Venture Production plc

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Venture Production plc Interim Report & Accounts for the six months ended 30 June 2003

"The first half of 2003 saw the continuation of Venture's growth. We delivered a number of key operational successes with significant increases in production, turnover and cashflow. Our 2003 Southern North Sea ("SNS") drilling campaign began well with the successful Ann workover and the recently announced positive appraisal well on Annabel. In addition, the four new acquisitions announced in the period will not only materially increase production and reserves but will also substantially increase the size and scale of our development portfolio. This will serve both to reduce risk across the Group's three North Sea operating hubs and provide inventory to maintain the momentum of our growth.

During the first half of the year we brought the Sycamore field on stream and it has been a major contributor to our growth. Since the period end, we have reached total depth on our North Sycamore development well. While the well encountered a significant oil column, the reservoir intersected was not of sufficient quality to justify completion as a North Sycamore production well as originally planned. The well is being suspended pending evaluation of development options.

The Group now expects 2003 average daily production to be in the range 14,000-15,000 boepd and to exit the year with an average daily production rate of approximately 20,000 boepd, more than double the exit rate for 2002. The portfolio development and diversification which has been a strong feature during this year is beginning to have a positive impact on the Group's risk profile. While short term volatility will remain a factor in the growth of a business such as Venture's, this increased scale and diversification gives us greater confidence in our ability to deliver our medium term objectives."

Bruce Dingwall Chief Executive

Business Highlights

- Sycamore Field development brought on stream in March – ahead of schedule
- Successful launch of SNS drilling campaign – Ann workover completed in June
- Four North Sea acquisitions – adding depth and diversity to portfolio
- Increasing control of portfolio – operatorship of 18 out of 20 field interests
- Pro forma reserves at mid year 2003 up 49% to 74.0 MMboe
- Award of new licences in Kittiwake area in UK 21st Licensing Round

Financial Highlights

- Production up 48% to 13,458 boepd (2002- 9,072 boepd)
- Turnover up 15% to £34.9 million (2002- £30.3 million)
- Pre-tax profit up 9% to £9.2 million (2002- £8.4 million)
- Cashflow from operating activities up 37% to £24.3 million (2002- £17.8 million)
- Total capital expenditure (including acquisitions) of £21.1million

During the first six months of 2003, Venture has continued to build on the growth it achieved in 2002. Since Venture's flotation on the London Stock Exchange eighteen months ago, we have invested the capital raised on listing to create a business twice the size through acquisitions and development activity. During this period reserves have increased from 39.0 to 74.0 MMboe, production has increased from 6,964 boepd in the second half of 2001 to 13,458 boepd and we have expanded from one production hub in the North Sea to three.

Average daily production for the first half of this year has increased by 48% to 13,458 boepd, compared with the same period last year (first half 2002 – 9,072 boepd). Turnover for the period was 15% higher at £34.9 million (2002 - £30.3 million) and profit before tax for the period increased by 9% to £9.2 million (2002 - £8.4 million). Cashflow from operations increased by 37% to £24.3 million (2002 - £17.8 million) and enabled the Company not only to fund its acquisition and development programme, but also to pay down an element of its loan.

Operational Highlights

UKCS – Trees
The principal highlight during the first six months was the start-up of production from the Sycamore field located in Block 16/12a. The field entered production on 6th March, one month ahead of schedule, at production rates in excess of those originally estimated. However, since this time, production from one of the two Phase I production wells has declined faster than anticipated. In recent months, production from this well has stabilised and in light of this no remedial action is planned for this year. Since the period end we have reached total depth on our SP1 North Sycamore development well. The well encountered a significant oil column but the reservoir intersected was not of sufficient quality to complete the well as a producer and is being suspended. We are currently evaluating options for the well, and will decide whether to side-track the well to a new location to the south and complete the well as a Central Sycamore water injection well. During the first half of the year Larch continued to produce in line with expectations.

UKCS – "A" Fields
Gas production from our "A" Fields' interests has seen a marked increase over 2002 levels. The new gas sales arrangements for the Ann/Alison fields have enabled us to produce consistently throughout the period.

Our Southern North Sea ("SNS") drilling campaign commenced several months later than expected due to the late arrival of the jack-up drilling rig from its previous contract. The first operation, a workover, was undertaken on the Ann A2 well in order to restore production from that well, which had been shut-in for over a year. The workover was successfully completed in June at a lower than forecast cost and the well brought back into production. In late June we commenced drilling appraisal well 48/10a-12 on the Annabel accumulation. The well is currently being suspended for future completion as a production well.

UKCS – Other Assets
During the first half of 2003 Mallard continued to produce in line with expectations. As a result of its increased interest in Chestnut, Venture has become operator for the field and work has commenced on a development plan for the field.

Trinidad
In 2003, production from our Trinidadian assets increased as a result of completion of the acquisition of Petrotrin's working interest in the Brighton Marine field in exchange for an over-riding royalty ("ORR") interest. Our other assets in Trinidad continue to perform in line with expectations and production for the first half of 2003 averaged 1,288 boepd. Pending the results of the current government review of the oil and gas fiscal regime, Venture made negligible investment in Trinidad in the first half of 2003. As a result of the reduced materiality of its Trinidadian operations in relation to the scale of the overall business, Venture commenced a strategic review of its position in Trinidad during the first half of the year. This is anticipated to be completed by year end.

Financial Highlights

Turnover for the period was £34.9 million, an increase of £4.6 million or 15% greater than that achieved in the same period in 2002. In March 2002, when Venture acquired its Mallard field interest, the purchase included 460 Mboe of produced but unsold oil inventory. This inventory was sold during 2002 and caused a one off increase in turnover and profit. Eliminating this, the 2003 increase in turnover was £11.1 million or 47% which is in line with the increase in production. The average effective realised price for our hydrocarbon sales was £15.37 per boe, virtually unchanged from that for the same period in 2002. The strengthening of sterling against the US dollar offset the overall increase in the price of crude oil. On average during the first half of the year, over 40% of our oil production was hedged using a combination of put options, zero cost collars and swaps. The earlier than forecast start-up of production from the Sycamore field gave us the opportunity to hedge 5,000 bopd for 12 months from April 2003 at a price of US$29 per barrel.

Key Statistics	**June 2003 £/boe**	**June 2002 £/boe**	**Adjusted (1) June 2002 £/boe**
Effective realised price	15.37	15.47	
Lifting costs	5.10	4.62	5.34
Lifting costs (excluding well workovers)	3.82	4.39	5.11
Depreciation, depletion and amortisation	3.43	4.57	
Administrative expenses	0.52	1.31	0.59

(1) The adjusted June 2002 statistics reflect the reclassification of technical support costs charged to producing assets but previously reported as administrative expenses.

Operating profit for the period was £10.3 million, £1.1 million or 12% above that earned in the same period last year. Excluding the 2002 Mallard inventory sales, operating profit increased by £4.7 million or 85%. On a unit basis, lifting costs for the first six months of 2003 were £5.10 per barrel of oil equivalent ("£/boe"), a decrease of £0.24/boe over the comparable adjusted cost for the first half of 2002. This decrease was due to economies of scale gained as a result of higher production levels in 2003. Lifting costs, excluding the Ann A2 well workover costs, the benefit of which will not be fully realised until the second half of the year, were £3.82/boe, £1.29/boe or 25% lower than those for the comparable adjusted first half of 2002. The effective depreciation, depletion and amortisation rate decreased by £1.14/boe or 25% to £3.43/boe reflecting the impact of bringing Sycamore on stream which had relatively low capital costs as a result of the use of common sub-sea production facilities with Birch and Larch.

Net administrative expenses for the first half of 2003 totalled £1.3 million, or £0.52/boe. Adjusting for technical support cost allocation in 2002, on a comparable basis administrative expenses showed a decrease of £0.07/boe or 12% over those for the same period last year. This decrease partly resulted from exchange gains on US dollar denominated debt and was realised despite supporting a significantly larger asset base as well as the higher cost of corporate governance and compliance since flotation last year.

The tax charge for the period was £4.6 million, £1.9 million greater than for 2002. The effective tax rate for 2003 of 50%, compared with 33% for 2002, reflected the full impact of the supplementary charge for UK corporation tax on oil and gas production introduced last year, coupled with improved financial performance in Trinidad. Tax losses for 2002, generated by Trinidadian petroleum revenue tax, at the Trinidadian tax rate of 55% far exceeded those for 2003. However, as a result of Venture's tax positions in both UK and Trinidad, this tax charge is all deferred.

Due to the increased tax charge, profit after taxation for the first six months of 2003 was £4.5 million, £1.1 million lower than that for the same period last year. Consequently, as a result of the higher tax charge and higher average number of share options outstanding, fully diluted earnings per share decreased from 5.0p in 2002 to 3.9p in the first half of 2003.

As a result of the increased profitability at the operating level, cashflows were strong. Net cashflow from operating activities for the first half of 2003 increased by 37% to a total of £24.3 million (2002 - £17.8 million). During the first half of 2003 capital expenditures including asset acquisitions totalled £21.1 million resulting in a cash inflow before the use of liquid resources and financing of £2.5 million (2002 – cash outflow £11.2 million). This positive free cashflow enabled us to pay down some of our loan in the first half of 2003.

The Group had net current liabilities at the balance sheet date of £1.7 million (2002 – net current assets £5.7 million) reflecting the increased trade creditors and accruals associated with the "A" Fields and Sycamore drilling campaigns. From 1 July 2003, the Group met these liabilities from its available borrowing facilities, the undrawn balance of which totalled £41.5 million at the end of August. In May 2003 Venture expanded its bank credit facilities from US$100 million to US$175 million.

Business Development

To date in 2003, Venture has continued to increase its interests in existing strategic assets through acquisition. In February, we completed the purchase of the remaining 45% interest in Brighton Marine in exchange for an ORR. The following month we announced an agreement to acquire an additional 50% working interest in and operatorship of the Chestnut field in UKCS block 22/2a from Amerada Hess. This acquisition brought Venture's total interest in the field to 69.88% and, importantly gives us control over its development.

In late April we jointly agreed with Dana Petroleum ("Dana") to acquire the working interests of Shell and Esso in the Greater Kittiwake Area ("GKA"). GKA includes the producing Kittiwake and Mallard fields, the Kittiwake platform and associated infrastructure as well as several undeveloped discoveries. Venture will become operator of the GKA assets and our net interest will be equalised with that of Dana at 50% each. With a further four adjacent blocks being awarded following the UKCS 21st Licensing Round, GKA will become Venture's third UKCS production and development hub.

We announced in May an agreement to acquire ConocoPhillips' 30.78% unitised interest in and operatorship of the producing Audrey gas field that spans Blocks 48/15a and 49/11a. This acquisition will increase Venture's unitised interest in the Audrey field to 60.68%, with Audrey destined to become the eighteenth operated field in Venture's portfolio and a key component of the Company's SNS strategy. In August, it was announced that Venture would acquire the remaining interests that it does not already own in the Audrey, Ann and Alison gas fields. Venture's 100% interests in these fields provides the Company with further upside from the planned development of the SNS asset base.

Following completion of these pending acquisitions, Venture's pro forma proven and probable reserves at 30 June 2003 were 74.0 MMboe, an increase of 24.3 MMboe or 49% since 31 December 2002.

Summary of Proven and Probable Reserves

		Group		UKCS		Trinidad
	Total MMboe	**Oil MMbo**	**Gas Bcf**	**Oil MMbo**	**Gas Bcf**	**Oil MMbo**
As at 1 January 2003	**49.7**	**34.0**	**94.1**	**29.1**	**94.1**	**4.9**
Acquisitions	9.0	9.0	–	7.5	–	1.5
Revisions	1.2	0.4	4.8	–	4.8	0.4
Production	(2.4)	(1.8)	(3.8)	(1.6)	(3.8)	(0.2)
As at 30 June 2003	57.5	41.6	95.1	35.0	95.1	6.6
Pro forma acquisitions	16.5	11.0	32.9	11.0	32.9	–
Pro forma at 30 June 2003 (1)	**74.0**	**52.6**	**128.0**	**46.0**	**128.0**	**6.6**

(1) Pro forma acquisitions include the reserves of the GKA and "A" Fields acquisitions which have not yet been completed.

Current Trading and Outlook

Production from the Sycamore field remains strong, notwithstanding the more rapid decline than initially forecast in one of the two Phase I production wells. Following the suspension of the North Sycamore development well we will continue evaluating geological, geophysical and reservoir performance data to identify the optimum location of water injection and pressure support. This phase of the Sycamore field's development is planned for next year. The Larch field continues its steady contribution to total production from the "Trees" block. Venture continues to work with the operators of the Brae platform to improve efficiency and optimise production from the "Trees" fields.

In August the definitive legal documents relating to the GKA acquisition were signed and we continue the transition of the operatorship of the Kittiwake field and facilities. Completion of this acquisition is scheduled to take place in the fourth quarter of 2003. In addition, work is continuing to identify potential infill drilling and other development opportunities within both the producing Kittiwake and Mallard fields, as well as in the surrounding blocks.

Chairman’s and Chief Executive’s Statement continued

Having secured operatorship of Block 22/2a in which the Chestnut field is located we are currently formulating development plans to maximise the economic benefit from this field.

In the Southern North Sea the acquisition of 100% operating interests in the Audrey, Ann and Alison fields, which includes field infrastructure and adjacent acreage, creates additional opportunities in the area. In August the Annabel appraisal well was successfully tested at flow rates in excess of 50 MMcfpd and the well is currently being suspended for future completion as a production well. Venture is moving rapidly to develop the field as a sub-sea tie back to Audrey located some 13km to the south. After Annabel, the rig will drill the Annie prospect in Block 49/11a and then may continue to develop the nearby Agatha prospect. In the event of success, both the Annie and Agatha fields will be developed as sub-sea tie-backs to the Alison manifold, some 3 km away.

As a result, the latest expectation is for average 2003 production to be in the range 14,000 - 15,000 boepd. This reduction in expectations compared with estimates earlier in the year is almost entirely as a result of production shortfall for the third quarter following lower than anticipated production from Sycamore and the delays in commencement of our North Sea drilling campaigns. We expect production to reach approximately 20,000 boepd before the end of the year. This would be more than twice the rate for the same period last year.

Summary

Once again, during the first half of 2003, Venture’s production volumes, turnover and cashflow increased significantly over the corresponding period last year and the second half of 2003 is expected to see further growth. Our 2003 acquisition and development activity will materially increase the scale and diversification of Venture’s operations and mean that we are on track to double the scale of our business by the end of this year. In addition, the development inventory already in place on our current asset base means that we are well placed to change the scale of our business again in 2004.

This portfolio development and diversification is beginning to have a positive impact on the Company’s risk profile. While short term volatility will remain a factor in the growth of a business such as Venture’s, the increased scale and diversification of our portfolio gives us greater confidence in our ability to deliver our medium term objectives.

16 September 2003

John Morgan Chairman

Bruce Dingwall Chief Executive

Independent Review Report to Venture Production plc

For the six month period ended 30 June 2003

Introduction

We have been instructed by the Company to review the financial information which comprises the group profit and loss account, statement of group total recognised gains and losses, group balance sheet, group cashflow statement, comparative figures and associated notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' Responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review Work Performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2003.

PricewaterhouseCoopers LLP
Chartered Accountants

Aberdeen
16 September 2003

Notes:

(a) The maintenance and integrity of the Venture Production plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Group Profit and Loss Account

For the six months ended 30 June 2003

	Note	Unaudited 6 months ended 30 June 2003 £'000	Unaudited 6 months ended 30 June 2002 £'000	Audited Year ended 31 December 2002 £'000
Turnover	2	**34,932**	30,320	52,671
Cost of sales	3	**(23,334)**	(19,151)	(34,345)
Gross profit		**11,598**	11,169	18,326
Administrative expenses		**(1,261)**	(2,149)	(4,034)
Other operating (expenses)/income		**(56)**	197	39
Operating profit		**10,281**	9,217	14,331
Interest receivable and similar income		**45**	82	130
Interest payable and similar charges		**(1,166)**	(930)	(1,736)
Profit on ordinary activities before taxation		**9,160**	8,369	12,725
Tax on profit on ordinary activities	4	**(4,634)**	(2,725)	(5,549)
Profit on ordinary activities after taxation		**4,526**	5,644	7,176
Finance cost of non-equity shares		**–**	(192)	(192)
Attributable to equity shareholders		**4,526**	5,452	6,984
Earnings per Ordinary Share				
Basic Earnings per Share	5	**4.2p**	5.6p	6.8p
Diluted Earnings per Share	5	**3.9p**	5.0p	6.1p

All items dealt with in arriving at the profit for the period relate to continuing activities. There is no difference between the profit on ordinary activities before taxation and the retained profit for the period and their historical equivalents.

Statement of total group recognised gains and losses

Profit on ordinary activities after taxation	**4,526**	5,644	7,176
Total gains recognised since last annual report	**4,526**	5,644	7,176

Group Balance Sheet

As at 30 June 2003

	Unaudited 30 June 2003 £'000	Unaudited 30 June 2002 £'000	Audited 31 December 2002 £'000
Fixed assets			
Tangible assets	**143,327**	97,138	127,527
Investments	**271**	323	318
	143,598	97,461	127,845
Current assets			
Stocks	**1,098**	3,777	776
Debtors	**12,449**	14,079	12,616
Cash in hand and at bank	**4,929**	5,913	2,776
	18,476	23,769	16,168
Creditors – amounts falling due within one year	**(20,170)**	(18,034)	(18,314)
Net current (liabilities)/assets	**(1,694)**	5,735	(2,146)
Total assets less current liabilities	**141,904**	103,196	125,699
Creditors – amounts falling due after more than one year	**(29,762)**	(9,090)	(26,259)
Provisions for liabilities and charges	**(24,505)**	(12,872)	(16,403)
Net Assets	**87,637**	81,234	83,037
Capital and reserves			
Called up share capital	**431**	431	431
Share premium	**77,302**	76,956	77,228
Profit and loss account	**9,904**	3,847	5,378
Total shareholders' funds	**87,637**	81,234	83,037

Group Cashflow Statement

For the six months ended 30 June 2003

	Unaudited 6 months ended 30 June 2003 £'000	Unaudited 6 months ended 30 June 2002 £'000	Audited Year ended 31 December 2002 £'000
Operating profit	**10,281**	9,217	14,331
Depreciation charge	**8,355**	7,501	13,154
(Increase)/Decrease in stock	**(322)**	(1,260)	1,740
Increase in debtors	**(836)**	(4,353)	(3,892)
Increase in creditors	**6,801**	6,902	9,745
Gain on sale of fixed assets	**–**	(193)	-
Net cashflow from operating activities	**24,279**	17,814	35,078
Returns on investment and servicing of finance	**(590)**	(409)	(741)
Taxation	**5**	(1,371)	(1,530)
Capital expenditure and financial investment	**(21,166)**	(27,251)	(63,584)
Cash inflow/(outflow) before use of liquid resources and financing	**2,528**	(11,217)	(30,777)
Issue of shares net of expenses	**–**	30,320	30,419
Decrease in loan facility	**(496)**	(17,665)	(1,618)
Redemption of preference shares	**–**	(950)	(950)
Exercise of share options held by ESOP	**121**	-	276
Increase/(Decrease) in cash	**2,153**	488	(2,650)
Cash flow from decrease in debt	**496**	17,665	1,618
Net debt at 1 January	**(20,550)**	(19,518)	(19,518)
Net debt at end of period	**(17,901)**	(1,365)	(20,550)
Analysis of net debt			
Cash in hand and at bank	**4,929**	5,913	2,775
Debt due after 1 year	**(22,830)**	(7,278)	(23,325)
Total	**(17,901)**	(1,365)	(20,550)

Notes to the Interim Accounts

1 Basis of preparation of interim financial information

The results for the six months to 30 June 2003 and the comparative results for the six months to 30 June 2002 are unaudited. The Interim Accounts have been prepared on a basis consistent with the accounting policies set out in the statutory accounts for the year ended 31 December 2002. The comparative figures for the year ended 31 December 2002 do not constitute statutory accounts for the purpose of Section 240 of the Companies Act 1985 and have been extracted from the Company's published accounts, a copy of which has been delivered to the Registrar of Companies. The report of the auditors on these accounts was unqualified and did not contain a statement under either Section 237(2) or Section 237(3) of the Companies Act 1985.

2 Segmental reporting

In the opinion of the Directors the operations of the Group comprise one class of business, the production and sale of hydrocarbons in the following geographical locations:

(1) Turnover represents the invoiced amount of goods sold during the period stated net of associated sales tax and is analysed as follows:

Turnover	6 months ended 30 June 2003 £'000	6 months ended 30 June 2002 £'000	Year ended 31 December 2002 £'000
United Kingdom	**31,627**	27,948	47,744
Trinidad	**3,305**	2,372	4,927
	34,932	30,320	52,671

There is no material difference between sales by destination and origin.

(2) Group operating profit is analysed as follows:

Operating profit/(loss)	6 months ended 30 June 2003 £'000	6 months ended 30 June 2002 £'000	Year ended 31 December 2002 £'000
United Kingdom	**10,669**	10,545	15,770
Trinidad	**(388)**	(1,328)	(1,439)
	10,281	9,217	14,331

(3) Group net assets are analysed as follows:

Net assets/(liabilities)	6 months ended 30 June 2003 £'000	6 months ended 30 June 2002 £'000	Year ended 31 December 2002 £'000
United Kingdom	**93,768**	85,520	88,387
Trinidad	**(6,131)**	(4,286)	(5,350)
	87,637	81,234	83,037

3 Group gross profit

Group gross profit is stated after charging:

	6 months ended 30 June 2003 £'000	6 months ended 30 June 2002 £'000	Year ended 31 December 2002 £'000
Crude oil overlift	**2,191**	3,545	5,218
Operating expenses	**8,172**	6,321	13,200
Well workover expenses	**3,109**	390	497
Depreciation, depletion and amortisation	**8,355**	7,501	13,154

4 Taxation

In respect of the Group's UK operations, tax has been calculated based on a rate of 30% plus the supplementary tax of 10% (2002 – 30% pre 17 April 2002 and 30% plus the supplementary tax of 10% post 17 April 2002). The Trinidad tax rate remains 55% (2002 – 55%). The effective tax rate for 2003 was 50% compared with 33% in 2002, reflecting the full impact of the supplementary UK corporation tax introduced in 2002 and improved performance in Trinidad.

5 Earnings per ordinary share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. For fully diluted earnings per share the weighted average number of ordinary shares in issue during the year is adjusted to reflect the potential exercise of share options by Directors or employees.

The calculation of earnings per ordinary share shown is based upon the following:

		6 months ended 30 June 2003	6 months ended 30 June 2002	Year ended 31 December 2002
		£'000	**£'000**	**£'000**
Profit for the period		**4,526**	5,452	6,984
Weighted average number of ordinary shares for the period	- Basic	**107,767,688**	96,795,964	102,286,706
	- Fully Diluted	**116,024,900**	109,971,648	113,689,702
Earnings per share	- Basic	**4.2p**	5.6p	6.8p
	- Fully Diluted	**3.9p**	5.0p	6.1p

6 Change in presentation

The Group has adopted the £'000 presentation format for these Interim Accounts and intends to continue with this format in the Annual Report and Accounts for the year ending 31 December 2003.

Glossary

Bcf	billions of cubic feet
boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
bopd	barrels of oil per day
km	kilometres
Mboe	thousands of barrels of oil equivalent per day
MMcfpd	millions of cubic feet per day
MMbo	millions of barrels of oil
MMboe	millions of barrels of oil equivalent
Note:	6Bcf = 1 MMboe

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