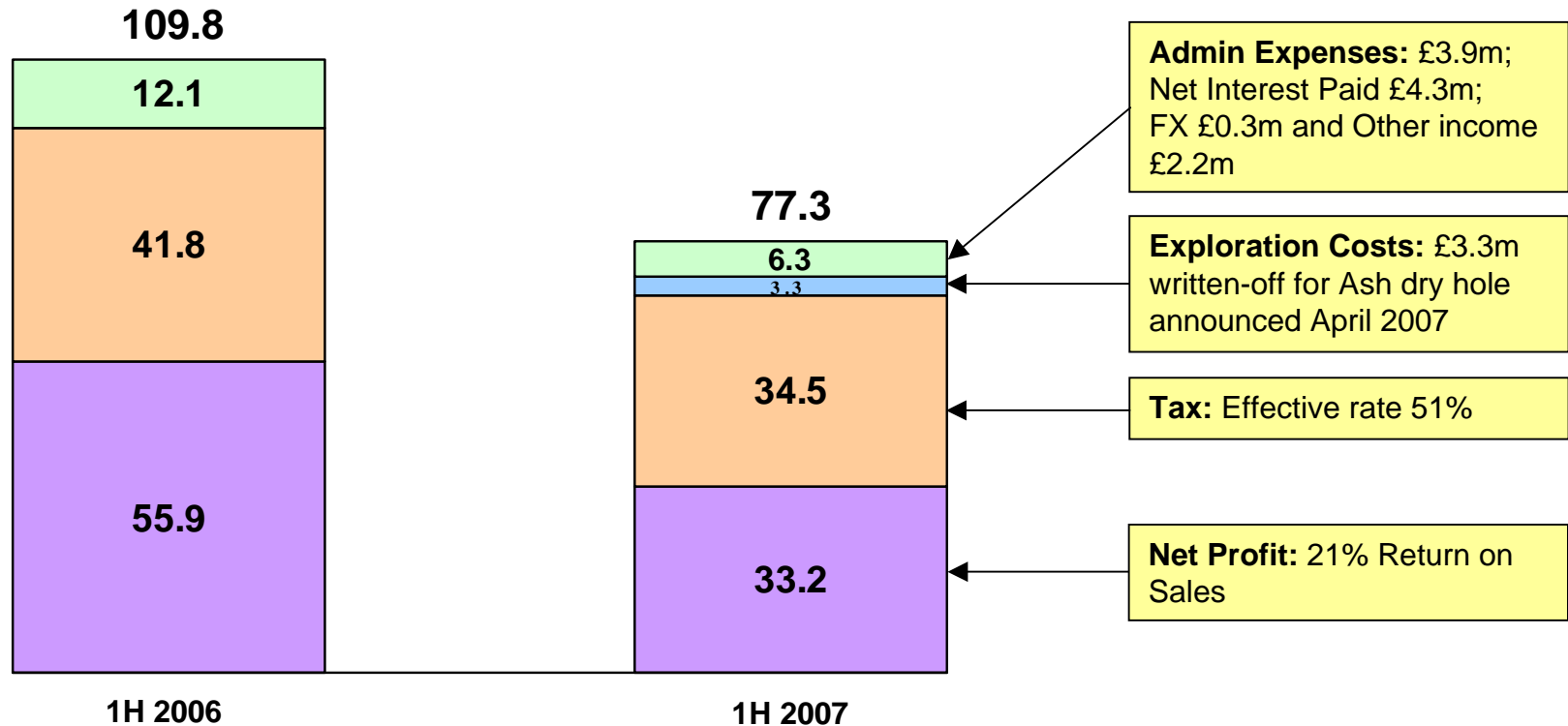
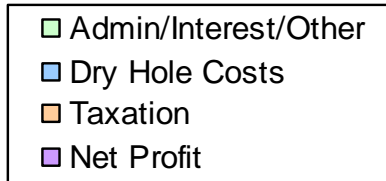
Income Statement - Revenue and Gross Profit 1H 2007



All figures are £ million

Income Statement - Gross and Net Profit

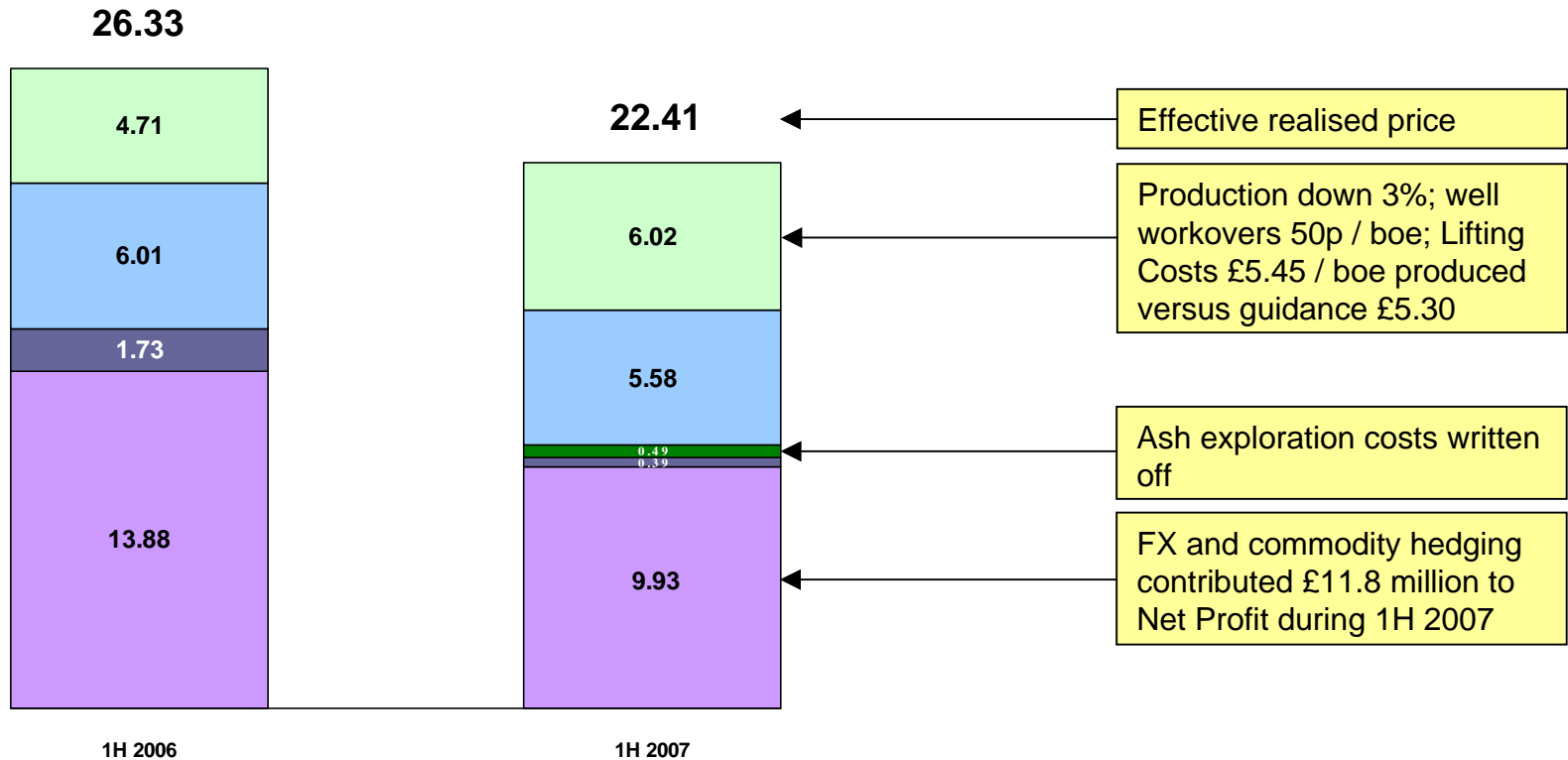
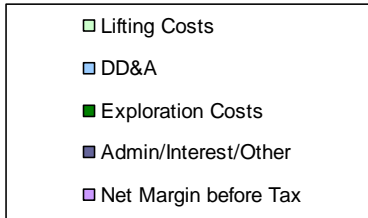
1H 2007



All figures are £ million

Unit Cost Structure per boe Sold

1H 2007

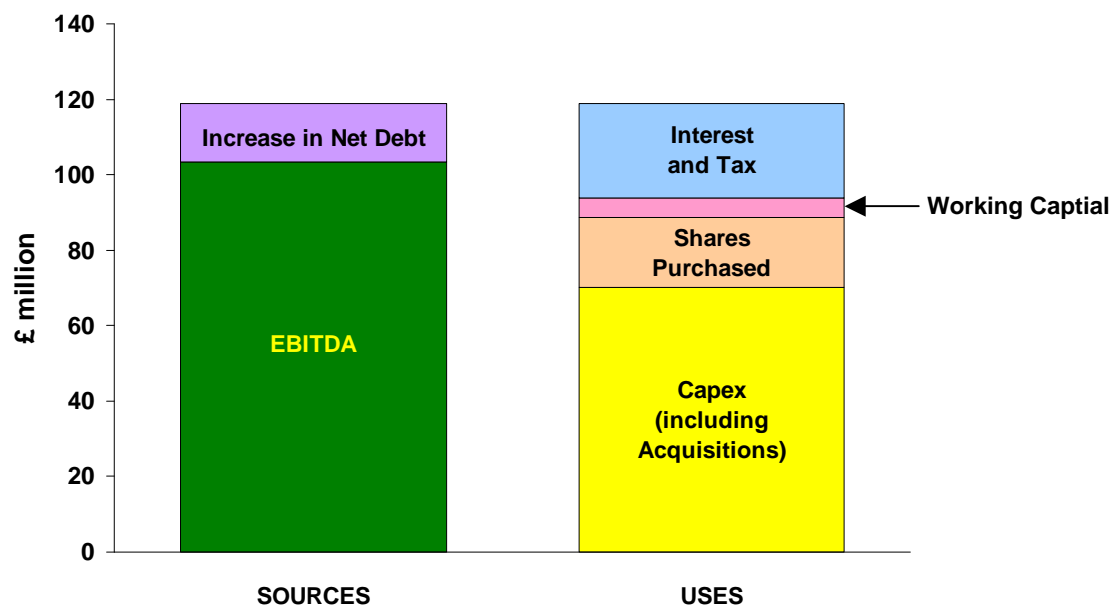


All figures are £ per boe

Cashflow

1H 2007

£ million	1H 2007	1H 2006	Change
Operating profit	70.6	101.2	- 30%
DD&A	38.1	42.3	- 10%
Gain on sale of subsidiary	(0.3)	-	-
Share-based transactions	(5.0)	4.0	-
EBITDA	103.4	147.5	- 30%
Change in working capital	(5.3)	8.0	
Operating Cashflow	98.1	155.5	- 37%



Balance Sheet

1H 2007

£ million	30 June 2007	31 December 2006
Investments in fields	703.6	664.6
Other non-current assets	65.1	65.8
Net assets held for sale in disposal groups	-	2.3
Current assets	151.8	172.7
Current liabilities	(124.0)	(98.4)
Net Current Assets/(Liabilities)	27.8	74.3
Long term liabilities		
- Bank loans and convertible bonds	(266.6)	(245.9)
- Other long term liabilities	(3.1)	(5.2)
- Provisions	(295.3)	(250.5)
Net assets	231.5	305.4
Shareholders' equity	231.5	305.4

Planned Sales Volume Hedged

Sept 2007

% Planned Sales Volume Hedged	2007		2008		2009	
	H1	H2	H1	H2	H1	H2
Oil - hedged	54%	34%	25%	29%	19%	19%
Accessible Price (\$/bbl)	68.33	72.78	69.39	69.00	68.91	68.91
Gas - hedged	44%	29%	14%	13%	7%	4%
Accessible Price (p/therm)	46.60	39.91	41.20	39.39	39.88	34.50
Gas - Tranche A and Markham	12%	23%	16%	16%	14%	13%
Est. Accessible Price (p/therm) (Tranche A)	51.34	43.37	35.40	35.40	TBC	
Est. Accessible Price (p/therm) (Markham)	36.00	36.00	TBC		TBC	
Total	56%	45%	28%	29%	20%	18%

Oil price collars priced according to forward curve at 04 September 2007

Accessible Gas Price for Summer 2007 and Winter 2007/8: 29.39 p/therm and 49.24 p/therm respectively

Accessible Gas Price for Summer 2008 and Winter 2008/9: 33.35 p/therm and 45.25 p/therm respectively

Tranche A contract price is reset at the beginning of each gas year with a linkage to historical 12 month spot prices

Markham contract price is set each year with a linkage to European fuel oil

Average Production	:	44 - 46,000 boepd
Sales Volume / Value	:	c.10% lower than production / c.2% discount to Brent
Dry Hole Costs	:	~ £20 million (Ash, Narwhal and Millburn)
Capital Expenditure	:	£200 - 225 million ⁽¹⁾
DD&A	:	£5.80 per boe production
Lifting Costs	:	£5.30 per boe production
Share Based Payments (subject to share price performance)	:	£3 - 5 million
Effective Tax Rate	:	~ 50%

(1) Excludes GKA pipeline costs

Corporate Development

Mike Wagstaff

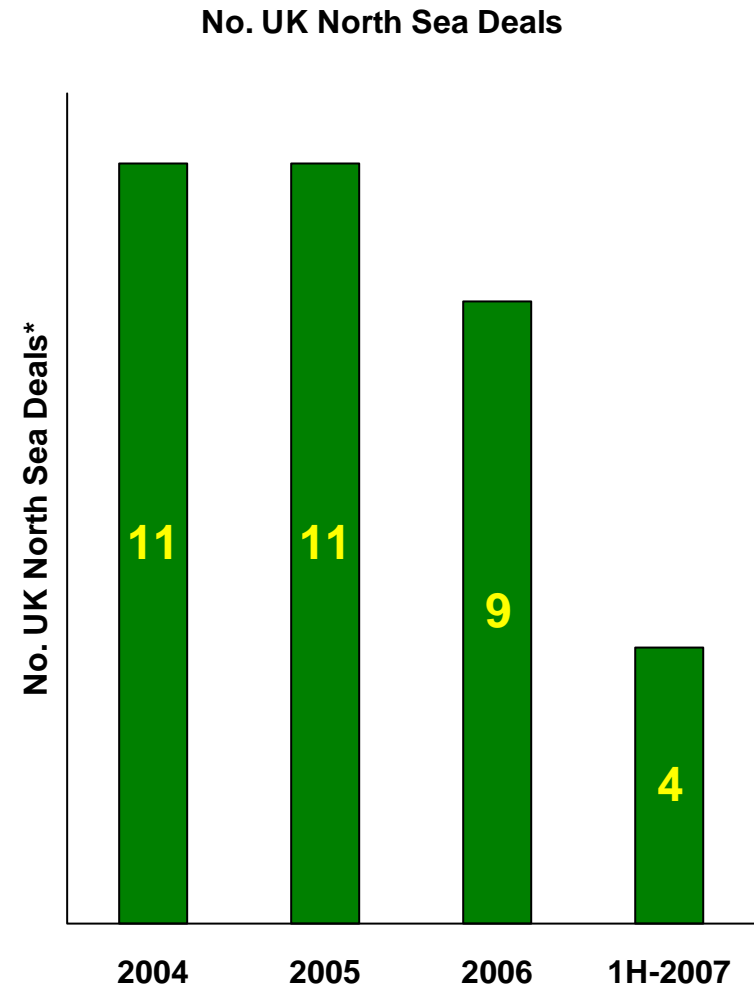
Strategic Investment by 3i and ArcLight

- 3i and ArcLight have invested over £200 million to take a 9.9% stake each
- Investment consists of a number of elements:
 - £151 million in new convertible bonds due 2010
 - 3.25% coupon and conversion price of £9.15 / share
 - Conversion of ArcLight's NSGP stake into new equity
 - 3i's existing stake of 2.59%
 - Purchase of shares in the market
- Both investors have Board representation
- Commitment in principle to provide additional capital to support future acquisitions
- Strengthens capital base and financial firepower to support next stage of Venture's growth

Strategic investment by existing long term financial partners

North Sea Acquisition Environment

- Natural transition of resource ownership from IOCs to regional independents
- Limited recent transactions due to commodity price volatility
- Structural re-alignment likely to happen fairly rapidly
- Continual evaluation of opportunities across the deal spectrum (exploration assets, discoveries, production, corporate)
- Venture has recently increased financial firepower to enable serial acquisitions

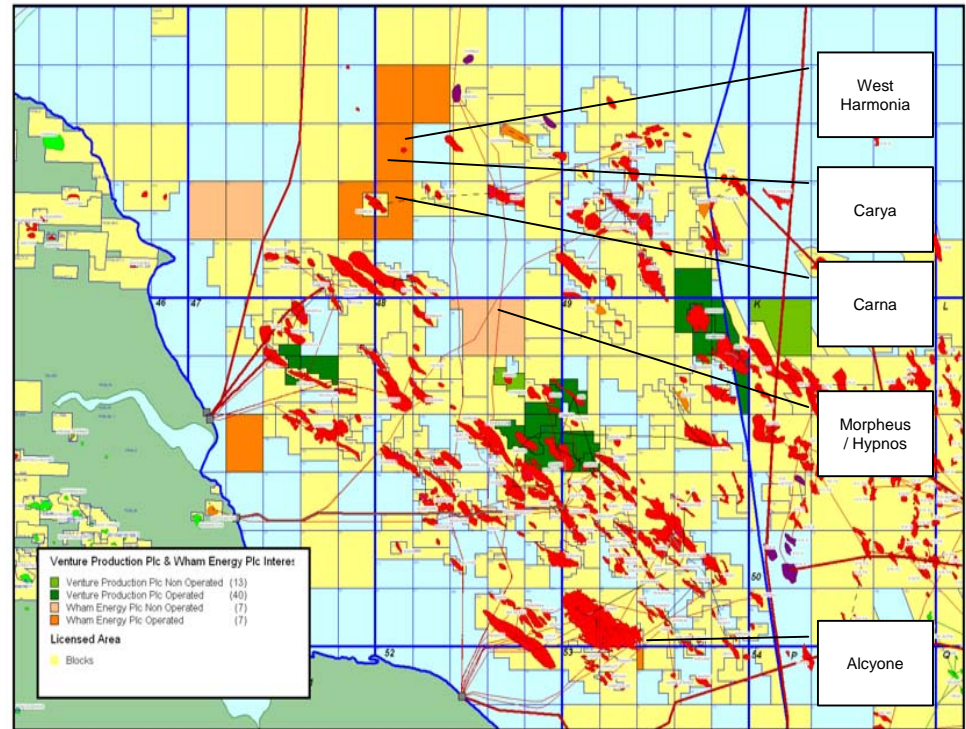


* Represents number of UK North Sea Deals for which price was disclosed - source Lambert Energy Advisory

Venture will continue to play an active role in North Sea consolidation

WHAM Energy Acquisition

- Acquisition price £14.2 million, ~ \$1 / boe of P50 risked resources - 88 Bcf, net of £6.4 million cash acquired
- Well worked-up portfolio of SNS exploration prospects located close to existing Venture discoveries and infrastructure
- WHAM acreage and expertise to strengthen Venture's focused exploration activities
- Venture's capital and operational expertise can add significant value to these assets
- Offer to acquire WHAM Energy announced August 2007. Completion scheduled November 2007 (Scheme of Arrangement)



Summary

- Solid underlying operational and financial performance during 1H 2007
- 2007 performance back-end loaded versus 2006 front-end loaded
- Key projects on track - limited production contribution in 2007
- Recent refinancing and convertible bond issue substantially strengthens Venture's capital base to finance next stage of growth
- On track to double the size of the business over 2006 - 8 time frame from 30 - 60 Mboepd

END

APPENDICES

Appendix - Production Summary

1H 2007

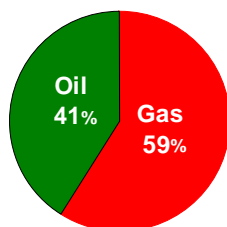
	1H 2007 Total (Mboepd)	1H 2006 Total (Mboepd)	2007 Performance
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UK

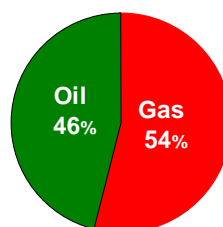
• 'A' Fields	21.6	27.6	Natural decline; Annabel and Saturn continue to outperform expectations; Mimas on stream
• GMA	3.4	-	Chiswick due on stream late September 2007
• Trees	8.0	10.6	Steady production from all fields
• GKA	8.7	5.4	Goosander continues to outperform expectations
Trinidad	0.5	-	

Total Production	42.2	43.6	Down 3% over 2006
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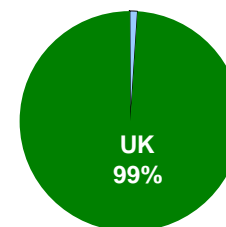
Production by Hub



Revenue by Hub



Production by Geography



Appendix - Cost of Sales

1H 2007

	1H 2007 £ million	1H 2006 £ million	1H 2007 £/boe produced	1H 2006 £/boe produced
Production and lease expense	20.0	12.2	2.65	1.55
Transportation	17.7	19.7	2.35	2.50
Well workovers	3.4	1.2	0.45	0.15
Lifting costs	41.1	33.1	5.45	4.20
DD&A	38.1	42.3	5.06	5.36
Total	79.2	75.4	10.51	9.56
Other cost of sales	(1.5)	0.2		
Total cost of sales	77.7	75.6		
Production (Mboe)*	7,534	7,887		

* Excludes production from Trinidad

Lifting Costs and DD&A per barrel on-track to meet full year guidance

Gas (average quarterly hedged):

Swaps

- 675,000 therms per day @ 30.59p per therm (3Q-2007)
- 270,000 therms per day @ 49.24p per therm (4Q-2007)
- 270,000 therms per day @ 49.24p per therm (1Q-2008)
- 400,000 therms per day @ 33.16p per therm (2Q-2008)
- 350,000 therms per day @ 33.54p per therm (3Q-2008)
- 150,000 therms per day @ 45.25p per therm (4Q-2008)
- 150,000 therms per day @ 45.25p per therm (1Q-2008)
- 175,000 therms per day @ 34.50p per therm (2Q-2009)
- 175,000 therms per day @ 34.50p per therm (3Q-2009)

(Red denotes active hedges)

Volumes and rates quoted represents a weighted average per quarter

Oil (average quarterly hedged):

Swaps

- 1,500 bbls per day @ \$72.68/bbl (3Q-2007)
- 2,500 bbls per day @ \$72.23/bbl (4Q-2007)
- 5,500 bbls per day @ \$69.27/bbl (1Q-2008)
- 4,500 bbls per day @ \$68.65/bbl (2Q-2008)
- 4,500 bbls per day @ \$68.65/bbl (3Q-2008)
- 4,500 bbls per day @ \$68.65/bbl (4Q-2008)
- 5,500 bbls per day @ \$68.91/bbl (1Q-2009)
- 5,500 bbls per day @ \$68.91/bbl (2Q-2009)
- 5,500 bbls per day @ \$68.91/bbl (3Q-2009)
- 5,500 bbls per day @ \$68.91/bbl (4Q-2009)

Collars

- 4,000 bbls per day @ \$51.25 - \$84.60/bbl (3Q-2007)
- 4,000 bbls per day @ \$51.25 - \$84.60/bbl (4Q-2007)

Collars / Reparticipations

- 1,000 bbls per day collar @ \$55.00 - \$72.00 and \$82.00 per bbl re-participation price (1Q-2008)
- 1,000 bbls per day collar @ \$55.00 - \$72.00 and \$82.00 per bbl re-participation price (2Q-2008)
- 1,000 bbls per day collar @ \$55.00 - \$72.00 and \$82.00 per bbl re-participation price (3Q-2008)
- 1,000 bbls per day collar @ \$55.00 - \$72.00 and \$82.00 per bbl re-participation price (4Q-2008)

(Red denotes active hedges)

Volumes and rates quoted represents a weighted average per quarter

- **Interest Swap:** £100m debt hedged at 5.08% from June 07 (+ existing margin) covering 36 month period from 7/3/06 to 8/3/10
- **Forex Deals:**
 - \$3m per month from Nov 06 - Oct 07 at \$1.862 to £1, leveraged to \$6m per month at \$1.862 to £1 when spot rate <\$1.862 to £1, at Bank's discretion
 - Monthly contracts from Jan 07 - Dec 07 for \$4m when spot is between \$1.8375 and \$1.965 in the current month, at \$1.865 to £1. If spot <\$1.8375, Venture must trade \$5m at \$1.8375 and if spot >\$1.965, the current month's contract will be cancelled
 - Monthly contracts from Jan 08 - Dec 08 for \$5m at an average rate of \$1.9475 / £1
 - Monthly contracts from Jan 08 - Dec 08 for \$3m at \$1.8750 - \$2.00 / £1. If spot <\$1.8750, Venture must convert \$3m at \$1.9475 / £1
 - Monthly contracts from Jan 08 - Dec 08 for \$3m at \$1.8705 - \$1.9875 / £1. If spot <\$1.8705, Venture must convert \$3m at \$1.9555 / £1
 - Monthly contracts from Jan 09 - March 09 for \$10m at \$1.89 - \$2.0025 / £1. If spot <\$1.89, Venture must convert \$10m at \$1.9575 / £1