

UZTEL S.A.

OILFIELD EQUIPMENT, MANUFACTURING AND REPAIRS
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 FISCAL CODE RO1352846, R.C. PLOIESTI NO. J29/48/1991
IN INSOLVENCY

NON-CURRENT ASSETS AS OF 31.12.2010 – NOTE -1-

RON

Non-current assets description*)	Gross value **)			Balance at 31.12.2010	Value adjustments ***)			Balance at 31.12.2010
	Opening balance	Increases ****)	Disposals, transfers and other decreases		Opening balance	Adjustments recorded during the fiscal year	Reductions or reversals	
0	1	2	3	4=1+2-3	5	6	7	8=5+6-7
Development expenses	99,344	0	0	99,344	99,344	0	0	99,344
Other intangible assets	739,662	23,461	582,516	180,606	571,545	125,198	582,516	114,227
Intangible assets in progress	0	0	0	0	0	0	0	0
Total intangible assets	839,006	23,461	582,516	279,950	670,889	125,198	582,516	213,570
Land	17,871,154	0	0	17,871,154	0	0	0	0
Buildings	48,395,871	0	0	48,395,871	6,766,250	2,669,020	0	9,435,270
Technological equipment	27,681,541	270,056	951,072	27,000,525	4,078,936	2,965,789	184,024	6,860,701
Measuring devices and installations	367,334	8,124	0	375,458	0	0	0	0
Transport means	1,572,187	0	0	1,572,187	0	0	0	0
Furniture, devices	68,827	19,400	0	88,227	25,209	10,383	0	35,592
Tangible assets in progress, direct labor	617,835	237,800	241,209	614,426	0	0	0	0
Tangible assets in progress, internally	721,823	1,085,896	58,175	1,749,543	0	0	0	0
Tangible assets in progress, externally	1,695,493	16,557	16,557	1,695,493	0	0	0	0
Tangible assets prepayments in progress, purchased internally	799,424	86,297	24,943	860,778	0	0	0	0
Tangible assets prepayments in progress, purchased externally	0	0	0	0	0	0	0	0
Total tangible assets	99,791,488	1,724,130	1,291,956	100,223,662	10,870,395	5,645,192	184,024	16,331,563
TOTAL	100,630,494	1,747,591	1,874,473	100,503,612	11,541,284	5,770,390	766,541	16,545,134

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Examples:

1. The intangible assets increase during 2010 of 23,461 RON refers to the technical support for the Information Program SOLIDWORKS PROFESSIONAL.
2. The intangible assets decrease during 2010 of 582,516 RON refers to the overall depreciation for the information programs.
3. The increases and decreases related to the tangible assets during 2010 are given in the Table with examples, as follows:

INVENTORY NO.	EXPLANATIONS	INCREASES	DECREASES
21072	Grinding machine SGS	14,174.00	0.00
21315	Tools furnace	6,923.00	0.00
21316	Local box for ignition and flame surveillance	2,935.00	0.00
21317, 31318	Ultrasonic block	5,788.00	0.00
21319	SHORE hardness gauge	2,336.00	0.00
21321	Prevention tests stand	171,860.00	0.00
21322	Hydraulic connectors tests stand	62,426.00	0.00
21320	Chlorination installation	3,459.00	0.00
61143	Railway engine	0.00	84,000.00
42739	Tractor U 445	0.00	12,000.00
20618, 20708, 20855	Cast dies	0.00	832,204.00
20870, 21090, 21144			
20774, 20789, 20796			
20888, 20902			
Total		269,901.00	928,204.00

The prepayments for the tangible and intangible assets in the balance at 31.12.2010 will become acquisitions and revamps as per the investment program for year 2011.

APPROVED BY,
 Legal Administrator
 On behalf of: EUROINSOL CONSULTING SPRL
 Coordinator Associate
 Attorney Maer Alina Mariana

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ADJUSTMENTS AT 31.12.2010 – NOTE 2 -

Provision name *)	Opening balance	Transfers **)		Balance at 31.12.2010
		To the account	From the account	
0	1	2	3	4=1+2-3
Provisions for the outstanding clients	-1,968,219	-25,953	1,470,924	3,413,190
Provisions for stocks	398,388	-398,388	4,171,464	4,171,464
Provisions for litigations	268,558	0	-3,130	265,428

The provisions for clients were cancelled and reversed for the incomes, of 25,953 RON, for ALMECO SRL, as the mentioned amount was fully received by bank transfer.

The provisions for the clients created at 31.12.2010 are as follows:

1. Well drilling in Braila, of 487,086.05 RON – 10% of the debit registered in UZTEL records.
2. Well drilling in Bucharest, of 213,215.32 RON – 20% of the debit registered in UZTEL records.
3. Based on the report no. 5/2010, issued by the Legal Office, provisions were created for the following clients:
 - 3.1. BAT SERVICE = 4,317.96 RON
 - 3.2. DRILL TRANS = 13,512.00 RON
 - 3.3. GAPPAD SA = 11,792.79 RON
 - 3.4. HANI COMIMPEX = 65,241.83 RON
 - 3.5. FORAJ SA BUZAU = 453,048.86 RON
 - 3.6. MOLDOCONS GROUP = 22,801.36 RON
 - 3.7. RINELCOB IMPEX = 199,847.92 RON

The provisions for the cancelled and reversed stocks for the income, of 398,388 RON represent the raw materials, consumables, inventory items, semi-finished products and finished products, sold to the third parties or reintroduced into the technological process as residual materials.

The above amount components are as follows:

Raw materials, account 391 = 102,346.22 RON; Consumables, account 3921 = 144,374.03 RON; Inventory items, account 3922 = 38,688.19 RON; Semi-finished products, account 3941 = 33,302.05 RON and Finished products, account 3945 = 79,677.40 RON.

The provisions for the stocks created in 2010, of a total of 4,171,463.96 RON represent the inactive or with slow movement stocks for a period exceeding 12 months from the total materials without movement as follows:

Raw materials, account 391 = 322,794.74 RON; Consumables, account 3921 = 2,932,213.90 RON; Inventory items, account 3922 = 566,081.20 RON; Semi-finished products, account 3941 = 243,374.12 RON and Finished products, account 3945 = 107,000 RON.

The provisions for litigations were recovered during 2010 through the legal executor Trifina, for an amount of 3,130 RON, from Enescu Vasilica.

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NOTE REGARDING THE OFFSETTING PROPOSAL
OF THE ACCOUNTING LOSS AT 31.12.2010 – NOTE 3 -

The net accounting loss at 31.12.2010 was 17,600,833.58 RON.

The accounting loss, as per the provisions approved by the Ministry of Public Finances can be covered from the profit of future fiscal years and the reported one from the reserves, from the share capital or from the own financial resources.

Therefore, the following options are proposed to be approved by the General Shareholders' Assembly, for covering the accounting loss:

1. From the reserves created from net profits from previous years (own financing sources)

1068.03	=	1171
Own financing resources		reported result representing the unrecovered loss

If other reserves were to be used (others than those from the net profit), then they were to be taxed, as their destinations were changed, as per Law No. 571/2003, regarding the Fiscal Code.

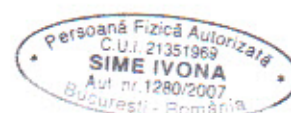
From the account 1068.03, 686,656.32 RON can be used.

2. As per the Government Decision No. 150/2011, for modifying and completing the Methodological Norms for implementing the Law No. 571/2003, the accounting loss registered during the two periods of 2010, as specified in the profit tax statement, i.e. the difference remained of 16,914,177.26 RON is recovered from the taxed profits obtained in the next 5 years, 7 years, consecutively.

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OPERATING PROFIT/LOSS ANALYSIS, AT 31.12.2010 – NOTE – 4 –

RON

Indicator name	Fiscal year	
	31.12.2009	31.12.2010
0	1	2
1.Net turnover	68,127,314	46,853,071
2.Cost of the sold products and rendered services (3+4+5)	54,824,312	42,304,623
3.Main activity expenses	39,282,843	30,163,087
4.Auxiliary activities expenses	1,766,614	2,504,344
5.Production indirect expenses	13,774,855	9,637,192
6.Gross result against the turnover (1-2)	13,303,002	4,548,448
7.Expedition expenses	0	0
8.Administration general expenses	0	21,702,958
9.Other operating revenues	2,728,460	652,441
10.Operating profit/loss (6-7-8+9)	1,048,204	-16,502,069

Goods production manufactured in 2010 at the actual cost was 42,304,623 RON, out of which:

RON

Main activity expenses	30,163,087
Auxiliary activities expenses	2,504,344
Production overheads	9,637,192

From the total operating expenses, the expenses related to the production under execution at the end of 2010 were 12,820,657 RON.

RON

Main activity expenses	9,188,057
Auxiliary activities expenses	775,233
Production indirect expenses	2,857,367

By analyzing the costs per orders and products, the expenses identification is targeted, in order to optimize them, given the severe economic crisis and extremely active competition on the internal and external markets.

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RECEIVABLES AND PAYABLES STATEMENT AT 31.12.2010 – NOTE – 5 –

RON

RECEIVABLES	Balance at 31.12.2010	Liquidity term	
		Less than 1 year	Over 1 year
0	1=2+3	2	3
Total, out of which:	32,267,424	32,267,424	0
Internal clients	16,681,436	16,681,436	0
External clients	7,151,916	7,151,916	0
Doubtful clients, litigations	8,347,637	8,347,637	0
VAT to reimburse	3	3	0
Prepaid salaries	-913,215	-913,215	0
Advance payments to services providing suppliers	523,588	523,588	0
Debtors	459,791	459,791	0
Other receivables	16,268	16,268	0

The other receivables refer to the retentions from salaries for the employees' utilities living in the non-family buildings and for which the bank transfers couldn't be carried out.

RON

PAYABLES *)	Balance at 31.12.2010	Eligibility term		
		Less than 1 year	1-5 years	Over 5 years
0	1=2+3+4	2	3	4
Total, out of which:	75,720,235	68,945,502	6,774,733	0
Internal suppliers	12,576,098	12,576,098	0	0
External suppliers	1,843,594	1,843,594	0	0
Suppliers of non-current assets	3,506,991	3,506,991	0	0
Advanced payments from customers	152,862	152,862	0	0
CEC + promissory note	0	0	0	0
Bank credits	15,727,472	11,712,012	4,015,460	0
Leasing contracts	4,836,738	2,077,465	2,759,273	0
Debts to the local budget	781,465	781,465	0	0
Debts to the state budget	18,633,877	18,633,877	0	0
Debts to the social insurances budget	12,359,229	12,359,229	0	0
Employees payables	915,642	915,642	0	0
Shareholders payables	1,774,588	1,774,588	0	0
Other payables	2,611,679	2,611,679	0	0

The amounts necessary for observing the activity continuity principle are originated from charging the commercial debts. Main 10 clients, as per their transactions volume during 2010 are as given below:

RON

CLIENT	TOTAL INVOICES	PERCENTAGE %
OMV PETROM SA, E&P DIVISION, BUCHAREST	7,980,060.50	15.64
PETROTOTAL TRADE SRL BUCHAREST	7,083,083.52	13.92
ARRAY PRODUCTS COMPANY LLC	6,047,172.48	11.88

PT INTI FAJAR PRATAMA INDONESIA	2,222,482.58	4.37
DEEP DRILL EQUIPMENT HOLLAND	1,404,038.19	2.76
BT LEASING TRANSILVANIA IFN SA CLUJ NAPOCA	1,111,281.60	2.18
NEPTUN SA CAMPINA	1,042,904.18	2.05
HANY INDUSTRY SRL PLOIESTI	1,026,672.53	2.02
PESECO LIMITED ABERDEENSHIRE UNITED KINGDOM	1,006,267.32	1.98
PPI TECHNOLOGY SERVICES MIDDLE EAST LTD	737,336.13	1.45

- a) The effects of the global economic crisis impacted the company's exports, by reducing the distribution market. The main 10 suppliers, based on their transactions volume in 2010 are as given below:

SUPPLIER	TOTAL INVOICES	PERCENTAGE %
TINMAR IND SA BUCHAREST	3,776,644.10	15.35
ELECTRO SERVICE ONEL&CO SNC PLOIESTI	962,210.18	3.91
HANY INDUSTRY SRL PLOIESTI	850,199.70	3.46
ING LEASE ROMANIA SRL	777,773.47	3.16
ROTEC SA BUZAU	692,974.42	2.82
ACCOR SERVICE SA BUCHAREST	593,684.16	2.41
FORJA NEPTUN SRL BAICOI	531,126.03	2.16
AXON SRL PLOIESTI	517,820.45	2.11
MSD COM SRL BUZAU	477,099.75	1.94
HUTTENES ALBERTUS ROMANIA SRL BUCHAREST	465,299.67	1.89

Status of outstanding payments to the suppliers, based on their time periods

Outstanding suppliers, out of which:	TOTAL	RON	
		CURRENT ACTIVITY	INVESTMENTS
-over 30 days	1,912,539	1,823,289	89,250
-over 90 days	9,368,064	6,926,345	2,441,718
-over 1 year	6,646,080	5,670,058	976,023

Outstanding payments status to the state and local budgets

	RON	
-contributions for the state social insurances owed by the employers, employees and other similar persons	10,528,536	10,528,536
-contributions for the health social insurances fund	1,841,279	1,841,279
-contributions for the unemployment insurances budget	2,275	2,275
Outstanding debts to the special funds and other funds	12,459	12,459
Outstanding debts to other creditors	4,026,718	4,026,718
Outstanding taxes and fees unpaid in the due time to the state budget	17,292,069	17,292,069
Outstanding taxes and fees unpaid in the due time to the local budgets	743,329	743,329
Not reimbursed bank credits in due time - total	1,580,000	1,580,000
-over 30 days	560,000	560,000
-over 90 days	1,020,000	1,020,000

Total debts registered at 31.12.2010 are as follows:

	RON	
Budget debts	34,446,664.81	49.99%
Suppliers	17,926,683.00	26.01%
Bank loans	15,727,472.00	22.82%
Leasing contracts	4,836,738.00	11.02%

		RON
Dividends	1,774,587.52	2.57%
Salary debts	915,641.59	1.27%
Advance payments for customers	152,862.44	0.22%

b) The debts increased due to lack of liquidities, the budget ones with 49.99% and the commercial ones with 26.01% from the total debts.

Due to the lack of liquidities, the obligations to the employees, shareholders and leasing contracts could not be fulfilled. To the leasing companies, requests were sent regarding the recalculation of the due dates and outstanding rates schedule.

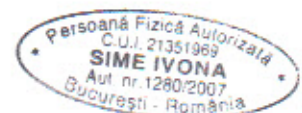
c) The adjustments value regarding the debts of 2010 fiscal year was 1,470,924 RON.

d) Not applicable.

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ACCOUNTING PRINCIPLES, POLICIES AND METHODS AT 31.12.2010 – NOTE – 6 –

1. GENERAL INFORMATION

During 2010 fiscal year, the company applied the accounting regulations by observing the European Directives: OMFP 3055/2009 – Law No. 82/1991, republished in 18.06.2008.

These financial statements are given in Romanian currency (RON).

2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

- A) Methods consistency principle** – the evaluation methods were consistently applied from each fiscal year;
- B) Prudence principle** – only the already known profits were taken into consideration till the fiscal year closing date;
- C) Matching principle** – all revenues and expenses were taken into consideration for the fiscal year for the reporting, but not the amounts receiving dates or amounts payments dates;
- D) Valuation of assets and liabilities items** – assets and liabilities items were separately taken into consideration;
- E) Opening balance principle** – the opening balance sheet of a fiscal year shall be the same with the closing balance of the previous fiscal year, excepting the correction imposed when applying IAS 8;
- F) Non-offsetting principle** – the values of the elements representing the assets were not compensated with the values representing the liabilities, i.e. revenues and expenses, excepting the compensations between the assets and liabilities admitted by the International Standards of Accounting;
- G) Substance over form principle** – the information presented in the annual financial statements reflects the economic status of the events and transactions, and not only their legal form.

2.1 FIXED ASSETS

2.1.1 Intangible assets – represent information licenses and programs – the net book value is 66,380 RON.

2.1.2 Tangible assets:

a) The land of 17,871,154.22 RON was not subject to the re-evaluation during 2010 fiscal year. The land is not subject to depreciation.

b) Fixed assets of 77,432,268 RON.

The company had depreciated the fixed assets by using the linear depreciation method, based on the standard duration of assets usage, had not changed the lifetime of the fixed assets in the patrimony, and the classification of the normal operation period was established as per the legal provisions of the Government Decision No. 2139/2004.

Various repairs and maintenance operations of the fixed assets are directly registered to the expenses, and for the revamping, the assets value or their lifetime is increased.

2.1.3 Financial assets – not applicable

2.1.4 No provisions were made for the assets

2.1.5 No reevaluations of the tangible assets were carried out; the last reevaluation took place in 2007.

2.2 CURRENT ASSETS

2.2.1 Stocks:

a) Consist of raw materials, consumables, semi-finished products, finished products and packaging, being evaluated in the accounting at their acquisition cost, and for the inventory outflow

FIFO (first in, first out) method is used. The stocks recording method is permanent inventory method, the inventory being quantitatively-value based followed-up (stock cards and information program from SIVECO).

b) The inventory items are handled as stocks, the transfer to expenses being entirely made when dating them as in usage, and their follow-up is done outside the accounting books.

The evaluation of the patrimony, at the end of the fiscal year, is done by impacting the stocks, with the differences (+/-), resulted based on the annual inventory.

2.2.2 Debts

a) Foreign currency transactions conversion

The recording of the operations in foreign currency is done at the exchange rate of NBR on the date of handling these operations. The expenses and revenues obtained from the currency exchange are recorded in the profit and loss account of the company and the accounts balances given in foreign currency are monthly evaluated, as well as at the end of the fiscal year, at the official rate of NBR.

b) The commercial debts are recorded at their invoicing value. In case of the doubtful debts, an evaluation of all existing outstanding amounts shall be done at the end of the fiscal year.

When new clients, it is necessary to obtain references regarding their solvency, and thus the debts due date being carefully monitored. The evaluation of the debts in foreign currency at the balance sheet date was done at the NBR's rate from 31.12.2010.

c) Other debts – to be found in the balance sheet, at the historic cost, being recorded based on their life and type.

d) Revenues – revenues from sales are generated when the goods are invoiced to the client.

The handing over notes represents the basis for the selling invoices, including the selling price, after negotiations.

e) Debts costs – the expenses with the interests of loans are recorded when they are generated.

3. MONETARY CURRENT ASSETS

This category includes the petty cash, current accounts from the banks, both in RON and foreign currency, accounts evaluated at NBR's rate on 31.12.2010.

3.1 DEBTS – are recorded with their face value, in the analytic accounting the records being done for each category.

3.2 PROVISIONS – The Company had created at the end of the fiscal year provisions for stocks and clients, as below:

SET UP CLIENTS PROVISIONS 1,470,924.05 RON

SET UP STOCKS PROVISIONS 4,171,463.96 RON

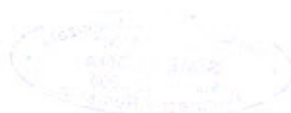
The annual financial statements come together with the Administrator' Report, Audit Report and a written declaration for undertaking the responsibility by the management and legal administrator:

- The accounting policies used for drafting the annual financial statements, as per applicable accounting regulations;
- A correct image of the financial status is provided, as well as of the financial efficiency;
- The Company carries out its activity based on Law No. 85/2006, updated, observing the Going concern principle, as per NACE code 2892 "Equipment manufacture for extraction and constructions", i.e. oil equipment at the wellhead, valves, repairs of the drilling installations, PSUP, metallic constructions, casted and forged parts.

AUDIT AND CONTROL DEPARTMENT

The department was set up in August, 2009 and had carried out the following activities during the fiscal year 2010, as follows:

- Has participated to the Company's patrimony inventory, old orders analysis and control from the production under execution;



- Inventory and random checks of the goods, working equipment, inventory items and SDVs (tools, devices and checking apparatus).
- Participation and proposal to cassation and declassify the fixed assets, inventory items and protection equipment and finished products.

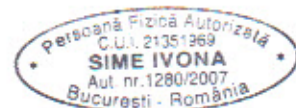
Following the controls and checks, introduction notes and remedy solutions were drafted for the deviations found during controls and inventory.

The proposals for solving various deviations were presented to be approved by the Company Management and Board of Directors.

APPROVED BY,
Legal Administrator
On behalf of: EUROINSOL CONSULTING SPRL
Coordinator Associate
Attorney Maer Alina Mariana

(illegible signature)
*(round stamp: EUROINSOL CONSULTING SPRL,
U.N.P.I.R. PRAHOVA, C.I.F. RO 18217870)*

FINANCIAL DIRECTOR
Ec. POPESCU ILEANA
(illegible signature)
*(round stamp: S.C. UZTEL S.A. PLOIESTI
IN INSOLVENCY, ROMANIA)*
CHIEF ACCOUNTANT
Ec. ILIE MARIAN
(illegible signature)

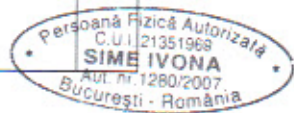


Sime Ivona

UZTEL S.A.
OILFIELD EQUIPMENT, MANUFACTURING AND REPAIRS
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 Phone: +40 (0) 244/ 541399, 523455; 0372441111; Fax: 544531; 521181
 e-mail: office@uztel.ro; financiar@uztel.ro
 FISCAL CODE RO1352846, R.C. PLOIESTI NO. J29/48/1991
IN INSOLVENCY

INVESTMENTS AND SOURCES OF FINANCE AT 31.12.2010 – NOTE – 7 –

a) any certificates of investment, real estate, convertible bonds, specifying the information required at Subsection 8.2	Yes	No				
b) subscribed shared capital / entity's patrimony		X	13,413,648			
c) total number and value of each type of issued share	Number:	5,365,459	Share value -1:	2,5	Share value -2:	0
*not entirely paid						
*the number of shares for which the payments was requested, but without result						
d) Redeemable shares:						
	*the nearest date and due date for redemption;					
	*the mandatory or non-mandatory type of the redemption;					
	*the value of potential redemption premiums;					
e) shares issued during the fiscal year:						
	*shares type;					
	*number of issued shares;					
	*total nominal value and the received value at distribution;					
	*rights related to distribution;					
	*the number, description and value of related shares;					
	*the period for exercising the rights;					
	*the price paid for the distributed shares;					
f) issued bonds:						
	*issued bonds type;					
	*issued value and the amount received for each type of bond;					
	*bonds issued by the entity, owned by an assigned or empowered person;					
	*nominal value;					
	*registered value at payment;					
	NOMINALS					
	948,357					
	2,370,893					



Sime Iona

The shares issued by Uztel are quoted at the Stock Market in Bucharest.

At 31.12.2010, the Company had already issued 5,365,459 shares, as per the Registration Certificate of the real estate values No. 69131/21.07.2010, issued by CNVM, with the following structure:

Details	Number of shares	Percentage in the share capital
1.UZTEL Association	4,498,300	83.84%
2.Array Products Co. LLC	270,014	5.03%
3.Other shareholders	597,145	11.13%
Total	5,365,459	

The net dividends for the shareholders for 2007 and 2008, not paid at 31.12.2010, were: 1,774,587.52 RON.
The Company had not purchased own shares in 2010.

APPROVED BY,

Legal Administrator

On behalf of: EUROINSOL CONSULTING SPRL

Coordinator Associate

Attorney Maer Alina Mariana

FINANCIAL DIRECTOR

Ec. POPESCU ILEANA

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(round stamp: S.C. UZTEL S.A. PLOIESTI

IN INSOLVENCY, ROMANIA)

CHIEF ACCOUNTANT

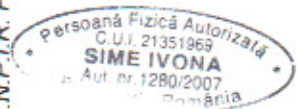
Ec. ILIE MARIAN

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IN INSOLVENCY

**INFORMATION REGARDING THE EMPLOYEES AND MEMBERS OF ADMINISTRATION, MANAGEMENT AND CONTROL BOARDS AT
 31.12.2010 – NOTE – 8 –**

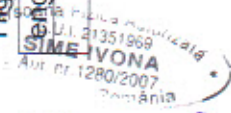
RON

a) compensations given to the administration, management and control boards	Yes	X	No	-
Value	565,086			
b) contractual obligations regarding the pensions payment of the administration, management and control boards members: Total value of commitments for each category	Administration	0	Management	0
c) prepayments and loans value given to the administration, management and control boards members	Control 0			
d) employees:	*interest rate;			
	*main clauses of the loan;			
	*reimbursed amount till that date;			
	*future obligations, as in guaranties undertaken by the entity on their behalf;			
	*average number;	Management	5	
		Operational	606	
	*salaries paid or to be paid for the fiscal year;		16,280,768	
	*social insurances expenses;		4,713,603	
	*other expenses with the contributions to pension fund;		-	

a) The Company registered at 31.12.2010 a number of 724 employees, out of which:

High education:

Engineers	69	Engineer assistant	13	economists	14	Other post graduates	5
-----------	----	--------------------	----	------------	----	----------------------	---



In factories, the personnel are as follows:

SUP	239	SSC	134	Other activities	120	Administrative personnel	130
-----	-----	-----	-----	------------------	-----	--------------------------	-----

BOARD OF DIRECTORS – consists of:

Name, surname - Position	Number of owned shares	No./date of mandate	Compensation
-Dinu Ion - President	6,125	4038 / 05.06.2008	16,052
-Dijmarescu Viorel - MEMBER	5,291	4040 / 05.06.2008	74,836
-Neacsu Sorin – MEMBER – Array representative	0	4039 / 05.06.2008	75,286

Starting with 06.09.2010, when the insolvency procedure was initiated at the request of Uztel debtor, as per File No. 4732/105/2010 and the meeting Report as of 06.09.2010 in Prahova Court of Law, EUROINSOL CONSULTING SPRL was assigned as the LEGAL ADMINISTRATOR, represented by the Coordinator Attorney Maer Alina Mariana. Following the meeting on 05.11.2010, at the request of EUROINSOL CONSULTING SPRL, as the legal administrator of Uztel debtor, the syndic judge decided to remove the administration right of SC Uztel SA.

THE COMPANY'S MANAGEMENT – during 01.01.2010-31.12.2010 – has noticed the following personnel changes:

NAME AND SURNAME	POSITION	PERIOD: 01.01.2010 – 26.05.2010	
		MANDATE CONTRACT NO.	MANDATE ISSUE DATE
DINU ION	PRESIDENT CA + GENERAL DIRECTOR	4038	06.05.2008
TUDORACHE ALEXANDRU	EXECUTIVE GENERAL DIRECTOR	4041	06.05.2008
SEREA STEFAN	COMMERCIAL DIRECTOR	4043	06.05.2008
VASILESCU CRISTIAN	QUALITY TECHNICAL DIRECTOR	4042	06.05.2008
POPESCU ILEANA	ECONOMIC DIRECTOR	3079	28.05.2009

for period: 01.01.2010-26.05.2010, the total compensation amount for the Company's management were 3.37% of the salary fund.

NAME AND SURNAME	POSITION	PERIOD: 27.05.2010 – 05.09.2010	
		MANDATE CONTRACT NO.	MANDATE ISSUE DATE
TUDORACHE ALEXANDRU	GENERAL DIRECTOR	2708	01.06.2010
POPA GABRIEL	PRODUCTION DIRECTOR	2710	01.06.2010
POPESCU ILEANA	ECONOMIC DIRECTOR	3079	28.05.2009
GEORGESCU GHEORGHE FLORIAN	SSM QUALITY DIRECTOR	2711	01.06.2010
NEACSU SORIN GHEORGHE	LOGISTIC PURCHASING DIRECTOR	2709	01.06.2010
PATRASCU GRIGORE	SALES AND DEVELOPMENT DIRECTOR	2710	01.06.2010

for period: 27.05.2010-05.09.2010, the total compensation amount for the Company's management were 3.90% of the salary fund.

The legal administrator, Euroinsol Consulting SPRL, represented by Attorney Maer Alina Mariana – starting with 06.09.2010, when the insolvency procedure was initiated at the request of the debtor, Uztel, as per File No.4732/105/2010 and the meeting Report as of 06.09.2010 in Prahova Court of Law, EUROINSOL CONSULTING SPRL was assigned as the LEGAL ADMINISTRATOR, represented by the Coordinator Attorney Maer Alina Mariana. Following the meeting on 05.11.2010, at the request of EUROINSOL CONSULTING SPRL, as the legal administrator of Uztel debtor, the syndic judge decided to remove the administration right of SC Uztel SA. – with a compensation of 19,443.16 RON (for 09.2010-12.2010).

PERIOD: 06.09.2010 – 30.11.2010 The decisions were issued based on the Request No. 1053/10.09.2010 of the Legal Administrator			
NAME AND SURNAME	POSITION	DECISION NO. FOR THE INDIVIDUAL LABOR CONTRACT	DECISION ISSUE DATE
DINU ION	GENERAL DIRECTOR	508	10.09.2010
TUDORACHE ALEXANDRU	EXECUTIVE GENERAL DIRECTOR	510	10.09.2010
PATRASCU GRIGORE	SALES AND DEVELOPMENT DIRECTOR	511	10.09.2010
POPA GABRIEL	PRODUCTION DIRECTOR	512	10.09.2010
GEORGESCU GHEORGHE FLORIAN	SSM QUALITY DIRECTOR	509	10.09.2010
POPESCU ILEANA	ECONOMIC DIRECTOR	513	10.09.2010

for period: 06.09.2010-31.11.2010, the total compensation amount for the Company's management were 2.80% of the salary fund.

PERIOD: 01.12.2010 – 31.12.2010 The decisions were issued based on the Request No. 11/30.11.2010 of the Legal Administrator			
NAME AND SURNAME	POSITION	DECISION NO. FOR THE INDIVIDUAL LABOR CONTRACT	MANDATE ISSUE DATE
TUDORACHE ALEXANDRU	SCIENTIFIC RESEARCH DIRECTOR	590	30.11.2010
POPA GABRIEL	PRODUCTION DIRECTOR	591	30.11.2010
POPESCU ILEANA	ECONOMIC DIRECTOR	592	30.11.2010

for period: 01.12.2010-31.12.2010, the total compensation amount for the Company's management were 1.52% of the salary fund.

APPROVED BY,

Legal Administrator

On behalf of: EUROINSOL CONSULTING SPRL

Coordinator Associate

Attorney Maer Alina Mariana

FINANCIAL DIRECTOR

Ec. POPESCU ILEANA

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(round stamp: S.C. UZTEL S.A. PLOIESTI

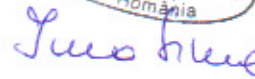
IN INSOLVENCY, ROMANIA)

CHIEF ACCOUNTANT

Ec. ILIE MARIAN

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Page 3


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 (round stamp: S.C. UZTEL S.A. PLOIESTI
 IN INSOLVENCY, ROMANIA)
 I.R. PRAHOVA, C.I.F. RO 18217870

FINANCIAL AND ECONOMIC INDICATORS AT 31.12.2010 – NOTE – 9 –

The main financial and economic indicators are used for the financial diagnosis, i.e. for identifying the strong and weak points from the inside environment of the Company, as well as of the opportunities and risks that could occur as an influence of the outside environment.

The management decision making process is based on a very complex ratios system, determining the financial balance or unbalance status of the Company from the point of view of allocations (as assets), i.e. long and short term financing resources (as liabilities).

I. LIQUIDITY RATIOS:

- A) CURRENT (LIQUIDITY) RATIO = CURRENT ASSETS/CURRENT LIABILITIES = 1.17
 - the permitted recommended value – around 2
 - ensures the guarantee of covering the current liabilities from the current assets
- B) QUICK TEST = CURRENT ASSETS-STOCKS/CURRENT LIABILITIES = 0.42

II. RISK RATIOS

A) Gearing ratio

BORROWED CAPITAL / OWN CAPITAL X 100 = 4.50

B) Interest cover ratio – determines the number of times the entity can pay its debts with the interest

The lower the ratio is, the riskier the entity position is considered to be.

PROFIT BEFORE PAYING THE INTEREST AND PROFIT TAX/INTEREST EXPENSES= 0

III. ACTIVITY RATIOS (INVENTORY RATIOS)

Provides data related to:

- input and output speed of the entity's cash flows;
- the capacity of the entity to control the current assets and the commercial main activities of the entity;

-1. Stocks turnover speed (inventory turnover) – approximates the number of times the stocks were turned over during the fiscal year.

SALES COST / AVERAGE STOCK = 0.52
 or

The number of storage days – indicates the number of days the goods were stored in the unit

AVERAGE STOCK/SALES COST X 365 = 697

2. Receivables turnover speed- Clients

- calculates the efficiency of the entity when collecting its debts;
- indicates the number of days to the date when the debtors are paying their debts to the entity

CLIENTS AVERAGE BALANCE/TURNOVER X 365 = 272

An increasing value of the ratio can indicate issues related to controlling the loan given to clients and therefore, harder to receive debts (bad payers).



-3. Receivables turnover speed – Suppliers – approximates the number of credit days the entity obtains from its suppliers. Ideally, it should only include the commercial creditors.

$SUPPLIERS\ AVERAGE\ BALANCE/GOODS\ ACQUISITION\ (WITHOUT\ SERVICES)\ X\ 365 = 169$
For the acquisition approximation, the sales cost or turnover can be taken into consideration.

-4. Tangible fixed assets turnover speed – evaluates the efficiency of the tangible fixed assets by examining the turnover value generated by a certain quantity of tangible fixed assets.

$TURNOVER/TANGIBLE\ FIXED\ ASSETS = 0.56$

-5. Total assets turnover speed
 $TURNOVER/TOTAL\ ASSETS =$

0.28

IV. PROFITABILITY RATIOS

Indicates the entity's efficiency in obtaining a profit from the available resources:

a) Return on capital employed – represents the profit the entity obtains from the money invested in a business:

$PROFIT\ BEFORE\ INTEREST\ PAYMENT\ AND\ PROFIT\ TAX / EMPLOYED\ CAPITAL = 0$

The employed capital refers to the money invested in the entity both by the shareholders and the long term creditors, and includes the ownership equity and long term debts or total assets minus current debts.

b) Sales gross margin

$GROSS\ SALES\ PROFIT/TURNOVER\ X\ 100 =$

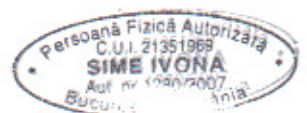
4.91

A decrease of this ratio can indicate that the entity is not able to control its production costs or to obtain the optimum selling price.

APPROVED BY,
Legal Administrator
On behalf of: EUROINSOL CONSULTING SPRL
Coordinator Associate
Attorney Maer Alina Mariana

(illegible signature)
(round stamp: EUROINSOL CONSULTING SPRL,
U.N.P.I.R. PRAHOVA, C.I.F. RO 18217870)

FINANCIAL DIRECTOR
Ec. POPESCU ILEANA
(illegible signature)
(round stamp: S.C. UZTEL S.A. PLOIESTI
IN INSOLVENCY, ROMANIA)
CHIEF ACCOUNTANT
Ec. ILIE MARIAN
(illegible signature)



Ilie Marian

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e-mail: office@uztel.ro; financiar@uztel.ro

FISCAL CODE RO1352846, R.C. PLOIESTI NO. J29/48/1991

IN INSOLVENCY

OTHER INFORMATION AT 31.12.2010 – NOTE – 10 –

a) Information regarding the reporting entity presentation, as per Sub-section 8.2.

As per NACE classification, the Company is registered at 2892 – MANUFACTURE OF EXTRACTION AND CONSTRUCTION EQUIPMENT, as per the Certificate for Recording the Amendments No. 956/18.02.2008, registered at the TRADE REGISTRY OFFICE, belonging to PRAHOVA COURT OF LAW.

b) Information regarding the entity's relations with the branches, associated entities or with other entities where they own shares, requested as per Sub-section 8.2.

RON

Entity name	Account 401, accounts receivables turnover for 2010	Account 401 balance at 31.12.2010	Debit side/account 401 turnover for 2010	Account 411 balance at 31.12.2010
Comis SRL Valeni de Munte	257,072.02	1,275,598.82	0.00	0.00
Array Products CO USA	796,275.62	0.00	6,474,043.68	1,019,898.61
Electroservice Onel & CO SRL Ploiesti	1,294,304.88	222,574.12	951.86	319.79
Titancore SRL Ploiesti	253,037.19	173,267.82	8,408.09	799.76
Iulnicomic SRL Ploiesti	317,244.35	670,287.33	4,635.29	0.00
Cerber SRL Ploiesti	202,696.66	264,145.37	5,516.99	1,911.55
Deganteh SRL Urtați	30,273.28	180,807.30	0.00	0.00
Tinmar SA București	4,529,676.74	2,109,765.38	0.00	0.00
Romconvert SA Ploiesti	4,910.40	0.00	0.00	0.00
Axon SRL Ploiesti	647,198.67	632,087.16	27,033.69	3,629.28
Platus Com SRL Campina	246,716.79	77,052.54	116,719.84	3,100.00
Star 2001 Stancu Nastasia SRL Ploiesti	2,873.65	41,674.68	46,334.52	0.00
Vaspel SRL Focșani	133,624.28	157,910.94	96,624.92	75,202.83
Comatos Prod SRL Văleni	0.00	1,511.89	0.00	0.00
Passion SRL Ploiesti	30,467.46	1,878.72	0.00	0.00
Tebynet SRL Ploiesti	399,714.66	0.00	367,523.32	44,843.97
Ipsar SRL Văleni de Munte	26,499.45	160.31	0.00	0.00
Ipromet Focșani	20,486.52	0.00	487,001.80	4,515.28
Aprodem SA Ploiesti	12,807.62	0.00	0.00	0.00
Shabum International LTD Tel Aviv	475,020.73	1,161,453.75	0.00	0.00
Rinelcob Impex SRL Baicoi	53,775.37	4,520.88	5,707.10	238,004.27
Tehnoinvest SA Brașov	0.00	5,843.00	76,842.00	0.00
Petrototal Trade SRL București	0.00	0.00	9,703,362.13	3,196,500.63
Dacrom Star SRL Bușteni	29,069.31	34,102.70	0.00	0.00

ACC. 4118

c) Conversion bases used for expressing the assets and liabilities items in local currency, as well as of the underlined revenues and expenses.

Initially in a foreign currency

The re-evaluation of the debts and liabilities in foreign currency was carried out at the end of the fiscal year, by using NBR rate at 30.12.2010: 1 euro = 4.2877, 1 USD = 3.2355.

The re-evaluation was carried out by using SIVECO's program, the Accounting Affidavit with (No. 12180181+12179180) for suppliers and (No. 12171+12172) for clients.

d) Information regarding the profit tax:

*the rate with which the profit tax impacts the result of the current activity and the result from the extraordinary activity: The tax impacts the profit of the current activity

*the reconciliation between the fiscal year and fiscal result, as presented in the profit statement.

I.	GROSS LOSS DURING 01.01.2010-30.09.2010	-11,229,818.00 RON
	NON-DEDUCTIBLE EXPENSES DURING 01.01.2010-30.09.2010, out of which:	2,190,065.15 RON
	INCREASES	256,038.00 RON
	FINES AND PENALTIES	171,629.20 RON
	PROTOCOL EXPENSES	85,570.90 RON
	SOCIAL EXPENSES	86,207.92 RON
	PRESCRIBED DEBTS	6,370.10 RON
	PERSONNEL FUEL EXPENSES	45,217.65 RON
	RESERVES DEPRECIATION EXPENSES FROM THE FIXED ASSETS REEVALUATION	1,528,999.00 RON
	LOSS FROM THE FIXED ASSETS TRANSFERS	6,957.98 RON
	SPONSORED EXPENSES	3,074.40 RON
	NON-TAXED REVENUES DURING 01.01.2010-30.09.2010	0.00 RON

Taxed profit = non-deductible expenses + gross loss - non-taxed revenues = 2,190,065.15 - 11,229,818 = -9,039,752.85 RON, as fiscal loss and thus the profit tax is not to be calculated.

II.	GROSS LOSS DURING 1.10.2010-31.12.2010	-6,350,326.00 RON
	NON-DEDUCTIBLE EXPENSES DURING 01.01.2010-30.09.2010, out of which:	8,613,102.79 RON
	INCREASES	2,363,439.33 RON
	FINES AND PENALTIES	0.00 RON
	PROTOCOL EXPENSES	19,159.66 RON
	SOCIAL EXPENSES	0.00 RON
	MATERIALS CASSATION	538.39 RON
	PRESCRIBED DEBTS	13,102.32 RON
	FUEL EXPENSES	15,896.29 RON
	RESERVES DEPRECIATION EXPENSES FROM THE FIXED ASSETS REEVALUATION	529,659.00 RON
	LOSS FROM THE FIXED ASSETS TRANSFERS	0.00 RON
	SPONSORED EXPENSES	0.00 RON
	FISCAL NON-DEDUCTIBLE VAT	28,919.79 RON
	STOCKS PROVISIONS	4,171,463.96 RON
	CLIENTS PROVISIONS	1,470,924.05 RON
	NON-TAXED REVENUES DURING 01.10.2010-31.12.2010, out of which:	427,470.45 RON
	PROVISIONS REVENUES FOR RISKS AND EXPENSES	424,340.45 RON
	PROVISIONS REVENUES FOR ASSETS DEPRECIATION	3,130.00 RON



Sime Ivona

Taxed profit = non-deductible expenses + gross loss - non-taxed revenues = 8,613,102.79-6,350,326-427,470.45= 1,835,306.34 RON, as fiscal profit during 01.10.2010-31.12.2010.
 PROFIT TAX IS NOT CALCULATED AS THE FISCAL PROFIT IS COMPENSATED WITH THE FISCAL LOSS FROM 01.01.2010-30.09.2010=9,039,752.85-1,835,306.34= -7,204,446.51 RON. THIS LOSS
 WILL BE RECOVERED FROM THE FUTURE FISCAL YEARS.

AT THE END OF THE FISCAL YEAR, THE COMPANY DID NOT PAY PROFIT TAX 0

*the impact level on calculating the profit or loss of the fiscal year by the elements evaluation, which, by waiving the general accounting principles and evaluation accounting rules carried out during the fiscal year 0

*tax on the profit remained for payment

e) Turnover:	0	45,653,499
*per activity category	Services	12,311,831
	International	
*per geographical markets	Trade	
	Romania	33,341,668
	Production	
		32,096,142.60

TURNOVER PER ACTIVITY TYPE

Revenues from selling the domestic finished products	12,311,830.61
Revenues from selling the export finished products	14.95
Revenues from residual products	697,524.00
Revenues from equipment renting	284,941.41
Revenues from various rents	1,199,571.99
Revenues from selling the goods	40,900.74
Revenues from various activities	

f) Important events occurring after the balance sheet date, whose omission could affect the capacity of financial statements users to evaluate and take the right decisions

- information for each significant category of such events:	Not applicable
*the event type	Not applicable
*the estimation of the fiscal effect or amendment, according to which the estimation cannot be done	

g) Details related to the value and type:

*extraordinary revenues and expenses	Not applicable
* revenues and expenses recorded in advance - given that these are significant	Not applicable
h) Paid rates during a leasing contract	830,796 RON

i) Financial leasing - information:

*general description of the significant leasing contracts	
*interest to receive in the future	General description of the important leasing contracts: ING LEASE - sand blasting machine GSA, EFG LEASING - processing centers, heating installations, vertical lathe and sand blasting cabin
1. Financial leasing - recording:	
*renewal or purchasing options conditions	
*restrictions imposed by the leasing contracts, i.e. related to additional debts and other leasing operations	
2. Financial leasing - recording:	Interest to pay related to future periods

j) Compensation paid to auditors/censors and for other certification services, fiscal consultancy services and other services than

FINANCIAL AUDITOR (AVO CONSULTING MP SRL PLOIESTI) = 50,075 RON, QUALITY SYSTEM AUDITS = 90,630 RON, OUT OF WHICH: GERMANISCHER LLOYD = 83,426.92 RON, GR EUROCERT SRL PLOIESTI = 8,390 RON, AMERICAN PETROLEUM INST. WASHINGTON = 24,832.77 RON, CERTIFICATION CENTER CONSTAND = 33,680.77 RON.

k) Commercial effects anticipated but not due for payment

	Not applicable
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l) When the amount to be reimbursed for debts is larger than the received amount, the difference is given in the explanatory notes.	Not applicable
m) Potential debts and assigned commitments	Not applicable
n) Commitments as guarantees of any type, in case there is no obligation to record them as debts, must be clearly indicated in the Accounting Affidavit, and a difference must be made between various guarantees types specified by the national legislation. Also, a separate presentation must be available of any value guarantee that was recorded. The commitments of this type, present in the relationship with the affiliates must be clearly recorded.	Not applicable
o) If an asset or a liability is connected to more than one item from the balance sheet, its relationship with other elements must be presented in the accounting affidavit, if such record is important for understanding the annual financial statements.	Not applicable
p) Any details of the items in the annual financial statements, if these items are significant and relevant for the financial statements users....	Not applicable

APPROVED BY,

Legal Administrator

On behalf of: EUROINSOL CONSULTING SPRL

Coordinator Associate

Attorney Maer Alina Mariana

FINANCIAL DIRECTOR

Ec. POPESCU ILEANA

(illegible signature)

(round stamp: S.C. UZTEL S.A. PLOIESTI

IN INSOLVENCY, ROMANIA)

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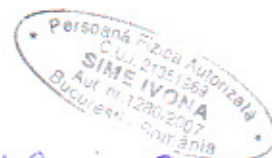
(round stamp: EUROINSOL CONSULTING SPRL,

U.N.P.I.R. PRAHOVA, C.I.F. RO 18217870)

CHIEF ACCOUNTANT

Ec. ILIE MARIAN

(illegible signature)



Ilina Maer

I, the undersigned SIME IVONA IULIANA, sworn translator, authorized by the Ministry of Culture of Romania by License no. 79/16.09.1996 for English, hereby certify the accuracy of the translation from Romanian to English, that the text submitted to me has been completely, with no omissions, and that the content and meaning of the document have not been distorted after being translated.

The document, which complete translation has been required, is entirely composed of 22 pages, has the title/name NON-CURRENT ASSETS AS OF 31.12.2010 and it was submitted to me as a complete document.

The translation of the document presented consists of 22 pages.

SWORN TRANSLATOR,



Ivona Sime