

HYDROCARBON RESOURCES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2008



REGISTERED NO: 3115179

Hydrocarbon Resources Limited

Directors' report for the year ended 31 December 2008

The Directors present their report and the audited financial statements of Hydrocarbon Resources Limited (the "Company") for the year ended 31 December 2008.

Principal activities

The principal activity of the Company is the production of gas from the North and South Morecambe gas fields.

Business review

The Company, as part of the Centrica plc group ("the Group"), continued its major activity in the production of gas and associated condensate from its two production fields (North and South Morecambe) in Morecambe Bay. These gas fields represent proven and probable reserves of approximately 772 billion cubic feet at 31 December 2008 (2007: 943 billion cubic feet). Production of gas amounted to 171 billion cubic feet (2007: 156 billion cubic feet) in the period with total condensate sales equivalent to 450,000 barrels of oil (2007: 380,000 barrels of oil equivalent).

In addition to the Morecambe gas fields, Hydrocarbon Resources Limited is operator of the Bains field (52.8% working interest).

The financial position of the Company is presented in the balance sheet on page 7. Shareholders' funds at 31 December 2008 were £3,325,505,000 (2007: £2,758,288,000).

Financial results

The results of the Company are set out on page 6.

The profit on ordinary activities after taxation for the year ended 31 December 2008 is £566,469,000 (2007: £175,761,000). The Directors do not recommend the payment of a final dividend (2007: nil).

Principal risks and uncertainties and financial risk management

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company are discussed on pages 31-34 of the 2008 Annual Report and Accounts of the Group which does not form part of this report.

The Directors have established objectives and policies for managing business and financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed.

Exposure to commodity price risk, currency risk, counterparty credit risk and liquidity risk arise in the normal course of the Company's business and is managed within parameters set by the Directors.

The most significant financial risk facing the Company relates to commodity prices, in particular for gas. Commodity price risk is primarily that market prices for commodities will move adversely, thereby potentially reducing expected margins.

Exposure to credit risk is limited predominantly to exposures with other Centrica group companies but arises in the normal course of operations as a result of the potential for a customer defaulting on their payable balance. In the case of external customers credit risk is managed by checking a company's creditworthiness and financial strength both before commencing to trade and during a business relationship.

Hydrocarbon Resources Limited

Directors' report for the year ended 31 December 2008-continued

Principal risks and uncertainties and financial risk management - continued

Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly to ensure there is sufficient financial headroom for at least the subsequent 12 month period.

The Company does not take part in hedging of any kind, other than with respect to foreign currency risk. Refer to note 20 for details.

Key performance indicators

The Directors of the Group use a number of key performance indicators to monitor progress against the Group's strategy. The development and performance of the Group, which includes the Company, are discussed on pages 12-13 of the 2008 Annual Report and Accounts of the Group which does not form part of this report.

Future developments

There are no plans to change the nature of activities in the foreseeable future. The Company is in a good position to take advantage of any opportunities which may arise in the future.

Directors

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

P K Cochrane
A D Le Poidevin
J N Shears
V M Hanafin (appointed 31 July 2008)
G S Collinson (appointed 13 February 2009)
M J Garstang (resigned 30 June 2008)
J S Ulrich (resigned 31 July 2008)

Related party transactions

The Company has taken advantage of the exemptions within Financial Reporting Standard No 8 "Related Party Disclosures" from disclosure of transactions with other Group companies. There have been no other disclosable related party transactions during the year (2007: £nil).

Creditor payment policy

It is the Company's policy to pay all of its creditors in accordance with the policies set out below:

- i) agree the terms of payment in advance with the supplier;
- ii) ensure that suppliers are aware of the terms of payment; and
- iii) pay in accordance with contractual and other legal obligations.

The number of days' purchases outstanding as at 31 December 2008 was 13 days (2007: 28 days).

Political and charitable donations

The Company made charitable donations totalling £12,981 during the period (2007: £13,362).

Hydrocarbon Resources Limited

Directors' report for the year ended 31 December 2008-continued

Employment policies

During 2008, the Company employed an average of 285 people, all employed in the United Kingdom (2007: 294). The disclosures surrounding 'Employee Costs' and the 'Average number of employees during the year' (see note 4) relate to Group employees that work in the Hydrocarbon Resources Limited business. Not all of these employees have service contracts with Hydrocarbon Resources Limited, because in some cases the contracts of service are with other Group companies. The Directors believe that the disclosures given are the fairest representation of the staff costs for the business.

Employees are regularly updated on performance against the Company's strategy. There are regular employee surveys, action planning forums and dialogue with representatives of local employee consultative bodies and recognised trade unions to ensure a comprehensive understanding of employees' views. The Group, to which Hydrocarbon Resources Limited belongs, encourages employee share ownership by operating tax authority-approved share schemes open to all eligible employees, including executive directors.

The Company is committed to pursuing equality and diversity in all its employment activities and continues to support initiatives to provide employment for people from minority groups in the community, including people with a disability, carers and lone parents. To the extent possible, people with a disability are offered the same employment training, career development and promotion opportunities as other employees.

The Company's business principles and policies set out standards of behaviour expected of its employees in conducting business in an ethical way.

Directors and Officers Liability

Directors and officers liability insurance has been purchased by the ultimate parent company, Centrica plc, and was in place throughout the period under review. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Hydrocarbon Resources Limited

Directors' report for the year ended 31 December 2008-continued

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the 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 period.

In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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

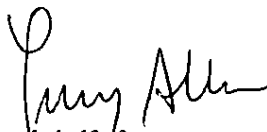
Disclosure of information to auditors

Each of the Directors who held office at the date of approval of this Directors' Report confirm that: so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and he has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the board on 21 May 2009



For and on behalf of
Centrica Secretaries Limited
Company Secretary

Registered Office:
Millstream
Maidenhead Road
Windsor
Berkshire SL4 5GD

Hydrocarbon Resources Limited

Independent Auditors' Report to the member of Hydrocarbon Resources Limited

We have audited the financial statements of Hydrocarbon Resources Limited for the year ended 31 December 2008 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

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Gas Reserves. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

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 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

21 May 2009

Hydrocarbon Resources Limited
Profit and Loss Account for the year ended 31 December 2008

	Notes	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Turnover	2	1,018,725	579,587
Cost of sales		(521,539)	(434,243)
Gross profit		497,186	145,344
Other income		-	-
Operating profit		497,186	145,344
Interest receivable and similar income	5	122,694	118,147
Interest payable and similar charges	5	(5,561)	(22,203)
Profit on ordinary activities before taxation	3	614,319	241,288
Tax on profit on ordinary activities	6	(47,850)	(65,527)
Profit for the financial year and retained profit for the financial year		566,469	175,761

All activities relate to continuing operations.

There were no recognised gains and losses other than those shown above.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historic cost equivalents.

A statement of movements in equity shareholders' funds is shown in note 17.

The notes on pages 8 to 23 form part of these financial statements.

Hydrocarbon Resources Limited
Balance Sheet as at 31 December 2008

		As at 31 December 2008 £000	As at 31 December 2007 £000
	Notes		
Fixed assets			
Intangible fixed assets	7	-	100
Tangible fixed assets	8	420,059	438,857
		<u>420,059</u>	<u>438,957</u>
Current assets			
Stocks	9	17,897	17,724
Debtors (amount receivable within one year)	10	3,748,780	3,234,001
Cash at bank and in hand		234	497
		<u>3,766,911</u>	<u>3,252,222</u>
Creditors (amounts falling due within one year)			
Borrowings	11	(30)	(15)
Creditors	12	(344,048)	(241,234)
		<u>(344,078)</u>	<u>(241,249)</u>
Net current assets		3,422,833	3,010,973
Total assets less current liabilities		3,842,892	3,449,930
Creditors (amounts falling due after one year)			
Borrowings	11	(192)	(222)
Creditors	12	(143,522)	(266,491)
		<u>(143,714)</u>	<u>(266,713)</u>
Provisions for liabilities and charges	13,14	(373,673)	(424,929)
Net assets		3,325,505	2,758,288
Capital and reserves - equity interests			
Called up share capital	15	800,000	800,000
Share premium account	16	447,162	447,162
Share option reserve	16	2,289	1,616
Profit and loss account	16	2,076,054	1,509,510
Equity shareholder funds	17	3,325,505	2,758,288

The financial statements on pages 6 to 23 were approved and authorised for issue by the Board of Directors on 21 May 2009 and were signed on its behalf by:



Andrew Le Poidevin
Director

The notes on pages 8 to 23 form part of these financial statements.

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008

1 Principal accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable UK accounting standards and the Companies Act 1985. The accounting policies, where applicable, are in accordance with the Statement of Recommended Practice ('SORP') 'Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities' issued by the UK Oil Industry Accounting Committee on 7 June 2001. The following policies have been applied consistently to the Company's financial statements.

The Directors believe that the going concern basis is applicable for the preparation of the accounts as the ultimate parent company, Centrica plc, has confirmed its present intention to provide financial support such that the Company is able to repay its liabilities as they fall due. In particular the amounts owed to Group undertakings will not be required to be repaid for the foreseeable future.

b) Pensions and other retirement benefits

The Company's employees participate in a number of the Centrica plc Group's ('Group's') defined benefit pension schemes. The Company is unable to identify its share of the underlying assets and liabilities in these schemes on a consistent and reasonable basis and therefore accounts for the schemes as if they were defined contribution schemes. The charge to the profit and loss account is equal to the contributions payable to the schemes in the accounting period, which are based on pension costs across the Group as a whole.

c) Exemptions

As the Company is a wholly owned subsidiary of British Gas Trading Limited which is a wholly owned subsidiary of Centrica plc, the Company has taken advantage of the exemptions within FRS 1, "Cash Flow Statements" from presenting a cash flow statement and within FRS 8, "Related Party Disclosures" from disclosure of transactions with other companies that are part of the Group.

d) Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Turnover includes the Company's share of turnover arising within The Centrica Gas Production LP, a limited partnership in which the Company holds a general partnership interest and fees earned from the provision of gas production services in the North and South Morecambe gas fields to The Centrica Gas Production LP. The fees are recognised on the basis of services rendered in the period.

The Company records revenues as they are earned, and those monies received in advance are treated as deferred income and excluded from current turnover.

e) Cost of sales

Cost of sales include the cost of gas produced, and related transportation and royalty costs, bought in materials and services, and direct labour and related overheads on installation works, repairs and service contracts. Gas production costs include petroleum revenue taxes, calculated on a unit of production basis, with changes in estimates dealt with prospectively over the remaining lives of gas fields. Cost of sales includes the Company's share of cost of sales arising within The Centrica Gas Production LP, a limited partnership in which the Company holds a general partnership interest.

f) Foreign currencies

The financial statements of the Company are presented in sterling, which is the Company's functional currency. Transactions in foreign currencies are initially recorded at either the exchange rate ruling at the date of the transaction or the rate that they have been hedged at using forward contracts (see 'Financial instruments' below). Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date or the rate that they have been hedged at using forward contracts.

g) Financial instruments

The company has entered into forward contracts to economically hedge its foreign exchange exposure on payments made in foreign currency. Changes in the derivatives' fair value are not recognised (note 20).

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 - continued

1 Principal accounting policies - continued

h) Emissions Trading Scheme

Granted CO2 emissions allowances received in a period are initially recognised at nominal value (nil value). Purchased CO2 emissions allowances are initially recognised at cost (purchase price) within intangible fixed assets. A liability is recognised when the level of emissions exceeds the level of allowances granted. The intangible asset is surrendered at the end of the compliance period reflecting the consumption of economic benefit.

i) Fixed assets

Tangible fixed assets are included in the balance sheet at cost, less accumulated depreciation and any provisions for impairment.

Assets held under finance leases are depreciated over the shorter of the lease term or their useful economic life.

Production assets are depreciated from the commencement of production in the fields concerned, using the unit of production method, as defined in the SORP, based on all of the proven and probable reserves of those fields. Changes in these estimates are dealt with prospectively. The net carrying value of fields in production is compared on a field-by-field basis with the likely future net revenues to be derived from the estimated remaining commercial reserves. A provision is made where it is considered that recorded amounts are unlikely to be fully recovered from the net present value of future net revenues.

Other tangible fixed assets are depreciated on a straight-line basis at rates sufficient to write off the cost, less estimated residual values, of individual assets over their estimated useful lives.

Intangible fixed assets are included in the balance sheet at cost, less provisions for impairment.

j) Decommissioning costs

Provision is made for the net present cost of decommissioning gas production facilities. A corresponding tangible fixed asset is recognised in respect of the decommissioning costs, based on price levels and technology at the balance sheet date. This asset is amortised using the unit of production method, based on proven and probable developed reserves. Notional interest charges arise over time, based upon the discounted decommissioning liabilities.

k) Leases

Assets held under finance leases are capitalised and included in tangible fixed assets at cost. The obligations relating to finance leases, net of finance charges in respect of future periods, are included within borrowings. The interest element of the rental obligation is allocated to accounting periods during the lease term to reflect the implicit rate of interest on the remaining balance of the obligation for each accounting period. Rentals under operating leases are charged to the profit and loss account on a straight line basis.

l) Stocks

Stocks are valued at the lower of cost and net realisable value.

m) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 - continued

1 Principal accounting policies - continued

m) Taxation- continued

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

n) Employee Share Schemes

As a subsidiary of Centrica plc, the Company participates in a number of the Group's employee share schemes under which it makes equity-settled share based payments in Centrica plc shares to certain employees. Centrica plc operates a number of employee share schemes including the Long Term Incentive Scheme (LTIS), Sharesave, the Share Award Scheme (SAS), and the Share Incentive Plan (SIP). These are detailed in the Directors' Report – Corporate Responsibility on pages 24-28, the Remuneration Report on pages 44-55 and in note 33 of the Centrica plc Annual Report and Accounts 2008.

Equity-settled share-based payments are measured at fair value at the date of grant (excluding the effect of non market-based vesting conditions). The fair value determined at the grant date is expensed on a straight line basis together with the corresponding increase in equity over the vesting period, based on the Group's estimate of the number of shares that will vest and adjusted for the effect of non market-based conditions.

Fair value is measured using methods appropriate to each of the different schemes as follows:

LTIS: awards up to 2005	A Black-Scholes valuation augmented by a Monte Carlo simulation to predict the Total Shareholder Return performance.
LTIS: EPS awards after 2005	Market value on date of grant
LTIS: TSR awards after 2005	A Monte Carlo simulation to predict the Total Shareholder Return performance
Sharesave	Black-Scholes
SAS and SIP	Market value on date of grant

The Company has taken advantage of the transitional provisions of FRS20 "Share-based payment" in respect of equity-settled awards and has applied FRS20 only to equity-settled awards granted after 7 November 2002, that were unvested at 1 January 2005.

o) Commercial reserves

Commercial reserves are proved and probable developed and undeveloped oil and gas reserves as defined in the SORP.

p) The Centrica Gas Production LP

The Company is general partner to The Centrica Gas Production LP, a limited partnership and subsidiary of the Company. The Company accounts for its share of The Centrica Gas Production LP partnership profits and losses within the profit and loss account and its share of The Centrica Gas Production LP partnership assets and liabilities within the balance sheet by proportional consolidation.

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 - continued

1 Principal accounting policies - continued

q) Deferred Income – The Centrica Gas Production LP

Deferred income represents the Company's share of cash invested by a limited partner in The Centrica Gas Production LP in exchange for a limited partnership entitling it to profits from the South Morecambe gas field for the next five years. The Company, as General Partner to the partnership, is under no obligation to return the cash to the limited partner. The income is deferred and is recognised within turnover on a unit of production basis based on South Morecambe production in the period compared to total production over the seven year period to which it relates.

2 Segmental analysis

Turnover relates to the principal activities of the business and arose wholly in the United Kingdom and comprises:

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Turnover		
HRL sales of gas and condensate	285,870	176,740
The Centrica Gas Production LP	732,855	402,847
	1,018,725	579,587

Turnover – The Centrica Gas Production LP represents the Company's share of turnover arising within The Centrica Gas Production LP. This includes £135,009,000 (2007: £120,605,000) relating to the release of deferred income as described in more detail in note 12.

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
a) Depreciation and amortisation:		
Owned assets	83,759	59,817
Leased assets	8,507	8,275
	92,266	68,092
b) Operating lease rentals:		
Land and buildings	335	373
Other operating leases	224	295
	559	668
c) Auditors' remuneration		
Statutory audit fee	12	14

Auditors' remuneration relates to fees for the audit of the UK GAAP statutory accounts of Hydrocarbon Resources Limited and includes fees in relation to the audit of the IFRS group consolidation schedules, for the purpose of the Centrica Group audit, which also contribute to the audit of Hydrocarbon Resources Limited. Prior year audit fees have been restated to reflect the inclusion of an element of the Centrica Group fee.

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 - continued

4 Directors and employees

i) Directors' remuneration

None of the Directors received any fees or remuneration from the Company for services as directors of the Company during the financial year. All of the Directors who served during the period are members of the ultimate parent company's defined benefit pension scheme.

ii) Employee costs

Refer to page 3 for further discussion.

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Wages and salaries	15,380	15,094
Social security costs	1,483	1,471
Other pension and retirement benefit costs	5,378	4,723
Long-term Incentive Scheme	82	67
Sharesave Scheme	146	231
Share Incentive Plan	100	98
Share Award Scheme	107	72
	22,676	21,756

Wages and salaries relate to permanent staff members.

iii) Employee numbers

The average number of employees during the period ended 31 December 2008 was 285 (year ended 31 December 2007: 294). Refer to page 3 for further discussion.

	Year ended 31 December 2008	Year ended 31 December 2007
Production	253	260
Administration	32	34
	285	294

5 Interest

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
i) Interest receivable and similar income:		
Interest received from group undertakings	122,694	118,144
Other	-	3
	122,694	118,147
ii) Interest payable and similar charges:		
Interest payable to group undertakings	-	457
Other interest payable	578	18,461
Notional interest arising on discounted items	4,983	3,285
	5,561	22,203

Hydrocarbon Resources Limited
Notes to the financial statements for the year ended 31 December 2008 - continued

6 Tax on profit on ordinary activities

(a) Analysis of tax charge in the year

The tax charge comprises:

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Current tax:		
- UK corporation tax at 28.5% (2007: 30%)	82,151	55,593
- Additional charges applicable to upstream profits at 21.5% (2007: 20%)	33,927	34,673
- Adjustments in respect of prior years	1,564	69,573
Total current tax	117,642	159,839
Deferred tax:		
- Deferred petroleum revenue (PRT) relief	24,137	(81,204)
- Origination and reversal of timing differences	(92,210)	(14,252)
- Adjustments in respect of prior periods	(1,719)	1,144
Taxation charge	47,850	65,527

(b) Factors affecting the tax charge for the period

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Profit on ordinary activities before tax	614,319	241,288
Tax on profit on ordinary activities at standard UK corporation tax rate of 28.5% (2007: 30%)	175,081	72,386
Effects of:		
Net income not taxable	(106,009)	(79,881)
Utilisation of timing differences	6,437	2,453
Depreciation in excess of capital allowances	15,294	8,549
Movement on deferred PRT provision	(14,482)	48,723
Additional charges applicable to upstream profits	33,927	34,673
UK- UK transfer pricing adjustments	5,830	3,363
Adjustments to tax charge in respect of previous periods	1,564	69,573
Current tax charge for the year	117,642	159,839

From 1 April 2008 the standard rate of UK Corporation tax reduced to 28%.

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 - continued

7 Intangible fixed assets

	£000
Cost	
As at 31 December 2007	456
Disposal	(456)
As at 31 December 2008	-
Amortisation	
As at 31 December 2007	356
Amortisation charge for the year	100
Disposal	(456)
As at 31 December 2008	-
Net book value as at 31 December 2008	-
Net book value as at 31 December 2007	100

8 Tangible fixed assets

	£000
Cost	
As at 31 December 2007	2,938,984
Additions	11,642
Revisions of abandonment asset	61,826
As at 31 December 2008	3,012,452
Depreciation and amortisation	
As at 31 December 2007	2,500,127
Charge for the year	92,266
As at 31 December 2008	2,592,393
Net book value as at 31 December 2008	420,059
Net book value as at 31 December 2007	438,857

The net book value of tangible fixed assets held under finance leases, as at 31 December 2008, was £54,592,122 (2007: £63,099,122). This represents certain South Morecambe gas field production assets sold and leased back in 1998 and 1999. The net book value of the Company's decommissioning costs at 31 December 2008 were £129,611,631 (2007: £84,708,634).

9 Stocks

	As at 31 December 2008 £000	As at 31 December 2007 £000
Operational spares and consumables	17,897	17,724

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 - continued

10 Debtors

	As at 31 December 2008 £000	As at 31 December 2007 £000
Amounts receivable within one year:		
Amounts owed by group undertakings	3,562,316	3,171,887
Corporation tax	182,905	47,864
Other debtors	3,559	14,250
	<u>3,748,780</u>	<u>3,234,001</u>

Amounts owed by group undertakings – These amounts are due within one year, are unsecured and interest free, except for £1,350,000,000 owed by Centrica Holdings Limited, where interest is payable on the principal at LIBOR plus 20 basis points, and settled quarterly.

11 Borrowings

	As at 31 December 2008 £000	As at 31 December 2007 £000
Amount falling due within one year:		
Amounts payable under finance leases	<u>30</u>	<u>15</u>
Amounts falling due after more than one year:		
Amounts payable under finance leases	<u>192</u>	<u>222</u>
Obligations under finance leases were repayable as follows:		
Less than one year	30	15
Between one and two years	30	30
Between two and five years	90	120
After more than five years	<u>72</u>	<u>72</u>
	<u>222</u>	<u>237</u>

12 Creditors

	As at 31 December 2008 £000	As at 31 December 2007 £000
Amount falling due within one year:		
Trade creditors	4,183	7,363
Amounts owed to group undertakings	182,398	9,683
Taxation and social security	11,566	52,885
Accruals and deferred income	32,732	46,094
Deferred income – The Centrica Gas Production LP	<u>113,169</u>	<u>125,209</u>
	<u>344,048</u>	<u>241,234</u>
Amounts falling due after more than one year:		
Deferred income – The Centrica Gas Production LP	<u>143,522</u>	<u>266,491</u>

Deferred income – The Centrica Gas Production LP represents the Company's share of cash invested by a limited partner in The Centrica Gas Production LP in exchange for a limited partnership interest representing entitlement to profits from South Morecambe gas field for a seven year period. The Company, as General Partner to the partnership, is under no obligation to return the cash to the limited partner. The income has been deferred and is released to turnover on a unit of production basis based on South Morecambe production in the period compared to estimated total production over the seven year period to which it relates. The amount released during the year was £135,009,000 (2007: £120,605,000).

Amounts owed to group undertakings - These amounts are due within one year, are unsecured and interest free.

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Notes to the financial statements for the year ended 31 December 2008 - continued

13 Provisions for liabilities and charges

	Decommissioning costs £000	Deferred PRT £000	Deferred CT £000	Other provisions £000	Total £000
As at 1 January 2008	195,422	156,966	72,531	10	424,929
Revisions	61,826	-	-	-	61,826
Profit and loss charge/(credit)	4,983	(48,273)	(69,792)	-	(113,082)
As at 31 December 2008	262,231	108,693	2,739	10	373,673

Decommissioning costs

Provision has been made for the estimated net present cost of decommissioning gas production facilities at the end of their producing lives. The estimate has been based on proved and probable reserves, price levels and technology at the balance sheet date. The timing of decommissioning payments are dependent on the lives of a number of fields but are anticipated to occur between 2009 and 2026. The revision in the period is due to an increase in the estimate for gas field abandonment costs. The profit and loss charge includes £4,983,000 (year ended 31 December 2007 - £3,279,000) of notional interest.

Deferred PRT (petroleum revenue tax)

The provision for tax on gas activities has been calculated on a unit of production basis.

14 Deferred corporation tax

Movement on the deferred corporation tax provision in the period is analysed below:

	As at 1 January 2008 £000	Profit and loss charge/(credit) £000	As at 31 December 2008 £000
Deferred corporation tax			
-accelerated capital allowances	154,414	(26,872)	127,542
-deferred PRT	(78,483)	24,137	(54,346)
-other timing differences	(3,400)	(67,057)	(70,457)
	72,531	(69,792)	2,739

Deferred corporation tax provision/(asset) at 50% (as at 31 December 2007: 50%) is analysed as follows:

	Amounts provided		Potential amounts unprovided	
	2008 £000	2007 £000	2008 £000	2007 £000
-accelerated capital allowances	127,542	154,414	-	-
-deferred PRT	(54,346)	(78,483)	-	-
-other timing differences	(70,457)	(3,400)	(379)	(55,736)
	2,739	72,531	(379)	(55,736)

Changes to UK tax law substantively enacted in July 2008 relating to relief for upstream losses resulted in a re-appraisal of the company's unrecognised deferred tax assets which led to full recognition of substantially all of the previously unrecognised amount.

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 - continued

15 Called up share capital

	As at 31 December 2008 £000	As at 31 December 2007 £000
Authorised: 800,000,100 ordinary shares of £1 each	800,000	800,000
Allotted, called up and fully paid: 800,000,001 ordinary shares of £1 each	800,000	800,000

16 Reserves

	Share premium account £000	Share option reserve £000	Profit and loss account £000	Total £000
1 January 2008	447,162	1,616	1,509,510	1,958,288
Profit for the year	-	-	566,469	566,469
Employee share option schemes	-	673	75	748
31 December 2008	447,162	2,289	2,076,054	2,525,505

17 Reconciliation of movements in equity shareholder funds

	2008 £000	2007 £000
1 January 2008	2,758,288	2,582,293
Profit for the year	566,469	175,761
Employee share option schemes	748	234
31 December 2008	3,325,505	2,758,288

18 Share based payments

Employee share schemes are designed to encourage participants to align their objectives with those of shareholders. Centrica operates eight main employee share schemes: the Deferred and Matching Share Scheme (DMSS), the Executive Share Option Scheme (ESOS), the Long Term Incentive Scheme (LTIS), Sharesave, the Share Award Scheme (SAS), the Restricted Share Scheme (RSS), the Share Incentive Plan (SIP) and the Direct Energy Employee Share Purchase Plan (ESPP) (no Hydrocarbon Resources Limited employees are eligible to participate in this scheme, only Centrica employees in North America). These are described in the directors' report - Corporate Responsibility on pages 24-28 and in the Remuneration Report on pages 44-55 of the Centrica plc annual report and accounts 2008. There were no other share based payment transactions during the period.

On 15 December 2008 the Centrica plc raised proceeds of £2.2 billion, net of issue costs of £65 million, through a Rights Issue as explained in notes 5, 29 and 30 to the Centrica plc annual report and accounts 2008. The number of shares allocated to employees under the Group's share schemes has been adjusted to reflect the bonus element of the Rights Issue. The terms of the Group's employee share schemes were adjusted such that participants of the various plans were no better or worse off as a result of the Rights Issue. Consequently, no additional expense was or will be recognised as a result of changes to the Group's employee share schemes. Details of the adjustments made to the terms of the Group's employee share schemes, as a result of the Rights Issue, are provided in sections (b) and (c) below.

Hydrocarbon Resources Limited
Notes to the financial statements for the year ended 31 December 2008 - continued

18 Share based payments – continued

a) Summary of share-based payment plans and movements in the number of shares and options outstanding:

LTIS

Under the LTIS, allocations of shares in Centrica plc are generally reserved for employees at senior management level. For awards made up to 2005, the number of shares to be released to participants is calculated subject to the Centrica plc's total shareholder return (TSR) during the three years following the grant date, compared with the TSR of other shares in the FTSE 100 Index over the same period. The number of shares released is reduced on a sliding scale if Centrica's TSR is ranked between 50th and 25th. Shares are released to participants immediately following the end of the period in which TSR performance is assessed, but release of shares is subject to continued employment within the Group at the date of release (except where permitted by the rules of the scheme). Allocations were valued using the Black-Scholes option pricing model. Performance conditions were included in the fair value calculations, through the use of a Monte Carlo simulation model. For awards made from 2006, the vesting of only half of each award is made on the basis of TSR performance. For this half of the award, the calculation of TSR performance as compared with the TSR of other FTSE 100 Index shares is consistent with awards made to the end of 2005, except that allocations are valued using a Monte Carlo simulation model. The number of shares released is determined on a straight-line basis between 25% and 100% if Centrica's TSR is ranked between 50th and 20th. The vesting of the remaining half of awards made since 2006 is dependent on earnings per share (EPS) growth. This is considered a non-market condition under IFRS 2. For shares that vest on awards made from 2006 (for both TSR and EPS portions), additional shares are awarded or a cash payment is made to reflect dividends that would have been paid on the allocations during the performance period. The fair value of the awards is therefore considered to be the market value at the grant date. The likelihood of achieving the performance conditions is taken into account in calculating the number of awards expected to vest. Details of the fair values of awards granted and related assumptions are included in section (c) below.

	2008 Number (i)	2007 Number (i)
Outstanding at start of period	76,480	64,201
Granted	55,591	35,728
Exercised	(29,513)	-
Forfeited – performance related	(21,803)	-
Forfeited – non performance related	-	(23,449)
Transfer to/from other group companies	51,294	-
Outstanding at end of period	132,049	76,480
Vested at end of period	20,372	-

(i) Movements in allocations prior to 14 November 2008 have been adjusted to reflect the bonus element of the Rights issue. Details of the Rights Issue are provided above.

For shares released during the period, the weighted average share price adjusted to reflect the bonus element of the Rights Issue was £2.72 (2007: 3.48).

Sharesave

Under Sharesave, the Board may grant options over shares in Centrica plc to UK-based employees of the Group. To date, the Board has approved the grant of options with a fixed exercise price equal to 80% of the average market price of the shares for the three days prior to invitation which is three to four weeks prior to the grant date. Employees pay a fixed amount from salary into a savings account each month, and may elect to save over three or five years. At the end of the savings period, employees have six months in which to exercise their options using the funds saved, including interest earned. If employees decide not to exercise their options, they may withdraw the funds saved, and the options expire. Exercise of options is subject to continued employment within the Group. Details of the fair values of awards granted and related assumptions are included in section (b) below. A reconciliation of movements in allocations is as follows:

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 - continued

18 Share based payments - continued

	2008		2007	
	Number (i)	Weighted average exercise price (i)	Number (i)	Weighted average exercise price (i)
Outstanding at start of period	1,856,530	£1.58	1,920,143	£1.33
Adjustments to allocations	-	-	(55,129)	£1.33
Granted	439,153	£2.27	138,153	£2.59
Exercised	(1,190,903)	£1.01	(115,987)	£1.61
Forfeited	(68,701)	£1.72	-	£1.37
Expired	-	-	(30,650)	£1.69
Transfer to/from other Group Companies	13,423	£1.58	-	-
Outstanding at end of period	1,049,502	£2.14	1,856,530	£1.40
Exercisable at end of period	2,043	£1.67	-	-

(i) Movements in allocations prior to 14 November 2008 have been adjusted to reflect the bonus element of the Rights issue. Details of the Rights Issue are provided above.

For options outstanding at the end of the period, the range of exercise prices and the average remaining life was as follows:

2008				2007			
Range of exercise prices (i)	Weighted average exercise price (i)	Number of shares (i)	Average remaining contractual life Years	Range of exercise prices (i)	Weighted average exercise price (i)	Number of shares (i)	Average remaining contractual life Years
£0.90 – £0.99	-	Nil	-	£0.90 – £0.99	£0.95	1,098,491	0.9
£1.50 – £1.59	-	Nil	-	£1.50 – £1.59	-	Nil	-
£1.60 – £1.69	£1.65	194,021	0.7	£1.60 – £1.69	£1.66	278,864	1.9
£1.70 – £1.79	-	Nil	-	£1.70 – £1.79	£1.70	Nil	-
£2.10 – £2.19	£2.12	327,907	2.3	£2.10 – £2.19	£2.12	341,022	2.4
£2.20 – £2.29	£2.27	424,839	4.3	£2.20 – £2.29	-	Nil	-
£2.50 – £2.59	£2.59	102,735	3.3	£2.50 – £2.59	£2.59	138,153	3.8
	£2.14	1,049,502	2.9		£1.63	1,856,530	1.6

(i) Exercise prices and the number of shares in each range have been adjusted to reflect the bonus element of the Rights Issue. Details of the Rights Issue are provided above.

For options exercised during the period, the weighted average share price at the date of exercise adjusted to reflect the bonus element of the Rights Issue was £2.64 (2007:£3.36).

SAS

Under the SAS, allocations of shares in Centrica plc are made to selected employees at middle management levels, based on recommendation by the Chief Executive and the Group Human Resources Director. There is no contractual eligibility for SAS and each year's award is made independently from previous awards. Allocations are subject to no performance conditions and vest unconditionally subject to continued employment with the Group (except where permitted by the rules of the scheme) in two stages – half of the award vesting after two years, the other half vesting after three years. On vesting, additional shares or a cash payment are made to reflect dividends that would have been paid on the allocations during the vesting period. The fair value is therefore considered to be the market value at date of grant. Details of the fair values of awards granted and related assumptions are included in section (c) below.

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 - continued

18 Share based payments - continued

A reconciliation of movements in the allocations is as follows:

	2008 Number (i)	2007 Number (i)
Outstanding at start of period	80,724	45,207
Granted	39,532	35,517
Exercised	(22,637)	-
Forfeited	-	-
Transfer to/from other group companies	-	-
Outstanding at end of period	97,619	80,724
Exercisable at end of period	-	-

(i) Movements in allocations prior to 14 November 2008 have been adjusted to reflect the bonus element of the Rights Issue. Details of the Rights Issue are provided above.

For shares released during the period, the weighted average share price at the date of release adjusted to reflect the bonus element of the Rights Issue was £2.71 (2007: £3.34).

SIP

Under SIP, employees in the UK may purchase 'partnership shares' through monthly salary deductions. Centrica plc then grants one 'matching share' for every two purchased, up to a maximum of 20 matching shares per employee per month (since increased to 22 matching shares from 2009 to reflect the bonus element of the Rights Issue). Both partnership shares and matching shares are held in a trust. Partnership shares may be withdrawn at any time, but matching shares are forfeited if the related partnership shares are withdrawn within three years from the original purchase date. Matching shares vest unconditionally for employees after being held for three years in the trust. Vesting of matching shares is also subject to continued employment within the Group (except where permitted by the rules of the scheme). Matching shares are valued at the market price at the grant date. Details of the fair values of awards granted and related assumptions are included in section (c) below.

A reconciliation of matching shares held in trust is as follows:

	2008 Number (i)	2007 Number (i)
Unvested at start of period	106,469	88,626
Granted	39,985	32,548
Shares sold and transferred out of the plan	(6,749)	(10,348)
Forfeited	(4,931)	(4,357)
Transfer to/from other group companies	-	-
Unvested at end of period	134,774	106,469

(i) Movements in allocations prior to 14 November 2008 have been adjusted to reflect the bonus element of the Rights Issue. Details of the Rights Issue are provided above.

For shares released during the period, the weighted average share price at the date of release adjusted to reflect the bonus element of the Rights Issue was £2.77 (2007: £3.33).

Hydrocarbon Resources Limited
Notes to the financial statements for the year ended 31 December 2008 - continued

18 Share based payments – continued

b) Fair values and associated details of options granted

	Sharesave	
	2008	2007
Number of options originally granted	392,229	122,974
Number of options originally granted – adjusted for Rights Issue (i)	439,153	138,153
Weighted average fair value at grant date	£0.74	£1.20
Weighted average fair value at grant date adjusted for Rights Issue (i)	£0.66	£1.07
Weighted average share price at grant date	£3.05	£3.91
Weighted average share price at grant date adjusted for Rights Issue (i)	£2.71	£3.48
Weighted average exercise price at grant date	£2.55	£2.91
Weighted average exercise price adjusted for Rights Issue (i)	£2.27	£2.59
Expected volatility (ii)	23.2%	23.0%
Contractual option life	4.7	4.3
Expected life	4.4	3.8
Vesting period	4.4	3.8
Expected dividend yield	3.50%	3.70%
Risk-free interest rate (iii)	4.10%	5.32%
Expected forfeitures	34%	31%

c) Fair values and associated details of shares granted:

2008	LTIS	SAS	SIP
Number of equity instruments at grant date	49,483	35,188	35,592
Number of equity instruments at grant date adjusted for Rights Issue (i)	55,591	39,531	39,985
Weighted average fair value at grant date	£2.197	£3.05	£3.02
Weighted average fair value at grant date adjusted for Rights Issue (i)	£1.956	£2.71	£2.69
Vesting period	3	2.5	3
Expected volatility (ii)	22%	n/a	n/a
Expected forfeitures	25%	20%	0%
Risk-free rate (iii)	4.02%	n/a	n/a
Average volatility of FTSE 100	27%	n/a	n/a
Average cross-correlation of FTSE 100 (iv)	30%	n/a	n/a
2007	LTIS	SAS	SIP
Number of equity instruments at grant date	31,803	31,615	28,972
Number of equity instruments at grant date adjusted for Rights Issue (i)	35,729	35,517	32,548
Weighted average fair value at grant date	£3.09	£3.91	£3.72
Weighted average fair value at grant date adjusted for Rights Issue (i)	£2.75	£3.48	£3.31
Vesting period	3	2.5	3
Expected volatility (ii)	21%	n/a	n/a
Expected forfeitures	20%	20%	0%
Risk-free rate (iii)	5.40%	n/a	n/a
Average volatility of FTSE 100	30%	n/a	n/a
Average cross-correlation of FTSE 100 (iv)	20%	n/a	n/a

(i) Adjusted to take account of the bonus element of the Rights Issue. Details of the Rights Issue are provided above.

(ii) The expected volatility is based on historical volatility over the last three years.

(iii) The risk-free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the expected option life.

(iv) The cross-correlation of the FTSE 100 has been obtained from a model which calculates the correlation between Centrica's historical share price and each of the FTSE 100 over the period commensurate with the performance period of the awards.

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 - continued

19 Commitments and contingent liabilities

a) Capital expenditure

Contracted future capital expenditure, as at 31 December 2008, was £1,000,000 (as at 31 December 2007: £6,128,268).

b) Operating lease commitments

As at 31 December 2008 commitments for the following year under operating leases were as follows:

	Land and buildings		Other	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2008	2007	2008	2007
	£000	£000	£000	£000
Expiring after five years	335	373	224	295

c) Abandonment costs

The Company and the ultimate parent company have agreed to provide security to a subsidiary undertaking of BG Group plc, BG International Limited, following the change of name of BG Exploration and Production Limited who, as original licence holder for the Morecambe gas fields, will have exposure to abandonment costs relating to the Morecambe gas fields should liabilities not be fully discharged by the Company and its ultimate parent company. The security is to be provided when the estimated future net revenue stream from the Morecambe gas fields falls below 150% of the estimated cost of such abandonment. The nature of the security may take a number of different forms and will remain in force unless and until the costs of such abandonment have been irrevocably discharged and the relevant Department of Trade and Industry abandonment notice in respect of the Morecambe gas fields has been revoked.

d) Guarantee

Centrica plc has a bilateral credit facility of up to £1,300,000,000 with various financial institutions. The Company was one of the guarantors of that facility, such that it has guaranteed, jointly and severally, to pay on demand any sum, which Centrica plc does not pay in accordance with the facility agreement.

e) Contingent liabilities

There are no contingent liabilities which require disclosure.

20 Financial instruments

In accordance with Statutory Instrument 04/2947 of the Companies Act 1985, the fair values of the Company's financial instruments are analysed below.

	2008	2007
	£000	£000
Derivative financial instruments held for trading		
Foreign exchange derivatives - assets	301	-

Hydrocarbon Resources Limited

Notes to the financial statements for the year ended 31 December 2008 – continued

21 Pensions

The majority of the Company's UK employees as at 31 December 2008 were members of one of the three main schemes in the Centrica plc Group; the Centrica Pension Scheme, the Centrica Engineers Pension Scheme and the Centrica Management Pension Scheme.

These are defined benefit schemes and their assets are held in separate trustee administered funds. However, it is not possible on a reasonable and consistent basis to identify the Company's share of the underlying assets and liabilities within these schemes, and therefore, as allowed within FRS17, these schemes have been treated as defined contribution schemes. The aggregate contributions to the schemes during the period were £5,378,000 (2007: £4,723,000). The amount outstanding at the balance sheet date was £nil (2007: £nil). The latest actuarial valuation of the schemes, updated for the purposes of FRS17 show a total deficit of £113 million (£83 million net of deferred tax) (2007: total asset of £97 million (£69 million net of deferred tax)). These pension schemes are included on a consolidated basis within the group financial statements of Centrica plc as prepared under IFRS.

The liabilities under the pension schemes will be paid out over an extended period. The Company is contributing to the pension fund on the basis of actuarial advice as to the amounts required to meet these liabilities in full. This actuarial advice is based on funding valuations, carried out at least triennially, the last of which was as at 31 March 2008.

22 Ultimate parent undertaking

The Company's immediate parent undertaking is British Gas Trading Limited, a company registered in England and Wales. The ultimate parent undertaking and controlling party is Centrica plc, a company registered in England and Wales, which is the only company to consolidate these financial statements in its consolidated financial statements. Copies of the financial statements of Centrica plc are available from www.centrica.com.

Hydrocarbon Resources Limited

Gas Reserves (un-audited)

The principal fields in the UK are South Morecambe and North Morecambe.

Estimated net proven and probable reserves of gas (billion cubic feet)

	2008	2007
As at 1 January	943	1,016
Revisions of previous estimates	-	83
Production	(171)	(156)
As at 31 December	<u>772</u>	<u>943</u>