

**BG Thailand Limited**

**Annual Report and Financial Statements**

**For the year ended 31 December 2005**

**Company Registration Number: 2466384**



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## Directors' report for the year ended 31 December 2005

The Directors present their report and the audited Financial Statements for the Company for the year ended 31 December 2005.

### Principal activity and review of business

The Company was established to participate in a joint venture for the development on Bongkot. On 31 December 1996, BG Thailand Limited disposed of its interests in Bongkot and ceased trading. The Company has no plans to develop the scope of its activities in the future.

### Review of results and dividend

The Company made a loss for the year of £2,000 (2004: loss of £37,000) which has been transferred from reserves (2004: £37,000). The Directors do not propose to declare a dividend for the year ended 31 December 2005 (2004: £nil).

### Directors' insurance

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

### Suppliers

It is the Company's policy to pay all its creditors promptly and in accordance with contractual and other legal obligations. It is the Company's policy to agree the payment terms at the start of business with each supplier and to ensure that they are aware of the terms of payment.

The Company had nil days' purchases outstanding at 31 December 2005 based on the average daily amount invoiced by suppliers during the year (2004: nil).

### Directors

The following served as Directors during the year:

	Appointed	Resigned
J A Berget	19 January 2005	
W M Friedrich		17 March 2005
S A Fysh	10 March 2006	
M J Houston		
D E Roberts		10 March 2006

### Company Secretaries

The following served as joint Company Secretaries during the year:

	Appointed
C S Inman	
P A Moore	26 September 2005

### Directors' interests

At no time did any Director, still holding office at 31 December 2005, have any beneficial interest in the shares of the Company or any other company within the BG Group except for those interests in the shares of the ultimate parent company, BG Group plc, as stated below.

### Beneficial holdings

	Beneficial interests in ordinary shares	
	As at 1 Jan 2005*	As at 31 Dec 2005
J A Berget	-	183
M J Houston	82,167	173,361
D E Roberts	1,659	2,763

**Directors' report for the year ended 31 December 2005 continued****Sharesave Scheme**

	Options as at 1 Jan 2005*	Options granted in the year	Options exercised in the year	Options as at 31 Dec 2005
J A Berget	-	4,183	-	4,183
M J Houston	6,031	-	-	6,031
D E Roberts	1,383	-	-	1,383

**Company Share Option Scheme**

	Options as at 1 Jan 2005*	Options granted in the year	Options exercised in the year	Options as at 31 Dec 2005
J A Berget	125,000	171,199	-	296,199
M J Houston	518,231	171,199	-	689,430
D E Roberts	325,361	171,199	-	496,560

**Long Term Incentive Scheme**

	Notional allocations of shares as at 1 Jan 2005*	Notional allocations of shares made during the year	Number of shares added through dividend reinvestment	Number of shares forfeited at end of performance period	Shares vested during the year	Notional allocation of shares as at 31 Dec 2005
J A Berget	200,000	188,259	-	-	-	388,259
M J Houston	609,974	188,259	506	(70,647)	(153,113)	574,979
D E Roberts	489,086	188,259	-	-	-	677,345

\* or at date of appointment, if later.

Full details of all employee share and option schemes can be found in the BG Group Annual Report and Accounts 2005.

**Derivative financial instruments**

The Company did not transact in any derivative financial instruments during the year. Full details of the BG Group policies and procedures surrounding financial instruments and details of such transactions can be found in the BG Group Annual Report and Accounts 2005.

**Auditors**

The Company has elected to dispense with the annual reappointment of auditors in accordance with Section 386 of the Companies Act 1985 and accordingly PricewaterhouseCoopers LLP remain in office.

## Directors' report for the year ended 31 December 2005 continued

### Statement of Directors' responsibilities

The Directors are required by the Companies Act 1985 to prepare financial statements, for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

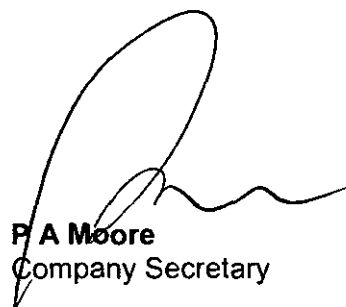
The Directors consider that in preparing the Financial Statements on pages 6 to 10 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and that all applicable accounting standards have been followed and that the Financial 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 enable them to ensure that the Financial Statements comply with the Companies Act 1985.

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:



**P A Moore**  
Company Secretary

Date: 9 OCTOBER 2006

Registered Office:  
100 Thames Valley Park Drive  
Reading  
Berkshire  
RG6 1PT  
Registered in England & Wales No. 2466384

## **Independent Auditors' report to the member of BG Thailand Limited**

We have audited the Financial Statements of BG Thailand Limited for the year ended 31 December 2005 which comprise 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**

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's member as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

**Independent Auditors' report to the member of BG Thailand Limited**  
continued

**Opinion**

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.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
1 Embankment Place  
London  
WC2N 6RH

Date: 9/10/06.

**Profit and loss account for the year ended 31 December 2005**

	<b>Notes</b>	<b>2005 £000</b>	<b>2004 £000</b>
Administrative expenses		(2)	(31)
<b>Operating loss</b>	3	<u>(2)</u>	<u>(31)</u>
Interest payable and similar expenses	4	-	(6)
<b>Loss on ordinary activities before taxation</b>	5	<u>(2)</u>	<u>(37)</u>
Tax on loss on ordinary activities	6	-	-
<b>Retained loss for the year</b>	10, 11	<u>(2)</u>	<u>(37)</u>

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

There were no recognised gains and losses other than in the profit and loss account and, therefore, a separate statement of total recognised gains and losses has not been presented.

There is no difference between the historical cost profit and losses and the results presented.

The notes on pages 8 to 10 form part of these Financial Statements.

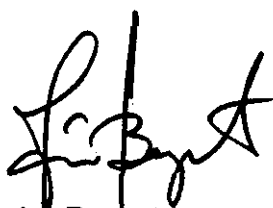


**Balance sheet as at 31 December**

	Notes	2005 £000	2004 £000
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	80,792	80,792
Cash		-	2
		<u>80,792</u>	<u>80,794</u>
<b>Creditors: amounts falling due within one year</b>	8	(39)	(39)
<b>Net current assets</b>		<u>80,753</u>	<u>80,755</u>
<b>Capital and reserves</b>			
Called up share capital	9	84,001	84,001
Profit and loss account	10	(3,248)	(3,246)
<b>Equity shareholder's funds</b>	11	<u>80,753</u>	<u>80,755</u>

The notes on pages 8 to 10 form part of these Financial Statements.

The Financial Statements on pages 6 to 10 were approved by the Board of Directors and were signed on its behalf by:



**J A Berget**  
Director

Date: 9.10.06

## Notes to the Financial Statements

### 1 Ultimate Parent Undertaking

The immediate parent undertaking is BG Overseas Holdings Limited.

The ultimate parent undertaking and controlling party is BG Group plc, which 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 Energy Holdings Limited and BG Group plc 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 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.

#### Exemptions

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; and within FRS 8 "Related Party Disclosures" from disclosure of transactions with other group companies.

#### Foreign currencies

Transactions in foreign currencies are translated into pound Sterling at the rate of exchange ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated into pound Sterling 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 which they arise.

### 3 Operating loss

	2005 £000	2004 £000
Operating loss is stated after charging:		
Audit fees	<u>2</u>	<u>2</u>

### 4 Interest payable and similar expenses

	2005 £000	2004 £000
Foreign exchange loss	<u>-</u>	<u>6</u>

**Notes to the Financial Statements continued****5 Loss on ordinary activities before taxation**

No Directors received emoluments in respect of their services to the Company during the year ended 31 December 2005 (2004: £nil). The Company had no employees during the year (2004: nil).

Additional audit fees have been borne by BG Energy Holdings Limited in both 2005 and 2004 and have not been recharged to the Company.

**6 Taxation**

	2005 £000	2004 £000
<b>Current tax</b>		
Charge	-	-
Total current tax charge	-	-
<b>Proof of tax:</b>		
Loss on ordinary activities	(2)	(37)
Tax credit on ordinary activities at 30%	(1)	(11)
Expenses not allowable for tax purposes	-	9
Other	1	2
Current year tax charge	-	-

The Company has an unrecognised deferred tax asset of £3,000 at the end of 31 December 2005 (2004: £2,000).

**7 Debtors: amounts falling due after more than one year**

	2005 £000	2004 £000
Amounts owed by parent undertaking	80,792	80,792

**8 Creditors: amounts falling due within one year**

	2005 £000	2004 £000
Amounts owed to group undertakings	39	39

**9 Called up share capital**

	2005 £000	2004 £000
<b>Authorised:</b>		
500,000,000 ordinary shares of £1 each	500,000	500,000
<b>Allotted and fully paid up:</b>		
84,001,000 ordinary shares of £1 each	84,001	84,001

**Notes to the Financial Statements continued****10 Reserves**

	<b>Profit and loss account £000</b>
As at 1 January 2005	(3,246)
Transfer from profit and loss account	(2)
<b>As at 31 December 2005</b>	<b><u>(3,248)</u></b>

**11 Reconciliation of movements in shareholder's funds**

	<b>2005 £000</b>	<b>2004 £000</b>
As at 1 January	80,755	80,792
Transfer from profit and loss account	(2)	(37)
<b>As at 31 December</b>	<b><u>80,753</u></b>	<b><u>80,755</u></b>