

BRITISH GAS EXPLORATION AND PRODUCTION LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2001



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Company Registered Number: 3294133

BRITISH GAS EXPLORATION AND PRODUCTION LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

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BRITISH GAS EXPLORATION AND PRODUCTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The Directors submit their report and accounts of the Company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

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

DIRECTORS

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

<u>Director</u>	<u>Appointed</u>
M Edwards	7 September 2001
J E H Griffin	18 December 1996

At no time did any Director still holding office on 31 December 2001 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:

DIRECTORS' SHARE INTERESTS

Beneficial Holdings

	1 January 2001 Ordinary Shares	31 December 2001 Ordinary Shares
M Edwards	15,541	12,355
J E H Griffin	8,133	9,668

Saving Related Share Options

	1 January 2001 Ordinary Shares	Granted	Exercised	31 December 2001 Ordinary Shares
M Edwards	7,368	-	-	7,368
J E H Griffin	1,692	-	-	1,692

Company Share Option Scheme

	1 January 2001	Granted	Exercised	31 December 2001
M Edwards	14,245	18,980	-	33,225
J E H Griffin	5,403	7,924	-	13,327

Long Term Incentive Share Scheme

	1 January 2001	Allocated	Transferred to main register	31 December 2001
M Edwards	8,417	-	-	8,417
J E H Griffin	3,734	-	-	3,734

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 2001.

RESERVES

There have been no movements in reserves during the period.

AUDITORS

As the Company is dormant within the meaning of Section 250 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



John Griffin
Company Secretary

6 September 2002

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

Registered in England
No: 3294133

BRITISH GAS EXPLORATION AND PRODUCTION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

The Company has not traded during the year ended 31 December 2001 and has received no income and incurred no expenditure. Consequently, during the period the Company has made neither a profit nor a loss nor were there any recognised gains and losses during the period.

The notes on page 6 form part of these accounts.

BRITISH GAS EXPLORATION AND PRODUCTION LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

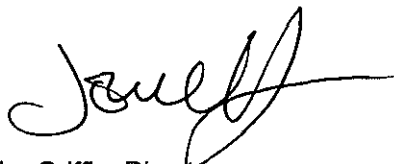
	<u>Notes</u>	<u>31 December</u> <u>2001</u> <u>£</u>	<u>31 December</u> <u>2000</u> <u>£</u>
CURRENT ASSETS			
Debtors (amounts falling due within one year)	4	2	2
CAPITAL AND RESERVES			
Called up share capital	5	2	2

For the year ended 31 December 2001 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.

Approved by the Board on 6 September 2002



John Griffin, Director

Dated: 6 September 2002

The notes on page 6 form part of these accounts.

BRITISH GAS EXPLORATION AND PRODUCTION LIMITED

NOTES TO THE ACCOUNTS – 31 DECEMBER 2001

1. OWNERSHIP

British Gas Exploration and Production Limited is an indirect wholly owned subsidiary undertaking of BG Group plc which is registered in England and Wales. BG Group plc is the only company to consolidate the accounts of this Company. Copies of the parent company's report and accounts can be obtained from BG Group plc, 100 Thames Park Drive, Reading, Berkshire RG6 1PT.

2. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost accounting convention.

3. DIRECTORS' EMOLUMENTS AND EMPLOYEES

No director received emoluments in respect of his services to the Company during the year. The Company had no employees during the year.

4. DEBTORS (amounts falling due within one year)

	<u>31 December</u> <u>2001</u> £	<u>31 December</u> <u>2000</u> £
Amounts owed by group undertakings	2	2

5. SHARE CAPITAL

	<u>31 December</u> <u>2001</u> £	<u>31 December</u> <u>2000</u> £
Authorised: 100 ordinary shares of £1 each	100	100
Allotted, issued and fully paid 2 ordinary shares of £1 each	2	2