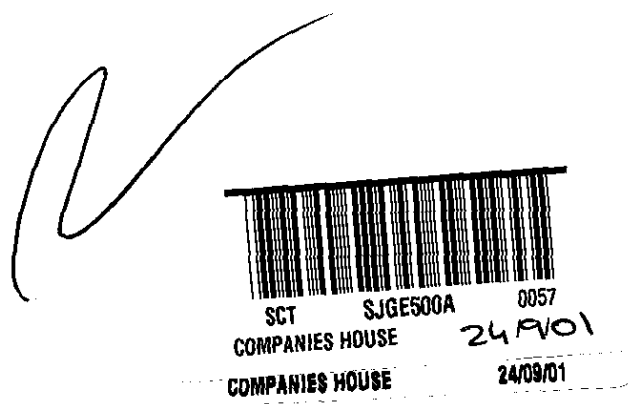


Summerston Energy Limited
Directors' report and financial statements
for the year ended 31 December 2000

Registered Number 0180874



Summerston Energy Limited
Directors' report and financial statements
for the year ended 31 December 2000

Contents

Directors and Advisors for the year ended 31 December 2000	1
Directors' report for the year ended 31 December 2000	2
Auditors' report to the members of Summerston Energy Limited	3
Profit and loss account for the year ended 31 December 2000	4
Balance sheet as at 31 December 2000	5
Accounting policies	6
Notes to the financial statements for the year ended 31 December 2000	7

Summerston Energy Limited

Directors and Advisors for the year ended 31 December 2000

Directors

D R Wilson

R D Holmes

R E Swanson

Secretary

D R Wilson

Auditors

PricewaterhouseCoopers

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

Solicitors

Eversheds

115 Colmore Row

Birmingham

West Midlands

B3 3AL

Registered Office

151 Saint Vincent Street

Glasgow

Lanarkshire

G2 5NJ

Registered Number

0180874

Summerston Energy Limited

Directors' report for the year ended 31 December 2000

The directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

Principal activities

The company is engaged in the business of generating electricity from landfill gas.

Results and dividends

The profit for the year amounted to £137,538 (9 months ended 31 December 1999: £101,164).

The directors do not recommend the payment of a dividend (9 months ended 31 December 1999: £Nil).

Directors and their interests

The directors who held office during the year are given below:

D R Wilson
R D Holmes
R E Swanson

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company or any other group undertakings.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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.

The directors confirm that suitable accounting policies have been used and applied consistently. The Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2000 and that applicable accounting standards have been followed.

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.

Auditors

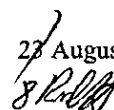
The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

Director



23 August 2001



Summerston Energy Limited

Auditors' report to the members of Summerston Energy Limited

We have audited the financial statements on pages 4 to 13, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

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 judgements 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 of the state of the company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Manchester

28 August 2001

28

On 1

Summerston Energy Limited

Profit and loss account for the year ended 31 December 2000

	Note	Year ended 31 December 2000 £	9 months ended 31 December 1999 £
Turnover		708,768	261,334
Cost of sales		(352,364)	(111,371)
Gross profit		356,404	149,963
Administrative expenses		(15,014)	(6,242)
Operating profit		341,390	143,721
Interest payable and similar charges	4	(142,979)	-
Profit on ordinary activities before taxation	1	198,411	143,721
Taxation	5	(60,873)	(42,557)
Profit on ordinary activities after taxation		137,538	101,164
Retained profit (loss) brought forward		99,299	(1,865)
Retained profit carried forward	12	236,837	99,299

The company had no recognised gains and losses in the year other than those passing through the profit and loss account.

All revenues and expenditure relate to continuing activities.

The above is reported on a historical cost basis.

Summerston Energy Limited

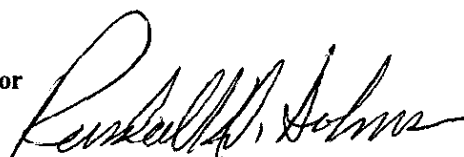
Balance sheet as at 31 December 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	6	1,697,772	1,822,378
Current assets			
Debtors	7	459,851	250,575
Creditors: amounts falling due within one year	8	(157,157)	(1,882,084)
Net current assets / (liabilities)		302,694	(1,631,509)
Total assets less current liabilities		2,000,466	190,869
Creditors: amounts falling due after more than one year	9	(1,645,030)	-
Provision for liabilities and charges	10	(108,599)	(81,570)
Net assets		246,837	109,299
Capital and reserves			
Called up share capital	11	10,000	10,000
Profit and loss account	12	236,837	99,299
Equity shareholders' funds	13	246,837	109,299

The financial statements on pages 4 to 13 were approved by the board of directors on 2⁸ August 2001 and were signed on its behalf by:



Director



Summerston Energy Limited

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost.

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives from commissioning as follows:

Plant and machinery	-	15 years
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Taxation

The charge for taxation is based on the profit and loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual asset/liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the sale of electricity, to third party customers during the period. All turnover arises solely within the United Kingdom.

Cash flow statement

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that more than 90% of the voting rights are controlled within the group and a consolidated cash flow statement is included in the intermediate parent company's financial statements, which are publicly available.

Related party transactions

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose related party transactions with group entities on the grounds that more than 90% of the voting rights are controlled within the group and the consolidated financial statements of the intermediate parent company are publicly available.

Summerston Energy Limited

Notes to the financial statements for the year ended 31 December 2000

1 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2000 £	9 Months ended 31 December 1999 £
Auditors remuneration	2,022	1,950
Depreciation of tangible fixed assets	124,606	10,564

2 Remuneration of directors

None of the directors received any emoluments in respect of their services to the company (1999: £Nil).

3 Staff numbers and costs

No staff were employed by the company in the year (1999: £Nil).

4 Interest payable and similar charges

	2000 £	1999 £
On loan from Ridgewood Renewables Limited	34,509	-
On term loan from Ridgewood Renewable Projects Limited	76,262	-
On term loan from Ridgewood Renewable Projects 2 Limited	27,217	-
Other finance costs	4,991	-
	142,979	-

Summerston Energy Limited

5 Taxation

	Year ended 31 December 2000 £	9 Months ended 31 December 1999 £
Group relief payable/(receivable) at 30% (1999: 30%)	33,844	(39,013)
Deferred tax charge	27,029	81,570
	60,873	42,557

6 Tangible fixed assets

	Plant and machinery £
Cost	
At 31 December 2000 and 31 December 1999	1,832,942
Depreciation	
At 31 December 1999	10,564
Charge for the period	124,606
At 31 December 2000	135,170
Net book value	
At 31 December 2000	1,697,772
Net book value	
At 31 December 1999	1,822,378

7 Debtors

	2000 £	1999 £
Trade debtors	79,805	18,222
Amounts due from immediate parent company	320,665	115,114
Prepayments and accrued income	54,212	78,226
Group relief receivable	5,169	39,013
	459,851	250,575

All debtors are due within one year.

Group relief receivable is subject to agreement of losses with the Inspector of Taxes.

Summerston Energy Limited

8 Creditors: amounts falling due within one year

	2000 £	1999 £
Term loan from Ridgewood Renewables Projects 2 Limited	81,479	-
Trade creditors	16,242	20,389
Other tax and social security	17,179	18,689
Accruals and deferred income	42,257	1,843,006
	157,157	1,882,084

9 Creditors: amounts falling due after one year

	2000 £	1999 £
Term loan from Ridgewood Renewable Projects 2 Limited	1,255,539	-
Loan from Ridgewood Renewables Limited	389,491	-
	1,645,030	-

Term loan can be analysed as falling due:

In one year or less,	81,479	-
Between one and two years	90,089	-
Between two and five years	209,799	-
In five years or more	955,651	-
	1,337,018	-

Interest is payable on the debt at LIBOR + 1.3125%.

The loan from Ridgewood Renewables Limited is repayable in 5 years or more. Following the year end, the loan has been settled by offset against amounts owing by a fellow group company.

10 Provision for liabilities and charges

	2000 £	1999 £
Deferred taxation		
At beginning of year	81,570	-
Charge for the period	27,029	81,570
	108,599	81,570

Deferred tax is provided in respect of capital allowances in excess of depreciation.

There is no unprovided deferred taxation at 31 December 2000 (1999: £Nil).

Summerston Energy Limited

11 Called up share capital

	2000 £	1999 £
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

12 Profit and loss account

	2000 £	1999 £
Retained profit / (loss) brought forward	99,299	(1,865)
Retained profit for the period	137,538	101,164
Retained profit carried forward	236,837	99,299

13 Reconciliation of movements in equity shareholders' funds

	2000 £	1999 £
Issue of ordinary shares	-	9,998
Retained profit for the period	137,538	101,164
Net addition to equity shareholders' funds	137,538	111,162
Opening equity shareholders' funds	109,299	(1,863)
Closing equity shareholders funds	246,837	109,299

14 Commitments and guarantees

There were no capital commitments at the end of the financial year (1999: £Nil).

The company has guaranteed the bank loans of Ridgewood Renewable Projects 2 Limited, and its fellow subsidiaries amounting to £6,840,122 (1999: £5,758,201) by means of debenture providing fixed and floating charges over the company's assets.

Summerston Energy Limited

15 Ultimate parent and controlling party

The company's ultimate parent undertakings is "The Ridgewood Electric Power Trust V" an entity which is registered in the United States. Ridgewood Energy Holdings Corporation, a company registered and incorporated in the United States is the Corporate Trustees of the Trust. The directors consider that Ridgewood Energy Holdings Corporation is the ultimate controlling party of the company at 31 December 2000.

The company's immediate parent undertaking is Ridgewood Renewable Projects Limited, a company incorporated and registered in England and Wales.

The smallest and largest group in which the results of the company are consolidated is that headed by Ridgewood UK Limited. The consolidated financial statements of Ridgewood UK Limited are available from 115 Colmore Row, Birmingham, West Midlands, B3 3AL.

16 Related party transactions

The following transactions took place between the company and related undertakings during the year.

The company paid £172,004 (1999: £82,476) for operation and maintenance costs to Ridgewood CLP Management Limited for the year.

The company paid £12,992 (1999: £2,575) for administration costs to Ridgewood CLP Services Limited for the year.

Ridgewood CLP Management Limited is owned 50% by the company's intermediate parent undertaking, Ridgewood UK Limited.