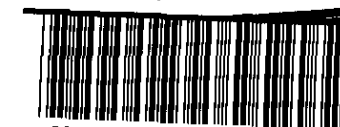


SUMMERSTON ENERGY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1999

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REGISTERED NUMBER: 0180874



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SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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SUMMERSTON ENERGY LIMITED
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DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 9 months ended 31 December 1999.

Principal activities

The company is engaged in the business of generating electricity from landfill gas. During the period the company changed its accounting reference date from 31 March to 31 December. Accordingly the financial statements show the results of the company for the nine month period to 31 December 1999.

Business review and future developments

The company commenced operating in September 1999 upon the completion of commissioning of the company's generating plant.

The profit for the period after taxation was £101,164 (16 months ended 31 March 1999: loss £1,865). The directors do not recommend the payment of a dividend for the period (16 months ended 31 March 1999: £nil).

The directors expect the level of business activity to be sustained for the foreseeable future.

Directors and director's interests

The directors who held office during the period were as follows:

HHP Wyndham	(resigned 1 July 1999)
DH FitzHerbert	(resigned 1 July 1999)
DR Wilson	(appointed 1 July 1999)
RD Holmes	(appointed 1 July 1999)
RE Swanson	(appointed 1 July 1999)

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

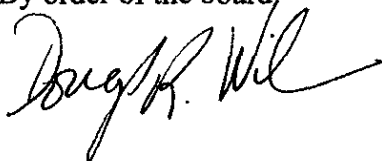
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DIRECTORS' REPORT AND FINANCIAL STATEMENTS
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DIRECTOR'S REPORT (continued)

Auditors

Following the resignation of KPMG Audit Plc, PricewaterhouseCoopers were appointed as auditors to the company. In accordance with Section 385 of the Companies Act 1985, a resolution is to be proposed at the Annual General Meeting for their re-appointment.

By order of the board,



DR Wilson
Director

115 Colmore Row
Birmingham

26 January 2001

**SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
FINANCIAL STATEMENTS**

The directors are required by the Companies Act 1985 to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial period and of the results 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 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.

The directors have responsibility for ensuring the company keeps adequate accounting records which disclose with reasonable accuracy the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985.

The directors have a general responsibility for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999**

Auditors' report to the members of Summerston Energy Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, 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 as at 31 December 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Manchester
26 January 2001

SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

PROFIT AND LOSS ACCOUNT

For the nine months ended 31 December 1999

	Notes	9 months ended 31 December 1999 £	16 months ended 31 March 1999 £
Turnover	1	261,334	-
Cost of sales		(78,427)	-
Gross profit		182,907	-
Administrative expenses		(39,186)	(1,865)
Operating profit / (loss)		14,721	(1,865)
Profit / (loss) on ordinary activities before taxation	2	143,721	(1,865)
Taxation	5	(42,557)	-
Profit / (loss) on ordinary activities after taxation		101,164	(1,865)
Retained deficit brought forward		(1,865)	-
Retained profit / (deficit) carried forward	11	99,299	(1,865)

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

All revenues and expenditure relate to continuing activities.

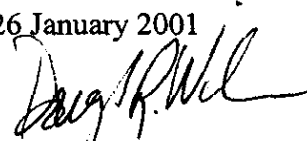
The above is reported on a historical cost basis.

SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

BALANCE SHEET
At 31 December 1999

	Notes	31 December 1999		31 March 1999	
		£	£	£	£
Fixed assets					
Tangible assets	6		1,822,378		8,560
Current assets					
Debtors	7	250,575		-	
Creditors: amounts falling due within one year	8	(1,882,084)		(10,423)	
Net current liabilities			(1,631,509)		(10,423)
Total assets less current liabilities			190,869		(1,863)
Provisions for liabilities and charges	9		(81,570)		-
Net assets/(liabilities)			109,299		(1,863)
Capital and reserves					
Called up share capital	10		10,000		2
Profit and loss account	11		99,299		(1,865)
Equity shareholders' funds	12		109,299		(1,863)

These financial statements were approved by the board of directors on 26 January 2001 and were signed on its behalf by



Dr Wilson
Director

SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

NOTES

(forming part of the financial statements)

1. 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.

The company is dependent on support from Ridgewood UK Limited, its intermediate parent undertaking, for continued operation as a going concern. The directors of Ridgewood UK Limited have confirmed their intention to support the company.

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

Taxation

The charge for taxation is based on the result for the period 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 liability will crystallise.

Turnover

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

SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

NOTES (continued)
(forming part of the financial statements)

1. Accounting policies (continued)

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.

2 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

	9 months ended 31 December 1999	16 months ended 31 March 1999
	£	£
Auditors' remuneration	1,950	1,850
Depreciation of tangible fixed assets:	10,563	-

SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

NOTES (continued)
(forming part of the financial statements)

3 Remuneration of directors

None of the directors received any emoluments in respect of their services to the company during the period (16 months ended 31 March 1999 nil).

4 Staff numbers and costs

No staff were employed by the company during the period (16 months ended 31 March 1999 - nil).

5 Taxation

	9 months ended 31 December 1999	16 months ended 31 March 1999
	£	£
Group relief receivable at 30% (16 months ended 31 March 1999:31%)	39,013	-
Deferred tax charge	(81,570)	-
	42,557	-

SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

NOTES (continued)
(forming part of the financial statements)

6 Tangible fixed assets

	Plant and machinery £
<i>Cost</i>	
At beginning of period	8,560
Additions	1,824,381
At end of period	1,832,941
<i>Depreciation</i>	
At beginning of period	-
Charge for period	10,563
At end of period	10,563
<i>Net book value</i>	
At 31 December 1999	1,822,378
At 31 March 1999	8,560

7 Debtors

	31 December 1999 £	31 March 1999 £
Trade debtors	18,222	-
Amounts due from immediate parent company	115,114	-
Prepayments and accrued income	78,226	-
Group relief receivable	39,013	-
	250,575	-

All debtors are due within one year.

SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

NOTES (continued)
(forming part of the financial statements)

8 Creditors: amounts falling due within one year

	31 December 1999 £	31 March 1999 £
Loan from immediate parent company	-	8,573
Trade creditors	20,389	-
VAT	18,689	-
Accruals and deferred income	1,843,006	1,850
	1,882,084	10,423

Subsequent to the year end, the company obtained medium term debt financing from a related party to fund the payment of accruals in respect of the plant and machinery acquired during the year.

9 Provisions for liabilities and charges

	31 December 1999 £	31 March 1999 £
Deferred taxation		
At beginning of period	-	-
Charge for the period	81,570	-
At end of period	81,570	-

Deferred tax is provided in respect of capital allowances in excess of depreciation. There is no unprovided deferred taxation as at 31 December 1999 (31 March 1999: £nil).

10 Called up share capital

	31 December 1999 £	31 March 1999 £
<i>Authorised, allotted, called up and fully paid</i>		
10,000 ordinary shares of £1 each	10,000	
2 ordinary shares of £1 each		2

During the period the company issued for cash, a further 9,998 ordinary shares of £1 each for nominal value.

SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

NOTES (continued)
(forming part of the financial statements)

11 Profit and loss account

	9 months ended 31 December 1999	16 months ended 31 March 1999
	£	£
Retained deficit brought forward	(1,865)	-
Retained profit / (loss) for the period	101,164	(1,865)
Retained profit / (deficit) carried forward	99,299	(1,865)

12 Reconciliation of movements in equity shareholders' funds

	9 months ended 31 December 1999	16 months ended 31 March 1999
	£	£
Issue of ordinary shares	9,998	2
Profit / (loss) for the financial period	101,164	(1,865)
Net addition to (deduction from) equity shareholders' funds	111,162	(1,863)
Opening equity shareholders' funds	(1,863)	-
Closing equity shareholders' funds	109,299	(1,863)

13 Commitments

There were no capital commitments at the end of the financial period (31 March 1999 - £nil).

The company has guaranteed the bank loans of its immediate parent company, Ridgewood Renewables Projects Limited, and its fellow subsidiaries, amounting to £5,758,201 (31 March 1999: £5,395,435) by means of a debenture providing fixed and floating charges over the company's assets.

SUMMERSTON ENERGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

NOTES (continued)
(forming part of the financial statements)

14 Ultimate parent and controlling party

The company's ultimate parent undertaking 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 of America is the Corporate Trustee 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 Renewables Projects Limited, a company incorporated 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, B3 3AL.

15 Related party transactions

The following transactions took place between the company and related undertakings during the period:

The company paid £2,575 for administration costs to C.L.P Services Ltd during the 3 months to 30 June 1999.

The company paid £82,476 for operation and maintenance costs to C.L.P Services Ltd for the 9 months ended 31 December 1999.

Prior to 30 June 1999, CLP Services Limited and the company were direct and indirect subsidiaries respectively of Ridgewood Renewable Projects Limited (formerly Combined Landfill Projects Limited). CLP Services was sold to a company unrelated to the Ridgewood group of companies on 1 July 1999.