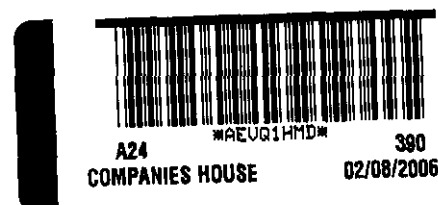


# **British Gas Exploration and Production Limited**

## **Directors' Report and Financial Statements**

**For the year ended 31 December 2005**

**Company Registration Number: 3294133**



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

The Directors present their report and Financial Statements for British Gas Exploration and Production Limited for the year ended 31 December 2005.

### **Principal activities**

The Company did not trade during the period and has not commenced to trade as at the date of this report.

### **Reserves**

There have been no movements in reserves during the period.

### **Directors**

The following served as Directors of the Company during the accounting period:

C S Inman  
B J S Mathews

### **Company Secretaries**

The following served as joint Company Secretaries during the year:

#### **Appointed**

C S Inman	
P A Moore	05 August 2005

### **Directors' Insurance**

The ultimate parent company has maintained insurance premiums to cover Directors and other officers against any liabilities in relation to the Company.

### **Dividend**

The Directors do not propose to declare a dividend for the year ended 31 December 2005.

### **Directors' Share Interests**

At no time did any Director still holding office on 31 December 2005 have any beneficial interest in the shares of the Company or any company with the BG Group except for interests in the shares of the 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
C S Inman	3,903	5,007
B J S Mathews	1,236	2,107

**Sharesave Scheme**

	Options held at 1 Jan 2005	Options granted in the year	Options exercised in the year	Options lapsed in the year	Options held at 31 Dec 2005
C S Inman	4,315	2,398	-	-	6,713
B J S Mathews	3,021	1,148	-	-	4,169

**Company Share Option Scheme**

	Options held at 1 Jan 2005	Options granted in the year	Options exercised in the year	Options lapsed in the year	Options held at 31 Dec 2005
C S Inman	34,401	6,607	7,021	-	33,987
B J S Mathews	30,329	25,029	-	-	55,358


**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	Forfeited at end of performance period	Shares vested during the year	Notional allocation of shares as at 31 Dec 2005
C S Inman	-	-	-	-	-	-
B J S Mathews	36,443	27,867	-	-	-	64,310

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

**Auditors**

As the Company is dormant within the meaning of Section 249aa (1) of the Companies Act 1985, the Company is exempt from the obligation to appoint auditors as required by Section 384 of that Act.

**By Order of the Board:**


**C S Inman**  
Secretary

Date: 28 July 2006

Registered Office:  
100 Thames Valley Park Drive  
Reading  
Berkshire  
RG6 1PT  
Registered in England & Wales No: 3294133

**Balance sheet as at 31 December 2005**

	<u>Notes</u>	<u>2005</u> £	<u>2004</u> £
<b>Current assets</b>			
Debtors (amounts falling due within one year)	2	2	2
<b>Capital and reserves</b>			
Called up share capital	3	2	2

For the year ended 31 December 2005 the Company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The Directors acknowledge their responsibility for (i) ensuring the Company keeps accounting records which comply with section 221; and (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The notes on page 5 form part of these Financial Statements.

**Approved by the Board:**


**C S Inman**  
Director

Date: 28 July 2006

## Notes to the Financial Statements

### 1. Ultimate parent undertaking

The immediate parent undertaking is BG Energy 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 which is the parent undertaking. BG Energy Holdings Limited and BG Group plc are both registered in England. Copies of these consolidated accounts may be obtained from the Company Secretary, 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT.

### 2. Debtors: amounts falling due within one year

	2005 £	2004 £
Amounts owed by group undertakings	2	2

### 3. Called up share capital

	2005 £	2004 £
<b>Authorised:</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	2	2