

BG Thailand Limited

Annual Report and Financial Statements

For the year ended 31 December 2004

Company Registration Number: 2466384



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Directors' report for the year ended 31 December 2004

The Directors present their Annual Report and audited Financial Statements for the Company for the year ended 31 December 2004.

Principal activity and review of business

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 £37,000 (2003: £nil). The loss of £37,000 has been transferred from reserves (2003: £nil). The Directors do not propose to declare a dividend for the year ended 31 December 2004 (2003: £nil).

Directors' insurance

The ultimate parent company 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 2004 based on the average daily amount invoiced by suppliers during the year (2003: nil).

Directors

The following served as Directors during the year:

| | Date of appointment | Date of resignation |
|---------------|----------------------------|----------------------------|
| J A Berget | 19 January 2005 | |
| F J Chapman | | 30 December 2004 |
| W M Friedrich | | 17 March 2005 |
| M J Houston | | |
| D McManus | | 30 September 2004 |
| D E Roberts | | |
| J C Wormley | | 30 December 2004 |

Company Secretary

The following served as Company Secretaries during the year:

| | Date of appointment |
|-----------|----------------------------|
| C S Inman | |
| P A Moore | 5 August 2005 |

Directors' report for the year ended 31 December 2004 (continued)**Directors' interests**

William Friedrich is also a director of the ultimate parent company, BG Group plc, and details of his interest in the shares of BG Group plc appear in that company's Annual Report and Accounts for 2004.

At no time did any Director, still holding office as at 31 December 2004, 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, stated below.

Beneficial holdings

| | Beneficial interests in ordinary shares | |
|-------------|---|----------------------|
| | As at 1 Jan 2004 | As at 31 Dec 2004 |
| M J Houston | 68,911 | 82,167 |
| D E Roberts | 301 | 1,659 |

Sharesave scheme

| | Options as at 1 Jan 2004 | Options granted in year | Options exercised in year | Options lapsed | Options held as at 31 Dec 2004 |
|-------------|--------------------------------|-------------------------------|---------------------------------|-------------------|--------------------------------------|
| M J Houston | 4,230 | 6,031 | (4,230) | - | 6,031 |
| D E Roberts | - | 1,383 | - | - | 1,383 |

Company share option scheme

| | Options as at 1 Jan 2004 | Options granted in year | Options exercised in year | Options lapsed | Options held as at 31 Dec 2004 |
|-------------|--------------------------------|-------------------------------|---------------------------------|-------------------|--------------------------------------|
| M J Houston | 393,231 | 125,000 | - | - | 518,231 |
| D E Roberts | 200,361 | 125,000 | - | - | 325,361 |

Long term incentive scheme

| | Notional allocations of shares as at 1 Jan 2004 | Notional allocations of shares made during the year | Number of shares added through dividend reinvestment | Number of shares vested during the year | Notional allocations of shares as at 31 Dec 2004 |
|-------------|--|--|--|---|--|
| M J Houston | 422,834 | 200,000 | 131 | (12,991) | 609,974 |
| D E Roberts | 289,086 | 200,000 | - | - | 489,086 |

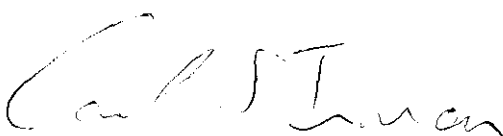
Directors' report for the year ended 31 December 2004 (continued)

Full details of all employee share and option schemes can be found in the BG Group Annual Report and Accounts 2004.

Auditors

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

By order of the Board:



C S Inman
Secretary

Date: 18/10/05

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

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 7 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.

Independent auditors' report to the member of BG Thailand Limited

We have audited the Financial Statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of Directors and auditors

The Directors responsibilities for preparing the Annual Report and Financial Statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. The other information comprises only the Directors' report.

Basis of Audit Opinion

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

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

Independent auditors' report to the member of BG Thailand Limited (continued)

Opinion

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

Date: 18/10/05

Profit and loss account for the year ended 31 December 2004

| | Notes | 2004 £'000 | 2003 £'000 |
|--|-------|---------------|---------------|
| Administrative expenses | | (31) | - |
| Operating loss | 3 | (31) | - |
| Interest payable and similar expenses | 4 | (6) | - |
| Loss on ordinary activities before taxation | 5 | (37) | - |
| Tax on loss on ordinary activities | | - | - |
| Retained loss for the year | | <u>(37)</u> | <u>-</u> |

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

There were no recognised gains and losses other than those shown in the profit and loss account.

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

The notes on pages 9 to 10 form part of these Financial Statements.

Balance sheet as at 31 December 2004

| | Notes | 2004 £'000 | 2003 £'000 |
|--|-------|----------------------|---------------|
| Current assets | | | |
| Debtors: amounts falling due after more than one year | 6 | 80,792 | 80,792 |
| Cash | | <u>2</u> | <u>-</u> |
| | | 80,794 | 80,792 |
| Creditors: amounts falling due within one year | 7 | (39) | - |
| Net current assets | | <u>80,755</u> | <u>80,792</u> |
| Capital and reserves | | | |
| Called up share capital | 8 | 84,001 | 84,001 |
| Profit and loss account | 9 | (3,246) | (3,209) |
| Equity shareholder's funds | 10 | <u>80,755</u> | <u>80,792</u> |

The notes on pages 9 to 10 form part of these Financial Statements.

The Financial Statements on pages 7 to 10 were approved by the Board of Directors and were signed on its behalf by:


D E Roberts
 Director

Date: 18/10/05

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 Sterling at an average rate of exchange for the period in which the transaction is undertaken. Foreign currency monetary assets and liabilities are translated into 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

Operating loss is stated after charging:

| | 2004 | 2003 |
|------------|------------|----------|
| | £'000 | £'000 |
| Audit fees | <u>(2)</u> | <u>-</u> |

4 Interest payable and similar expenses

| | 2004 | 2003 |
|----------------------------|------------|----------|
| | £'000 | £'000 |
| Losses in foreign exchange | <u>(6)</u> | <u>-</u> |

Notes to the Financial Statements (continued)**5 Profit and loss account**

No Directors received emoluments in respect of their services to the Company during the year ended 31 December 2004 (2003 £nil). The Company had no employees during the year (2003: nil).

Additional audit fees have been borne by BG Energy Holdings Limited in both 2004 and 2003.

6 Debtors: amounts falling due after more than one year

| | 2004 | 2003 |
|------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Amounts owed by parent undertaking | <u>80,792</u> | <u>80,792</u> |

7 Creditors: amounts falling due within one year

| | 2004 | 2003 |
|------------------------------------|-----------|----------|
| | £'000 | £'000 |
| Amounts owed to group undertakings | <u>39</u> | <u>-</u> |

8 Called up share capital

| | 2004 | 2003 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Authorised: | | |
| 500,000,000 Ordinary Shares of £1 each | <u>500,000</u> | <u>500,000</u> |
| Issued, allotted and fully paid: | | |
| 84,001,000 Ordinary Shares of £1 each | <u>84,001</u> | <u>84,001</u> |

9 Reserves

| | Profit and loss account £'000 |
|---------------------------------------|--|
| At 1 January 2004 | (3,209) |
| Transfer from profit and loss account | (37) |
| At 31 December 2004 | <u>(3,246)</u> |

10 Reconciliation of movements in shareholder's funds

| | 2004 | 2003 |
|---------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| At 1 January 2004 | 80,792 | 80,792 |
| Transfer from profit and loss account | (37) | - |
| At 31 December 2004 | <u>80,755</u> | <u>80,792</u> |