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**COMPANY
NUMBER: 3080778**

Cirque Energy (UK) Limited
Report and Financial Statements

Period ended

31 December 2005

WEDNESDAY



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BDO

BDO Stoy Hayward
Chartered Accountants

Cirque Energy (UK) Limited

Annual report and financial statements for the year ended 31 December 2005

Contents

Directors

Page:

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

S Bushell
S Polowick

Secretary and registered office

S Bushell, Green Acre Cottage, Shoreditch, Somerset, TA3 7BL

Company number

3080778

Auditors

BDO Stoy Hayward LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

Bankers

National Westminster Bank Plc, 49 North Street, Taunton, Somerset, TA1 1NB

Cirque Energy (UK) Limited

Report of the directors for the year ended 31 December 2005

The directors present their report together with the audited financial statements for the year ended 31 December 2005

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the year

The directors do not propose a dividend for the year (2004 - £Nil)

Principal activities

The principal activity of the company in the year was that of oil exploration and production

Post balance sheet events

On 28 June 2006 the company was sold by Point North Energy Limited to Curmeean Energy Limited

Directors

The directors of the company during the year were

S Bushell	
J Alston	(resigned on 28 June 2006)
T Lindquist	(resigned on 28 June 2006)
B Murray	(resigned on 28 June 2006)
S Polowick	(appointed on 28 June 2006)

No director had any beneficial interest in the issued share capital of the company. The directors' interests in the ultimate parent company are disclosed in its financial statements.

Disclosure of Information to Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 of the company for that period. 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, and

Cirque Energy (UK) Limited

Report of the directors for the year ended 31 December 2005 (Continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

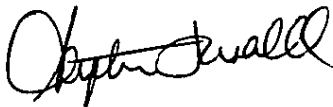
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the next annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



S Bushell
Secretary

Date 3 October 2007

Cirque Energy (UK) Limited

Report of the independent auditors

Independent Auditor's Report to the shareholders of Cirque Energy (UK) Limited

We have audited the financial statements of Cirque Energy (UK) Limited for the year ended 31 December 2005 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards in Auditing (UK and Ireland).

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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. 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 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. However, the evidence available to us was limited because the directors have not made available to us sufficient evidence to confirm the ability of the ultimate parent company to provide the support necessary for the company to continue as a going concern as described in note 1 to the financial statements. We are therefore unable to satisfy ourselves that it is appropriate for the directors to adopt the going concern basis. Had this information been available to us we might have formed a different opinion.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Cirque Energy (UK) Limited

Report of the independent auditors (*Continued*)

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the appropriateness of the going concern basis of preparation of the financial statements, in our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985

In respect solely of the limitation on our work relating to the assessment of the appropriateness of the going concern basis of preparation of the financial statements we have not obtained all the information and explanations that we considered necessary for the purpose of our audit

BDO Stoy Hayward LLP
BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Reading

Date *3 October 2007.*

Cirque Energy (UK) Limited

Profit and loss account for the year ended 31 December 2005

	Note	2005 £	2004 £
Turnover		-	-
Cost of sales		<u>39,464</u>	<u>55,480</u>
Gross loss		(39,464)	(55,480)
Administrative expenses		<u>(71,769)</u>	<u>(39,914)</u>
		(111,233)	(95,394)
Other operating income		<u>-</u>	<u>3,875</u>
Operating loss	3	(111,233)	(91,519)
Interest receivable and similar income		681	1,149
Interest payable and similar charges	4	<u>-</u>	<u>(98)</u>
Loss on ordinary activities before and after taxation and amount transferred to reserves	11	<u>(110,552)</u>	<u>(90,468)</u>

There are no movements in shareholders funds other than the result for the period

All amounts relate to continuing activities

There were no recognised gains or losses for the current and prior year other than as shown above

The notes on pages 7 to 12 form part of these financial statements

Cirque Energy (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2005

1 Accounting policies

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

The following principal accounting policies have been applied

Turnover

Turnover represents total amount receivable by the company for goods supplied and services provided to outside customers at invoiced amounts less value added tax and trade discounts

Going Concern

The directors are of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future, being not less than one year from the approval of these financial statements. Curmeean Energy Limited, the ultimate parent company has undertaken to continue to give such financial support as the company requires to enable it to continue to trade in the foreseeable future. For this reason the directors have adopted the going concern basis in preparing the financial statements

Oil exploration and development costs

Oil exploration and development activities are accounted for in accordance with the full cost method. Expenditures are capitalised, to the extent that they relate directly to the cost of exploration and development

Capitalised expenditures are classified as an intangible asset and are stated at cost less provision for impairment

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the profit and loss account

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are discounted

Cirque Energy (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

2 Directors and employees

The company had no employees other than the directors, who were not paid any emoluments by the company during the year (2004 - £Nil), other than as disclosed in note 12

3 Operating loss

	2005 £	2004 £
This has been arrived at after charging		
Auditors' remuneration – audit services	6,000	6,000
– non audit services	4,000	4,000
	<hr/>	<hr/>

4 Interest payable and similar charges

	2005 £	2004 £
Foreign exchange loss	-	74
Bank interest	-	24
	<hr/>	<hr/>
	-	98
	<hr/>	<hr/>

Cirque Energy (UK) LimitedNotes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)**5 Taxation on loss on ordinary activities**

	2005 £	2004 £
<i>UK corporation tax</i>		
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
Taxation on loss on ordinary activities	-	-
	<hr/>	<hr/>

The tax accrued for the period differs from the standard rate of corporation tax in the UK. The differences are explained below

	2005 £	2004 £
Loss on ordinary activities before tax	(110,552)	(90,468)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of Corporation tax in the UK of 30% (2002 – 30%)	(33,166)	(27,140)
Effect of		
Expenses not deductible for tax purposes	700	-
Capital allowances in excess of depreciation	-	-
Trading losses carried forward	32,466	27,140
	<hr/>	<hr/>
Current tax charge for the year	-	-
	<hr/>	<hr/>

Factors which may affect future tax charges

At 31 December 2005 the company had tax losses of £2,380,849 (2004 - £2,270,997) to be carried forward subject to the approval of the Inland Revenue

Cirque Energy (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

6 Intangible assets

	Exploration costs £
<i>Cost</i> At 1 January and 31 December 2005	3,962,236
<i>Amortisation</i> At 1 January 2005	3,855,029
<i>Net book value</i> At 31 December 2004 and 2005	107,207

7 Debtors

	2005 £	2004 £
Other debtors	25,446	120,934

8 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	21,002	23,915
Amounts owed to group undertakings	3,078,610	3,003,610
Accruals	27,941	59,197
	3,127,553	3,086,722

Cirque Energy (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

9 Provisions for liabilities and charges

	Site Restoration £
Balance at 1 January and 31 December 2005	16,649

10 Share capital

	2005 £	2004 £
<i>Authorised</i> 100 ordinary shares of £1 each	100	100

	2005 £	2004 £
<i>Allotted, issued and fully paid</i> 2 ordinary shares of £1 each	2	2

11 Profit and loss account

	2005 £
At 1 January 2005	(2,863,077)
Accumulated loss for year	(110,552)
At 31 December 2005	(2,973,629)

Cirque Energy (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

12 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Transactions" not to disclose transactions with members of the group headed by Purcell Energy Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company

During the year, payments of £52,030 (2004 - £50,961) were made in respect of directors' services to Steve Bushell Limited, a company owned by Steve Bushell, a director of the company £5,000 (£Nil) was outstanding at 31 December 2005

At the end of the year there was a balance of £315 (2004- £Nil) outstanding from Transanglia Hydrocarbon Exploration Limited, a company owned by Steve Bushell

13 Ultimate parent company

At 31 December 2005 the company's ultimate parent company was Point North Energy Limited, incorporated in Canada which is the parent of the largest and smallest group of which the company is a member

Copies of the consolidated financial statements of Point North Energy Limited are available from c/o Point Energy North Limited, Suite 2810, 605 - 5th Avenue SW, Fifth and Fifth Tower, Calgary, Alberta, T2P 3H5, Canada

On 28 June 2006 the company was sold by Point North Energy Limited to Curmeean Energy Limited