BG Trinidad and Tobago Limited

Annual Report and Financial Statements

For the year ended 31 December 2014

Company Registration Number: 2386676

Contents

Strategic report	1 - 2
Directors' report	3 - 5
Independent Auditor's report	6 - 7
Profit and loss account	8
Statement of total recognised gains and losses	8
Balance sheet	9
Notes to the Financial Statements	10 - 26

Strategic report for the year ended 31 December 2014

The Directors present their Strategic report for BG Trinidad and Tobago Limited for the year ended 31 December 2014.

Review of the business

BG Trinidad and Tobago Limited (the "Company") was incorporated on 19 May 1989 and is involved in the exploration for, and development and production of hydrocarbons in Trinidad and Tobago. The Company is a wholly owned subsidiary of BG North Sea Holdings Limited.

The Company retains interests in two operating blocks, both held under separate Production Sharing Contracts. These interests comprise (i) a 45.885% interest in the NCMA (North Coast Marine Area) 1 block, located off the north coast of Trinidad and Tobago which contains the Hibiscus, Poinsettia, Chaconia, Ixora, Heliconia and Bougainvillea Fields; and (ii) a 50% interest in Block 6, located off the east coast of Trinidad and Tobago, which includes the Dolphin Field.

During 2014, BG Trinidad and Tobago Limited continued to supply both the domestic and export markets. Production volumes from the Dolphin field achieved 9.5 mmboe (million barrels of oil equivalent) in 2014 (2013: 9.0 mmboe), whereas production from the NCMA 1 block reached 9.0 mmboe (2013: 9.3 mmboe).

There have not been any changes in the Company's activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

For a more detailed review of the activities, development and performance of the business during 2014 and the position of BG Group at the end of the year, please refer to the BG Group Annual Report and Accounts 2014 - Strategic report section on pages 2 to 41.

Principal risks and uncertainties

The Company is subject to a broad range of risks such as political, commodity prices, reserves replacement, people resource and project delivery risks.

The success of the Company depends in part upon understanding and managing the political, economic and market conditions in Trinidad and Tobago. The Company's revenues are dependent upon consistency and reliability of operations and project delivery. Inability to meet contractual obligations in terms of quality and quantity of supply could also result in losses for the Company. The Company has a monitoring, review and assurance programme to mitigate these risks. The Company's results are sensitive to natural gas prices. The Company does not hedge commodity prices.

In addition, the Company faces risks which affect both the Company and BG Group as a whole. These risks are managed at group level on behalf of the Directors of the Company. Group risks are discussed in the BG Group plc Annual Report and Accounts 2014 which does not form part of this report.

Key performance indicators (KPIs)

BG Group monitors, reviews and assesses its operations at segment and geographical levels, therefore the Directors are of the opinion that analysis of the business of the Company using KPIs is not appropriate for an understanding of the development, performance or position of the business of the Company. For further information about KPIs, in the context of the group as a whole, please refer to the BG Group Annual Report and Accounts 2014.

Strategic report for the year ended 31 December 2014 continued

Financial performance and position
As shown in the Company's profit and loss account on page 8, turnover of the Company increased by 19% during the year to $318,432,000 (2013: $267,769,000). The loss before taxation for the year ended 31 December 2014 of $117,336,000 (2013: profit of $97,466,000) includes an impairment of $203,000,000 in 2014 (2013: $nil).

The loss for the year ended 31 December 2014 of $111,605,000 (2013: profit of $14,933,000) has been transferred to reserves.

The balance sheet on page 9 shows that the Company's net assets decreased by 47%. This is principally due to the impairment recorded in the year.

By order of the Board:

C S Barry
Company Secretary

Date: 28.9.2015

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

Registered in England & Wales No. 2386676

Directors' report for the year ended 31 December 2014

The Directors present their report and the audited Financial Statements for BG Trinidad and Tobago Limited for the year ended 31 December 2014.

Dividend
The Directors proposed an interim dividend for the year ended 31 December 2014 of $56,000,000 (2013: $750,000,000). The Directors have not proposed a final dividend (2013: $nil).

Future developments
Future developments are included in the Strategic report.

Post balance sheet events
On 8 April 2015, the Boards of Royal Dutch Shell plc and BG Group plc announced that they have reached agreement on the terms of a recommended cash and share offer to be made by Royal Dutch Shell plc for the entire issued and to be issued share capital of BG Group plc. The combination is subject to various regulatory and shareholder approvals and is expected to complete in early 2016.

Directors
The following served as Directors during the year and up to the date of this report:

N W H Blaker

A Collins (appointed 31 July 2014)

G Goddard

S J Hill (resigned 30 June 2014)

R E Lumlock (alternate to G Goddard) (resigned 3 March 2015)

The following Directors were appointed after the year end:

A Martin-Davis (appointed 2 March 2015)

C Orr-Burns (appointed 29 April 2015)

Company Secretaries
The following served as joint Company Secretaries during the year and up to the date of this report:

C S Barry

R L Dunn

Directors' insurance
The ultimate parent undertaking has purchased insurance to cover the Directors against liabilities in relation to the Company.

Directors' remuneration
For details of the Directors' remuneration, see note 6 to the Financial Statements.

Directors' report for the year ended 31 December 2014 continued

Employees

The Company takes a positive approach to equality and diversity and encourages its partners to do likewise. By using the talent and skills available in all groups and communities in the countries in which it operates, the Company is able to build a strong foundation for the lasting success of the business.

The Company achieves this by using appropriate recruitment and selection techniques, ensuring equality of employment opportunity and equal access to development opportunities for all employees and potential new hires.

The Company is also committed to providing a work environment free from harassment and discrimination and remains committed to fair treatment of people with disabilities in relation to job applications, training, promotion and career development. Every effort is made to find appropriate alternative jobs for those who are unable to continue in their existing job because of disability. As with the approach to equality and diversity, the Company encourages its partners to have a similar approach to these issues where Company policies are not able to be implemented directly.

Certain employees of the Company and its wholly owned UK subsidiaries are encouraged to become shareholders in the Company's ultimate parent company (BG Group plc) and a significant number participate in BG Group's share plans.

Employees are informed about significant business issues and the Company's performance using webcasts, the BG Group plc intranet and in-house publications, as well as at face-to-face briefing meetings at each business location. When appropriate, consultation with employee and union representatives also takes place.

The Company participates in the Group's policies and practices, including BG Group's Business Principles. For further information about the Group's policies and practices, please refer to the BG Group Annual Report and Accounts 2014.

Derivative financial instruments and financial risks

The Company did not transact in any derivative financial instruments during the year.

Full details of the BG Group policies and procedures surrounding financial risks, financial instruments and details of such transactions can be found in the BG Group Annual Report and Accounts 2014.

Auditors

Pursuant to Section 487 of the Companies Act 2006, Ernst & Young LLP (the auditors) are deemed to have been re-appointed and remain in office as the auditors of the Company.

Statement as to disclosure of information to auditors

As required by Sections 418 and 419 of the Companies Act 2006, each of the Directors has approved this report and confirmed that, so far as he is aware, there is no relevant audit information (being information needed by the auditors in connection with preparing their audit report) of which the Company's auditors are unaware, and he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report for the year ended 31 December 2014 continued

Statement of Directors' responsibilities
The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Financial Statements are required by law to 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 year.

The Directors consider that in preparing the Financial Statements on pages 8 to 26 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all applicable accounting standards have been followed and that the Financial Statements have been prepared on the going concern basis. The Company has complied with UK disclosure requirements.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enables them to ensure that the Financial Statements comply with the Companies Act 2006.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors, having prepared the Financial Statements, have requested the auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit report.

By order of the Board:

C S Barry
Company Secretary

Date: 28.9.2015

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

Registered in England & Wales No. 2386676

Independent Auditor's report to the member of BG Trinidad and Tobago Limited

We have audited the Financial Statements of BG Trinidad and Tobago Limited for the year ended 31 December 2014 which comprise the Profit and loss account, the Balance sheet and the related notes, set out on pages 8 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor
As explained more fully in the Statement of Directors' responsibilities (set out on page 5), the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for auditors.

Scope of the audit of the Financial Statements
An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the Financial Statements
In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic report and Directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Independent Auditor's report to the member of BG Trinidad and Tobago Limited
continued

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Gary Donald
(Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 29/9/15

Profit and loss account for the year ended 31 December

	Notes	2014 $000	2013 $000
Turnover	3	**318,432**	267,769
Operating costs		**(66,586)**	(67,621)
Exploration expenditure		**(6,211)**	(4,105)
Depreciation		**(128,330)**	(93,086)
Amortisation		**(683)**	(669)
Impairment	4	**(203,000)**	-
Operating (loss)/profit	5	**(86,378)**	102,288
Net interest receivable/(payable) and similar income/(charges)	7	**(30,958)**	(4,822)
(Loss)/profit on ordinary activities before taxation		**(117,336)**	97,466
Tax on (loss)/profit on ordinary activities	8	**5,731**	(82,533)
(Loss)/profit for the financial year	19, 20	**(111,605)**	14,933

The results for the year are derived solely from continuing operations.

There is no difference between the historical costs profits and losses and the results presented.

The notes on pages 10 to 26 form part of these Financial Statements.

Statement of total recognised gains and losses for the year ended 31 December

	Notes	2014 $000	2013 $000
(Loss)/profit for the financial year		**(111,605)**	14,933
Actuarial gain on pension schemes	16	**1,062**	1,928
Total recognised gains and losses for the financial year		**(110,543)**	16,861

Balance sheet as at 31 December

	Notes	2014 $000	2013 $000
Fixed assets			
Intangible assets	10	**8,457**	7,462
Tangible assets	11	**446,348**	690,893
Investments	12	**2**	2
		454,807	698,357
Current assets			
Stocks	13	**747**	25
Debtors: amounts falling due within one year	14	**351,276**	240,141
Cash at bank and in hand		**17,467**	14,435
		369,490	254,601
Creditors: amounts falling due within one year	15	**(347,446)**	(225,423)
Net current assets		**22,044**	29,178
Total assets less current liabilities		**476,851**	727,535
Pension liability	16	**(3,705)**	(4,918)
Provisions for other liabilities and charges	17	**(286,831)**	(369,759)
Net assets		**186,315**	352,858
Capital and reserves			
Called up share capital	18	**-**	-
Capital reserve	19	**96,341**	96,341
Profit and loss account	19	**89,974**	256,517
Equity shareholder's funds	20	**186,315**	352,858

The notes on pages 10 to 26 form part of these Financial Statements.

The Financial Statements on pages 8 to 26 were approved by the Board of Directors and were signed on its behalf by:

N W H Blaker
Director

Date: 28.5.15

Notes to the Financial Statements

1 Ultimate parent undertaking

The immediate parent undertaking is BG North Sea Holdings Limited. The ultimate parent undertaking and controlling party is BG Group plc.

BG Group plc is the parent undertaking of the largest group to consolidate these Financial Statements. The smallest group into which the Company is consolidated is that of which BG Energy Holdings Limited is the parent undertaking. BG Group plc and BG Energy Holdings Limited are both registered in England and Wales. Copies of the Group consolidated accounts may be obtained from the Company Secretary, 100 Thames Valley Park Drive, Reading, Berkshire RG6 1PT.

2 Accounting policies

Basis of preparation and accounting principles
These accounts have been prepared on the going concern basis and in accordance with applicable law and Accounting Standards in the United Kingdom, using historical cost principles. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The accounting policies, where applicable, are materially in accordance with a Statement of Recommended Practice (SORP) issued by the Oil Industry Accounting Committee entitled 'Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities' although the accounting policies differ from the SORP as follows. The SORP requires depreciation of licence acquisition costs on a straight line basis over the period of the licence, whereas the Company depreciates licence acquisition costs (once transferred to tangible fixed assets on the determination of proved reserves), on a unit of production basis, consistent with the treatment of other exploration fixed assets. The SORP also requires under- and over-lift adjustments to be booked against Cost of Sales on an entitlement basis, whereas the Company recognises them through Turnover. The SORP sets out certain specific rules for impairment test cash flow calculations which, whilst appropriate for a value in use calculation, are not necessarily appropriate for a net realisable value calculation, which the Company may perform on a post-tax basis including certain future capital expenditure.

In addition, the SORP recommends the disclosure of oil and gas reserve quantities. The oil and gas reserve quantities of the Company are included in the oil and gas reserve quantities disclosed in the Annual Report and Accounts of the Company's parent, BG Group plc. The Directors have elected not to publish this information for the Company as the information is disclosed by BG Group plc on a consolidated basis and this disclosure is analysed geographically. The consolidated disclosures and the basis on which the information is disclosed can be found on pages 132 to 134 of the BG Group plc Annual Report and Accounts 2014.

Where the Company has entered into joint operating agreements with other companies to participate in exploration, development and production activities, the Company records its own share of the assets, liabilities, income and expenses including the Company's share of the expenditure incurred by the operator.

Notes to the Financial Statements continued

2 Accounting policies continued

Exemptions

The Company is a wholly owned subsidiary undertaking of BG Group plc and is therefore exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated accounts.

The Company has taken advantage of the exemptions available to wholly-owned UK subsidiaries under Financial Reporting Standard (FRS) 1 (Revised 1996) 'Cash Flow Statements', and accordingly has not prepared a cash flow statement.

The Company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' and paragraph 72 of Schedule 1 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from disclosure of transactions with other group companies.

Exploration expenditure

The Company accounts for exploration expenditure under the successful efforts method. Exploration expenditure, including licence acquisition costs, is capitalised as an intangible fixed asset when incurred and certain expenditure, such as geological and geophysical exploration costs, is expensed. A review of each licence or field is carried out, at least annually, to ascertain whether proved reserves have been discovered. When proved reserves are determined, the relevant expenditure, including licence acquisition costs, is transferred to tangible fixed assets and depreciated on a unit of production basis. Expenditure deemed to be unsuccessful is written off to the profit and loss account.

Intangible fixed assets

Intangible fixed assets consist of re-commissioning costs for the Elba Island Terminal. Amortisation is charged on a straight-line basis at rates sufficient to write off the cost of the asset over the life of the related LNG sales and purchase agreement (15 years).

Decommissioning costs

Where a legal or constructive obligation has been incurred, provision is made for the net present value of the estimated cost of decommissioning at the end of the producing lives of assets. When this provision gives access to future economic benefits, an asset is recognised and then subsequently depreciated in line with the life of the underlying producing asset, otherwise the costs are charged to the profit and loss account. The unwinding of the discount on the provision is included in the profit and loss account within the net interest charge. Any changes to estimated costs or discount rates are dealt with prospectively.

Tangible fixed assets

All tangible fixed assets are carried at depreciated historical cost. Additions represent extensions to, or significant increases in, the capacity of tangible fixed assets.

Notes to the Financial Statements continued

2 Accounting policies continued

Depreciation

Tangible fixed assets, except exploration and production assets, are depreciated on a straight-line basis at rates sufficient to write off the historical cost less residual value of individual assets over their estimated useful lives. Asset lives and residual values are reassessed annually. The depreciation periods for the principal categories of assets are as follows:

Motor vehicles and office equipment	up to 10 years

Exploration and production assets are depreciated from the commencement of production in the fields concerned, using the unit of production method based on the proved developed reserves of those fields, except that a basis of total proved reserves is used for acquired interests and facilities.

Changes in depreciation estimates are dealt with prospectively.

Impairment of fixed assets

Any impairment of fixed assets is calculated as the difference between the carrying values of cash generating units and their recoverable amounts, being the higher of the estimated value in use or net realisable value at the date the impairment loss is recognised. Value in use represents the net present value of expected future cash flows discounted on a pre-tax basis. Net realisable value is based on the best evidence available to the Company, and may include appropriate valuation techniques, market data or sales of comparable assets.

Impairment of fixed assets is recognised in the profit and loss account within operating costs.

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

Stocks

Stocks, held for sale in the ordinary course of business, are stated at weighted average historical cost less provision for deterioration and obsolescence or, if lower, net realisable value.

Revenue

Revenue associated with exploration and production sales (of natural gas, crude oil and petroleum products) is recorded when title passes to the customer. Revenue from the production of hydrocarbons in which the Company has an interest with other producers is recognised based on the Company's working interest and the terms of the relevant production sharing contracts (entitlement method). All other revenue is recognised when title passes to the customer.

Deferred taxation

Provision is made in full, on an undiscounted basis, for the deferred tax arising on the difference between the accounting treatment and tax treatment for depreciation in respect of accelerated capital allowances and other timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

Notes to the Financial Statements continued

2 Accounting policies continued

Foreign currencies
Management considers that the Company's functional currency is US Dollars and the Financial Statements are presented in that currency. Transactions in foreign currencies are translated into US Dollars at the rates of exchange ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Differences arising from changes in exchange rates are taken to the profit and loss account in the year in which they arise.

Financial instruments
All loans are stated at the fair value of the consideration paid/received less any repayments and if necessary, provisions for impairment.

Leases
Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Pensions
Provision has been made for the obligations under the Company's defined benefit pension schemes in accordance with FRS 17 'Retirement Benefits'.

The amount recognised on the balance sheet in respect of liabilities for defined benefit pension schemes represents the present value of the obligations less the fair value of the schemes' assets.

The cost of providing benefits under the schemes is charged to the profit and loss account over the periods benefiting from the employees' services, with the exception of actuarial gains and losses which are recognised in full in the statement of total recognised gains and losses. Current and past service costs are reflected in operating profit and financing costs are reflected in finance costs in the period in which they arise.

3 Turnover

Turnover is solely derived from the sale of natural gas which excludes value added tax.

4 Impairment

At the end of 2014, based on the declining oil price, the Company wrote down the value of its interest in the Dolphin and NCMA fields on a net realisable value basis using a post-tax discount rate of 8%, which resulted in an impairment charge of $203,000,000.

Notes to the Financial Statements continued

5 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2014 $000	2013 $000
Amounts written off fixed assets:		
Depreciation of owned assets	**128,330**	93,086
Amortisation	**683**	669
Impairment	**203,000**	-
Operating leases:		
Other	**5,539**	4,776
Employee costs:		
Wages and salaries	**49,993**	48,941
Social security costs	**823**	684
Pension costs	**3,079**	2,361
	53,895	51,986

All employee costs are shown gross of recharges to other companies within BG Group. Pension costs include finance income/costs relating to pensions.

The auditor's remuneration of $9,330 (2013: $9,163) has been borne by BG Energy Holdings Limited and has not been recharged to the Company. Any fees paid to the Company's auditor and its associates for services other than the statutory audit of the Company are not disclosed in these accounts since the consolidated accounts of the Company's ultimate parent, BG Group plc, are required to disclose non-audit fees on a consolidated basis.

The average number of employees during the year was:

	2014 No.	2013 No.
UK	**1**	30
Non-UK	**495**	427
	496	457

Notes to the Financial Statements continued

6 Directors' remuneration

The total remuneration for all serving Directors for their period of directorship to the Company is disclosed below. The remuneration of the Directors has been borne by another Group Company and has not been recharged to the Company. A number of Directors are considered group function Directors of BG Group and received no remuneration for services to the Company.

	2014 $000	2013 $000
Remuneration	299	395
Pension scheme contributions	27	22
	326	417

During the year the number of Directors who received benefits and share incentives was as follows:

	2014 No.	2013 No.
Accruing benefits under defined benefit pension scheme	1	2
Accruing benefits under defined contribution pension scheme	1	1
Exercised share options	-	1
Received or were entitled to receive shares under long term incentive schemes	2	3

Highest paid Director

During 2014, total Directors remuneration fell below the level needed to trigger the requirement to disclose the highest paid directors remuneration.

	2014 $000	2013 $000
Remuneration	-	186
Pension scheme contributions	-	7
	-	193

7 Net interest receivable/(payable) and similar income/(charges)

	2014 $000	2013 $000
Foreign exchange (loss)/gain	(21,464)	844
Interest receivable	8	57
Unwinding of discount on provisions	(9,513)	(5,617)
Other finance income/(costs) (refer to note 16)	11	(106)
	(30,958)	(4,822)

Notes to the Financial Statements continued

8 Tax on (loss)/profit on ordinary activities

The (credit)/charge for taxation comprises:

	2014 $000	2013 $000
Current tax		
Corporation tax charge	**50,232**	47,862
Double taxation relief	**(54,841)**	(47,677)
Foreign tax	**117,793**	84,472
Adjustments in respect of foreign tax of prior periods	**4,590**	-
Total current tax	**117,774**	84,657
Deferred tax		
Deferred corporation tax credit	**(135,161)**	(2,124)
Deferred tax adjustments in respect of prior periods	**11,656**	-
Total deferred tax	**(123,505)**	(2,124)
Total tax (credit)/charge	**(5,731)**	82,533

Factors affecting current tax charge for the year:

	2014 $000	2013 $000
(Loss)/profit on ordinary activities before taxation	**(117,336)**	97,466
Tax on (loss)/profit on ordinary activities at 21.5% (2013: 23.25%)	**(25,219)**	22,657
Depreciation in excess of capital allowances	**31,108**	23,893
Permanent differences	**712**	1,312
Foreign tax	**62,952**	36,795
Foreign tax adjustment in respect of prior periods	**4,590**	-
Impairment in excess of capital allowances	**43,631**	-
Total current tax	**117,774**	84,657

The current tax charge reconciliation includes timing differences reflected in the UK corporation tax return. The deferred tax charge is calculated using the foreign tax base and rate. Overseas deferred tax is provided at 57.25% (2013: 57.25%).

There is an unrecognised deferred tax asset of $385,708,000 (2013: $322,183,000) relating to excess foreign tax credits. This amount would be realised if future UK corporation tax liabilities exceeded foreign tax liabilities.

Effective 1 April 2014, the applicable rate of UK corporation tax was reduced to 21%, with a further reduction in the UK corporation tax rate to 20% effective from 1 April 2015.

Notes to the Financial Statements continued

9 Dividends

	2014	2013
	$000	$000
Dividends paid		
Current year interim dividend paid	**56,000**	750,000

10 Intangible assets

	Unproved properties $000	**Other $000**	**Total $000**
Cost			
At 1 January 2014	**824**	**10,127**	**10,951**
Additions	**1,678**	**-**	**1,678**
At 31 December 2014	**2,502**	**10,127**	**12,629**
Accumulated amortisation			
At 1 January 2014	**-**	**3,489**	**3,489**
Charge for the year	**-**	**683**	**683**
At 31 December 2014	**-**	**4,172**	**4,172**
Net book value			
At 31 December 2014	**2,502**	**5,955**	**8,457**
At 31 December 2013	**824**	**6,638**	**7,462**

Other intangible fixed assets consist of re-commissioning costs for the Elba Island Terminal.

Notes to the Financial Statements continued

11 Tangible assets

	Proved oil and gas properties $000	Office equipment and motor vehicles $000	Total $000
Cost			
At 1 January 2014	1,419,118	61,114	1,480,232
Additions	86,651	134	86,785
At 31 December 2014	1,505,769	61,248	1,567,017
Accumulated depreciation			
At 1 January 2014	737,840	51,499	789,339
Charge for the year	120,656	7,674	128,330
Impairment	203,000	-	203,000
At 31 December 2014	1,061,496	59,173	1,120,669
Net book value			
At 31 December 2014	444,273	2,075	446,348
At 31 December 2013	681,278	9,615	690,893

12 Investments

	Associated undertakings $000
At 1 January and 31 December 2014	2

The Company's principal associated undertakings as at 31 December 2014 comprise:

Name	Country of incorporation	Direct or indirect interest	Proportion of ordinary shares held	Activity
The International School of Port of Spain Limited	Trinidad and Tobago	Direct	25%	Education

13 Stocks

	2014 $000	2013 $000
Raw materials and consumables	747	25

Notes to the Financial Statements continued

14 Debtors: amounts falling due within one year

	2014	2013
	$000	$000
Trade debtors	**28,148**	32,877
Amounts owed by group undertakings	**284,901**	133,662
Amounts owed by group undertakings in respect of taxation	**4,423**	-
Amounts owed by joint venture partners	**10,137**	21,598
Other debtors	**17,225**	36,060
Prepayments and accrued income	**6,442**	15,944
	351,276	240,141

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

15 Creditors: amounts falling due within one year

	2014	2013
	$000	$000
Bank loans and overdrafts	**5,943**	2,105
Trade creditors	**22,579**	9,664
Amounts owed to group undertakings	**230,192**	144,393
Amounts owed to group undertakings in respect of taxation	**-**	790
Other creditors	**5,947**	3,275
Accruals and deferred income	**82,785**	65,196
	347,446	225,423

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Notes to the Financial Statements continued

16 Pension liability

A number of the Company's employees participate in the British Gas Trinidad Limited Pension Fund Plan (the "Plan"), a defined benefit registered pension plan established under trust. The Plan is funded to cover future pension liabilities in respect of service up to the balance sheet date. It is subject to an independent valuation at least every three years, on the basis of which the independent qualified actuary certifies the rate of employer's contributions that, together with the specified contributions payable by employees and returns on the Plan's assets, are expected to be sufficient to fund the benefits payable.

Employees contribute to the Plan at a rate of 4% of National Insurance System (NIS) salary and 6% of salary in excess of this amount. For the year ended 31 December 2014, the employer's contribution rate was 18.6% of members' salaries. A rate of 18.6% has been confirmed as sufficient contribution until the next full actuarial valuation is performed as at 31 December 2015.

The figures below in relation to the year ended 31 December 2014 are based on a valuation of the scheme's assets and expected liabilities as at 31 December 2014 carried out by independent actuaries in accordance with the requirements of FRS 17.

The last independent valuation showed that the value of the Plan's assets as at 31 December 2014 was $22,514,500 (2013: $18,648,782).

The major assumptions used by the actuary for the purposes of FRS 17 were:

	2014 **%**	2013 %
Rate of price inflation and benefit increases in excess of any Guaranteed Minimum Pension element	2.9	2.7
Future increases in earnings	6.0	6.0
Discount rate	5.0	5.0

The mortality assumptions used were as follows:

	2014 **Years**	2013 Years
Male age 60	21.0	21.0
Male age 65	21.4	21.4
Female age 60	25.1	25.1
Female age 65	25.4	25.4

Notes to the Financial Statements continued

16 **Pension liability** continued

As at 31 December 2014, the value of plan assets and expected rates of return, together with plan liabilities, were as follows:

	2014	2013
	$000	$000
Equities	**6,571**	6,196
Government/corporate bonds	**13,667**	10,589
Cash	**2,277**	1,864
	22,515	18,649

	2014	2013
	$000	$000
Fair value of plan assets	**22,515**	18,649
Present value of liabilities	**(26,220)**	(23,567)
Net pension liability under FRS 17	**(3,705)**	(4,918)

	2014	**2013**
	%	**%**
Long-term expected rate of return		
Equities	8.0	8.0
Government/corporate bonds	5.0	5.0
Cash	1.5	2.0

The overall expected return on assets assumption is derived as the weighted average of the expected returns from each of the main asset classes.

	2014	2013
	$000	$000
Actual return on plan assets	**964**	1,546

Notes to the Financial Statements continued

16 **Pension liability** continued

The following amounts have been recognised in the profit and loss account and statement of total recognised gains and losses in the year to 31 December:

	2014 $000	2013 $000
Profit and loss account		
Operating (loss)/profit:		
Current service cost	**(1,724)**	(1,710)
Net interest:		
Expected return on plan assets	**1,221**	982
Interest on the plan liabilities	**(1,210)**	(1,088)
Net credit/(charge) to interest (see note 7)	**11**	(106)
Total recognised in the profit and loss account	**(1,713)**	(1,816)

	2014 $000	2013 $000
Statement of total recognised gains and losses		
Actual return less expected return on plan assets	**(257)**	564
Experience (gain)/loss arising on plan liabilities	**1,319**	1,364
Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses	**1,062**	1,928

	2014 $000	2013 $000
Reconciliation of plan liabilities		
Value of plan liabilities as at 1 January	**(23,567)**	(22,276)
Impact of foreign exchange movement	**(676)**	424
Current service cost	**(1,724)**	(1,710)
Interest cost	**(1,210)**	(1,088)
Members' contributions	**(550)**	(557)
Benefits paid	**86**	176
Actuarial gains and losses	**1,319**	1,364
Expense allowance	**102**	100
Value of plan liabilities as at 31 December	**(26,220)**	(23,567)

Notes to the Financial Statements continued

16 **Pension liability** continued

	2014	2013
	$000	$000
Reconciliation of plan assets		
Value of plan assets as at 1 January	**18,649**	15,948
Impact of foreign exchange movement	**535**	(304)
Expected return on plan assets	**1,221**	982
Company contributions	**2,005**	1,178
Members' contributions	**550**	557
Benefits paid	**(86)**	(176)
Actuarial gains and losses	**(257)**	564
Expense allowance	**(102)**	(100)
Value of plan assets as at 31 December	**22,515**	18,649

Aggregate contributions for the next year to the British Gas Trinidad Limited Pension Fund Plan are expected to be $1,897,389.

Summary for current and previous four years

	2014	2013	2012	2011	2010
	$000	$000	$000	$000	$000
Defined benefit obligation	**(26,220)**	(23,567)	(22,276)	(18,075)	(12,907)
Plan assets	**22,515**	18,649	15,948	13,187	10,588
Deficit	**(3,705)**	(4,918)	(6,328)	(4,888)	(2,319)

Experience adjustments:

	2014	2013	2012	2011	2010
	$000	$000	$000	$000	$000
Experience adjustments on plan assets	**(257)**	564	(542)	265	(112)
Experience adjustments on plan liabilities	**1,319**	1,364	(1,681)	(2,895)	(990)
Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses	**1,062**	1,928	(2,223)	(2,630)	(1,102)

Notes to the Financial Statements continued

17 Provisions for liabilities and charges

	Deferred taxation $000	Decomm -issioning costs $000	Total $000
At 1 January 2014	**131,935**	**237,824**	**369,759**
Increase in provision	**-**	**31,065**	**31,065**
Unwinding of discount	**-**	**9,512**	**9,512**
Deferred tax credit	**(123,505)**	**-**	**(123,505)**
At 31 December 2014	**8,430**	**278,401**	**286,831**

The deferred taxation provision comprises:

	2014 $000	2013 $000
Accelerated capital allowances	**8,430**	141,940
Other timing differences	**-**	(10,005)
	8,430	131,935

Decommissioning costs
The estimated cost of decommissioning at the end of the producing lives of fields is based on engineering estimates and reports from independent experts. Provision is made for the estimated cost of decommissioning at the balance sheet date. The payment dates of total expected future decommissioning costs are uncertain, but are currently anticipated to be between 2023 and 2032.

18 Called up share capital

Allotted and fully paid:

	No.	2014 $	No.	2013 $
Ordinary shares of £1 each	3	5	3	5

The allotted share capital is shown in US Dollars at the prevailing rate of exchange as at the date of increase or issue respectively.

Notes to the Financial Statements continued

19 Reserves

	Profit and loss account $000	Capital reserve $000	Total $000
As at 1 January 2014	256,517	96,341	352,858
Transfer from profit and loss account	(111,605)	-	(111,605)
Dividends paid	(56,000)	-	(56,000)
Actuarial loss net of deferred tax movements	1,062	-	1,062
As at 31 December 2014	89,974	96,341	186,315

20 Reconciliation of movement in shareholder's funds

	2014 $000	2013 $000
As at 1 January	352,858	1,085,997
Transfer from profit and loss account	(111,605)	14,933
Other recognised gains and losses relating to the year	1,062	1,928
Dividends paid	(56,000)	(750,000)
As at 31 December	186,315	352,858

21 Capital commitments and contingencies

As at 31 December 2014, the Company had placed contracts for capital expenditure amounting to $16,290,000 (2013: $11,423,000).

22 Commitments under operating leases

As at 31 December 2014 the Company was committed to making the following payments under non-cancellable operating leases during the following 12 months:

Lease commitments expiring:

	2014 $000	2013 $000
Land and buildings		
Within two to five years	5,274	2,208
Over five years	2,068	4,327
	7,342	6,535
Other		
Within two to five years	3,729	2,960

Notes to the Financial Statements continued

23 Post balance sheet events

On 8 April 2015, the Boards of Royal Dutch Shell plc and BG Group plc announced that they have reached agreement on the terms of a recommended cash and share offer to be made by Royal Dutch Shell plc for the entire issued and to be issued share capital of BG Group plc. The combination is subject to various regulatory and shareholder approvals and is expected to complete in early 2016.

24 Related party transactions

In the normal course of business the Company provided goods and services to Atlantic 2/3 Company Limited and Point Fortin LNG Export Limited, associates of BG Group.

During the year the Company received income totalling $104,788,000 (2013: $96,465,000) from these parties.

As at 31 December 2014, a debtor balance of $18,875,000 (2013: $15,345,000) was outstanding with these parties.