



REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2004
(18th APRIL 2005)



BUNDUQ COMPANY LTD

BUNDUQ COMPANY LIMITED

(Registered in England No. 985387)

ANNUAL REPORT AND ACCOUNTS FOR 2004

Board of Directors:-

N. Kitamura (Chairman)
M. B. Al-Qubaisi
S. M. Al-Muhannadi
Julia Bell
Tim Alcock
Michel Hourcard
Philippe Roy
David Dalton
C. Oishi
Y. Oshima
Y. Uchida
A. Chaperon (Alternate to Michel Hourcard)

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 31 December 2004.

Principal activity and review of the business: The Company is engaged in the production and export of crude oil from El-Bunduq field. Production was at the rate of approximately 20,200 barrels per day for the year and currently is at 20,135 barrels per day. The average daily production for the year ending on 31 December 2005 is expected to decrease to 18,179 barrels.

Results and dividends: The profit for the year ended 31 December 2004 amounted to \$76,608 (2003 \$ 67,973). The profit has been deducted from accumulated losses, which at 31 December 2004 totalled \$ 12,443,406 (2003 - \$ 12,520,014).

The directors do not recommend the payment of a dividend.

Directors and their interests: The present directors of the company are listed above.

M. B. Al-Qubaisi, S. M. Al-Muhannadi, Tim Alcock, Philippe Roy, A. Chaperon, David Dalton and Y. Oshima served as a Director or alternate director throughout the year. Changes in office since 1 January 2005 are as follows:

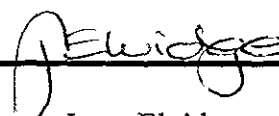
**BUNDUQ COMPANY LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2004**

	Appointed	Resigned
Laurent Maurel		8 November 2004
Julia Bell	8 November 2004	
J. F. Arrighi de Casanova		1 February 2005
Michel Hourcard	1 February 2005	

None of the directors held an interest in the Company during the year ended 31 December 2004.

Auditors: Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



Janet Elvidge
Secretary

Building G
Chertsey Road
Sunbury on Thames
Middlesex TW16 7BP

Date: 22 May 2005

BUNDUQ COMPANY LIMITED
31 DECEMBER 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts 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 all applicable accounting standards have been followed, subject to any material departures discussed and explained in the financial statements; and
- prepare the accounts 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 accounts 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 BUNDUQ COMPANY LIMITED

We have audited the company's financial statements for the year ended 31 December 2004, which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Reconciliation of Shareholders' Funds and the related notes 1 to 21. 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company 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.

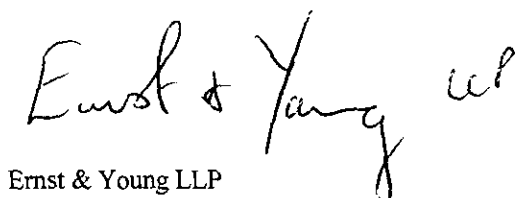
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgments 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 affairs of the company as at 31 December 2004 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
London

22 May 2005

BUNDUQ COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2004

	<u>NOTES</u>	<u>2004</u> US \$	<u>2003</u> US \$
Turnover	2	99,451,077	94,296,589
Cost of sales		<u>99,280,981</u>	<u>94,120,627</u>
Gross profit		170,096	175,962
Administrative expenses		(98,529)	(101,806)
Other operating income		<u>7,850</u>	<u>0</u>
Operating Profit before interest and taxation	5	79,417	74,156
Bank interest received		<u>9,157</u>	<u>9,690</u>
Profit on ordinary activities before taxation		88,574	83,846
Tax on profit on ordinary activities	9	<u>(11,966)</u>	<u>(15,873)</u>
Profit retained for the financial year	18	<u><u>76,608</u></u>	<u><u>67,973</u></u>


STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2004

There were no recognised gains or losses other than the profit of \$ 76,608 for the year ended 31 December 2004 (2003: profit of \$67,973).

BUNDUQ COMPANY LIMITED
BALANCE SHEET
31 DECEMBER 2004

	<u>NOTES</u>	<u>2004</u> US \$	<u>2003</u> US \$
Fixed assets			
Tangible assets	10	<u>148,857,658</u>	<u>161,627,550</u>
Current assets			
Stocks	11	3,923,951	4,415,523
Debtors	12	18,586,352	11,735,607
Cash at bank and in hand	20(c)	<u>1,705,061</u>	<u>1,450,558</u>
		<u>24,215,364</u>	<u>17,601,688</u>
Creditors - amounts falling due within one year	13	<u>48,118,583</u>	<u>37,527,220</u>
Net current liabilities		<u>(23,903,219)</u>	<u>(19,925,532)</u>
Total assets less current liabilities		<u>124,954,439</u>	<u>141,702,018</u>
Creditors - amounts falling due after more than one year	14	120,791,525	137,301,847
Provisions for liabilities and charges	16	<u>2,288,623</u>	<u>2,602,488</u>
Net assets		<u>1,874,291</u>	<u>1,797,683</u>
Capital and reserves			
Called up share capital	17	142,995	142,995
Share premium account	18	14,157,649	14,157,649
Exchange reserve	18	17,053	17,053
Profit and loss account	18	<u>(12,443,406)</u>	<u>(12,520,014)</u>
Equity shareholders' funds		<u>1,874,291</u>	<u>1,797,683</u>

The Accounts were approved by the Board of Directors on 22 May 2005
and signed on their behalf by :



N. Kitamura, Chairman

BUNDUQ COMPANY LIMITED
CASH FLOW STATEMENT
31 DECEMBER 2004

	<u>NOTES</u>	<u>2004</u> US \$	<u>2003</u> US \$
Net cash inflow/(outflow) from operating activities	20(A)	1,285,469	(4,936,446)
Returns on investment & servicing of finance :			
Interest received		9,157	9,690
Capital Expenditure			
Payments to acquire tangible fixed assets			
Production & development assets		(20,974,056)	(9,733,825)
Other assets		(16,203)	(94,659)
Receipts from sale of fixed assets		136	12,520
Net cash used in investing activities		<u>(20,990,123)</u>	<u>(9,815,964)</u>
Net cash outflow before financing activities		<u>(19,695,497)</u>	<u>(14,742,720)</u>
Financing activities			
Shareholders' advances received	15	<u>19,950,000</u>	<u>12,200,000</u>
Increase/(Decrease) in cash	20(B)	<u><u>254,503</u></u>	<u><u>(2,542,720)</u></u>

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS
31 DECEMBER 2004

1. Accounting policies

The principal accounting policies of the Company are set out below. The policies are consistent with those adopted in previous years.

(a) Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable standards as defined by the Companies Act 1985.

(b) Fixed Assets :

(i) Production assets

The accumulated capital costs of production facilities including the cost of development drilling are depreciated on the unit of production basis. Depreciation is calculated using the ratio of production during the year to the sum of the estimated quantity of commercially producible reserves at the end of the year and production during the year. Depreciation is calculated taking into account future development costs.

(ii) Exploration expenditure

The Company follows the 'successful efforts' method in accounting for exploration costs. As a result, exploration costs are initially included in intangible assets pending determination of commercial reserves. Should the efforts be determined unsuccessful, the costs are then charged to income.

(iii) Other assets

Furniture and fittings are depreciated on a straight line basis over their expected useful lives, estimated to be 10 years.

(c) Foreign currencies

Expenditure in currencies other than US Dollars is recorded in US Dollars at the exchange rate ruling at the date the expenditure is incurred. Assets and liabilities in currencies other than US Dollars have been translated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the profit & loss account. The exchange rate at 31 December 2004 was £ 1 = US \$ 1.944.

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. Stocks of crude oil are valued at the average cost of production. Stocks of drilling materials, equipment and spare parts are valued on a basis which approximates to value based on the first in first out method, after making due allowance for any obsolete or slow moving items.

(e) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(f) Oil reserves

Proved developed and undeveloped reserves are estimated quantities of commercially producible oil which existing geological, geophysical and engineering data show to be recoverable in future years from known reservoirs.

(g) Effect of changes in estimates

The effect of revisions of previous estimates of proved developed and undeveloped oil reserves is taken up prospectively in unit of production calculations.

(h) End of service benefits

Provision is made in accordance with Bunduq Company Limited's personnel policy for the cost of end of service benefits to cover liabilities under the UAE Labour law for locally engaged employees of non United Arab Emirates nationality for services up to the balance sheet date.

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

2. Turnover

Turnover comprises gross proceeds from sales of crude oil effected in Abu Dhabi.

All of the Company's turnover is receivable from United Petroleum Development Co. Ltd. and BP Exploration Company Ltd. as shareholders in Bunduq Company Ltd. Prices and terms of settlement for these transactions are in accordance with an agreement between the shareholders dated 18th December, 1970.

3. Segmental information

For the purpose of the Companies Act 1985, the operations of the Company constitute one continuing class of business, the exploration for and production of oil, offshore in the Middle East.

4. Royalty

Royalty is calculated at **12.5%** (2003: 12.5%) of gross sales at posted prices; the royalty amount of \$ **36,345,543** (2003: \$ 30,025,717) is included in cost of sales.

5. Operating profit

This is stated after charging

	<u>2004</u> <u>US \$</u>	<u>2003</u> <u>US \$</u>
Depreciation of owned fixed assets	33,733,727	30,589,490
Auditors' remuneration (note 6)	59,807	63,064

6. Auditors' remuneration

	<u>2004</u> <u>US \$</u>	<u>2003</u> <u>US \$</u>
Audit services	49,000	51,892
Other fees	10,807	11,172
	<u>59,807</u>	<u>63,064</u>

7. Directors' emoluments

Two directors received fees totaling £ 15,000 (\$ 27,638) [2003 - two directors £ 15,000 (\$ 25,621)].

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

8 Employees	<u>2004</u> US \$	<u>2003</u> US \$
(a) Employee costs :		
Wages and salaries	5,333,817	5,281,862
Social security costs	296,105	49,285
End of service benefits	285,359	450,142
	<u>5,915,281</u>	<u>5,781,289</u>
(b) Average number of employees (non UK)	<u>2004</u>	<u>2003</u>
Administration	30	29
Development	10	11
Production	55	56
Health, safety and environment (HSE)	3	3
Trainees	3	3
	<u>101</u>	<u>102</u>

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

9. TAXATION

Tax on profits on Ordinary activities

	<u>2004</u>	<u>2003</u>
	US \$	US \$
Current tax		
UK corporation tax on profits of the year	11,966	15,873
Adjustment to tax charge in respect of previous years	Nil	Nil
Tax on profit on ordinary activities	<u>11,966</u>	<u>15,873</u>
The potential amount of deferred taxation at 31 December 2004 is \$ Nil (2003 : \$ Nil)		

Factors affecting tax charge for the periods:

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	<u>2004</u>	<u>2003</u>
	US \$	US \$
Profit on ordinary activities before tax	<u>88,574</u>	<u>83,846</u>
Profit on ordinary activities multiplied by standard rate in the UK (30%) (2003:30%)	26,572	25,154
Effects of:		
Profits not chargeable to UK tax	(21,382)	(22,120)
Mark-up on costs	4,625	5,004
Expenses not deductible for tax purposes	2,151	7,835
Adjustment to tax charge in respect of previous periods	Nil	Nil
	<u>11,966</u>	<u>15,873</u>

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

10 Fixed assets - Tangible assets

<u>Cost:</u>	<u>Furniture & Fittings US \$</u>	<u>Production Facilities Completed & Under Construction US \$</u>	<u>Total US \$</u>
At 1 January 2004	1,434,054	642,893,178	644,327,232
Additions	16,203	20,974,056	20,990,259
Disposals	(137,464)	0	(137,464)
At 31 December 2004	1,312,793	663,867,234	665,180,027
 <u>Depreciation:</u>			
At 1 January 2004	913,285	481,786,397	482,699,682
Provided during the year	89,523	33,644,204	33,733,727
Disposals	(111,040)	0	(111,040)
At 31 December 2004	891,768	515,430,601	516,322,369
 <u>Net book amount:</u>			
At 31 December 2004	421,025	148,436,633	148,857,658
At 31 December 2003	520,769	161,106,781	161,627,550

11 Stocks

	<u>2004 US \$</u>	<u>2003 US \$</u>
Crude oil	1,282,082	1,506,264
Drilling materials, equipment & spare parts, net of provisions	2,641,869	2,909,259
	3,923,951	4,415,523

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

	<u>2004</u>	<u>2003</u>
	<u>US \$</u>	<u>US \$</u>
12 Debtors		
Trade debtors	12,737,644	10,580,402
Other debtors	425,599	353,104
Prepayments	5,423,109	802,101
	<u>18,586,352</u>	<u>11,735,607</u>

Included in trade debtors is US \$ 1,559,514 which is receivable after more than one year
(2003: US \$ 1,470,941)

13 Creditors - amounts falling due within one year

	<u>2004</u>	<u>2003</u>
	<u>US \$</u>	<u>US \$</u>
Shareholders' advances (note 15)	30,410,593	27,750,704
Trade creditors	9,869,173	3,448,255
Royalties due to Governments of Abu Dhabi & Qatar	6,977,868	5,425,727
Taxation	11,966	7,856
Other creditors	674,675	765,122
Accruals and provisions	174,308	129,556
	<u>48,118,583</u>	<u>37,527,220</u>

14. Creditors - amounts falling due after more than one year

	<u>2004</u>	<u>2003</u>
	<u>US \$</u>	<u>US \$</u>
Shareholders' advances (note 15)	<u>120,791,525</u>	<u>137,301,847</u>

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

15. Shareholders' advances	United Petroleum Development Co. Ltd. (Japan)	BP Exploration Company Ltd.	Total
	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
At 1 January 2004	159,947,676	5,104,875	165,052,551
Advances	19,351,500	598,500	19,950,000
Reduction in shareholders' advances through offset against oil sales debtors	<u>(32,768,687)</u>	<u>(1,031,746)</u>	<u>(33,800,433)</u>
At 31 December 2004	<u>146,530,489</u>	<u>4,671,629</u>	<u>151,202,118</u>
Analysed as follows:		<u>2004</u> <u>US \$</u>	<u>2003</u> <u>US \$</u>
Due in one year or less (note 13)		30,410,593	27,750,704
Due in more than one year but not more than two years		24,621,216	25,244,992
Due in more than two years but not more than five years		64,967,106	62,062,071
Due in more than five years		<u>31,203,203</u>	<u>49,994,784</u>
		<u>151,202,118</u>	<u>165,052,551</u>

The advances, on which no interest is payable, are called in accordance with the Company's requirements and repaid according to an agreement between the shareholders dated 18 December 1970.

The amount due in one year or less represents the estimated balance of the shareholders' advances which will be settled by way of offset against the receivable arising from the proportion of the turnover which represents the depreciation charge for the following year. No cash transaction arises as a result of the settlement of this balance.

16. Provision for liabilities and charges	<u>2004</u> <u>US \$</u>	<u>2003</u> <u>US \$</u>
End of service benefit:		
At 1 January	2,602,488	2,300,150
Profit & Loss account charge for the year	285,359	532,972
Utilised	<u>(599,224)</u>	<u>(230,634)</u>
At 31 December	<u>2,288,623</u>	<u>2,602,488</u>

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

17. Share capital

Authorised, allotted, called up and fully paid	£	<u>2004</u> <u>US \$</u>	<u>2003</u> <u>US \$</u>
50,000 'A' shares of £ 1 each	50,000	<u>95,330</u>	95,330
25,000 'B' shares of £ 1 each	<u>25,000</u>	<u>47,665</u>	<u>47,665</u>
	<u>75,000</u>	<u>142,995</u>	<u>142,995</u>

Except in so far as the holders of the "A" and "B" shares constitute separate groups of shareholders, the "A" and "B" shares rank pari passu in all respects.

18. Movement on reserves and reconciliation of movements in shareholders' funds

	<u>2004</u>				<u>Total</u>
	<u>Share</u> <u>Capital</u> <u>US \$</u>	<u>Share</u> <u>Premium</u> <u>US \$</u>	<u>Exchange</u> <u>Reserve</u> <u>US \$</u>	<u>Profit & Loss</u> <u>account</u> <u>US \$</u>	<u>US \$</u>
At 1 January 2004	142,995	14,157,649	17,053	(12,520,014)	1,797,683
Profit for the year	-	-	-	76,608	76,608
At 31 December 2004	<u>142,995</u>	<u>14,157,649</u>	<u>17,053</u>	<u>(12,443,406)</u>	<u>1,874,291</u>

The exchange reserve arises from the restatement of balances from Sterling to US Dollars at 31 December 1976 and is not distributable.

19. Financial commitments

The estimated amount of future capital expenditure contracted but not provided for is \$57,186,455 (2003: \$ 15,025,583).

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

20 NOTES TO THE STATEMENT OF CASH FLOWS

**(A) RECONCILIATION OF OPERATING PROFIT TO NET
CASH INFLOW FROM OPERATING ACTIVITIES**

	<u>2004</u> <u>US \$</u>	<u>2003</u> <u>US \$</u>
Operating profit before interest and taxation	79,417	74,156
Depreciation	33,733,727	30,589,490
Loss on sale of fixed assets	26,288	22,003
Fixed assets written off	0	0
Adjustment		
Decrease in stock	491,572	1,662,236
Increase in debtors	(6,850,745)	(1,043,202)
Increase/(Decrease) in creditors	7,919,508	(5,546,336)
Reduction in shareholders advances through offset against oil sales debtors	(33,800,433)	(30,997,131)
(Decrease)/Increase in provision for liabilities and charges	<u>(313,865)</u>	<u>302,338</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u><u>1,285,469</u></u>	<u><u>(4,936,446)</u></u>

(B) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	<u>2004</u> <u>US \$</u>	<u>2003</u> <u>US \$</u>
Increase/(Decrease) in cash in the year	254,503	(2,542,720)
Increase in shareholders' advances	(19,950,000)	(12,200,000)
Changes in net debt resulting from cash flows	(19,695,497)	(14,742,720)
Other changes in debt	33,800,433	30,997,131
Movement in net debt	14,104,936	16,254,411
Net debt at 1 January	(163,601,993)	(179,856,404)
Net debt at 31 December	<u><u>(149,497,057)</u></u>	<u><u>(163,601,993)</u></u>

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

20. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(C) ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2004	Cash flows	Other Changes	At 31 December 2004
Cash at bank and in hand	1,450,558	254,503	-	1,705,061
Debt due within 1 year	(27,750,704)	-	(2,659,889)	(30,410,593)
Debt due after 1 year	(137,301,847)	(19,950,000)	36,460,322	(120,791,525)
Total	<u>(163,601,993)</u>	<u>(19,695,497)</u>	<u>33,800,433</u>	<u>(149,497,057)</u>

(D) Debt comprises Shareholders' advances (note 15).

(E) Other changes in debt comprise the reduction in shareholders' advances through the offset against oil sales debtors.

BUNDUQ COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2004

21. RELATED PARTIES

Details of the related party transactions during 2004 and outstanding balances at 31 December 2004 are set out below:

	United Petroleum Development Co. Ltd (Japan)	BP Exploration Company Ltd	BP Abu Dhabi (Middle East)	BP Exploration Ltd
	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
A. TRANSACTIONS DURING THE YEAR				
Turnover (a)	96,467,549	-	14,791,764	14,791,764
Administration expenses (b)	1,827,348	-	-	-
B. AMOUNTS DUE FROM/(TO)				
Trade debtors - oil sales (a)	12,355,539	-	191,053	191,053
Trade creditors (b)	(486,441)	-	-	-
Shareholders' advances (c)	(146,530,489)	(4,671,629)	-	-

- a) The Company's turnover is entirely derived from the sales of crude oil to its shareholders or their wholly owned subsidiary companies. The invoiced sales are in proportion to the quantity of crude oil lifted. The oil sales to United Petroleum Development Co. Ltd (Japan) ("UPD") are split equally between the Qatar and Abu Dhabi branch.
- b) UPD, through its head office in Tokyo, second staff and provide technical support to the Company. The related costs are included in administration expenses.
- c) The shareholders' advances are used to fund the Company's operations - refer note 15.

BUNDUQ COMPANY LIMITED
SUPPLEMENTARY INFORMATION
31 DECEMBER 2004

**ESTIMATED NET PROVED DEVELOPED AND UNDEVELOPED
RESERVES OF CRUDE OIL**

	<u>2004</u> <u>mml barrels</u>	<u>2003</u> <u>mml barrels</u>
At the beginning of the year	63.7	76.8
Change in the year attributable to :		
revision of estimate	(0.0)	(5.4)
production	<u>(7.4)</u>	<u>(7.7)</u>
Total change	<u>(7.4)</u>	<u>(13.1)</u>
At the end of the year	<u>56.3</u>	<u>63.7</u>

The associated gas reserves are not disclosed because they are not owned by the company.