

ACRE OIL (UK) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2000



Company Registered Number: 1272556

ACRE OIL (UK) LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

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ACRE OIL (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The Directors submit their report and accounts of the Company for the year to 31 December 2000.

1. PRINCIPAL ACTIVITIES

The Company did not trade during the year and is not expected to commence trade in the near future.

2. DIRECTORS

The following served as Directors of the Company during the year:

D F Hatton

S J Sharman

3. DIRECTORS' INTERESTS

Beneficial Holdings

	<u>1st January 2000</u> <u>Ordinary Shares</u>	<u>31st December 2000</u> <u>Ordinary Shares</u>
D. F. Hatton	4,097	6,093
S. J. Sharman	4,591	36,298

Saving Related Share Options

	<u>1st January</u> <u>2000</u> <u>Ordinary</u> <u>Shares</u>	<u>Lapsed</u>	<u>Exercised</u>	<u>Granted</u>	<u>31st December</u> <u>2000</u> <u>Ordinary Shares</u>
D. F. Hatton	12,683	4,770	7,913	7,368	7,368
S. J. Sharman	7,169	Nil	7,169	Nil	Nil

Company Share Option Scheme

	<u>1st January 2000</u>	<u>Granted</u>	<u>Exercised</u>	<u>31st December 2000</u>
D. F. Hatton	Nil	25,698	Nil	25,698
S. J. Sharman	Nil	14,563	Nil	14,563

Long Term Incentive Share Scheme

	<u>1st January 2000</u>	<u>Number of Shares Transferred</u>	<u>Restated following Demerger</u>	<u>Allocated</u>	<u>31st December 2000</u>
D. F. Hatton	55,962	26,489	15,433	8,538	23,971
S. J. Sharman	47,215	22,542	8,239	4,736	12,975

4. DIRECTORS' INSURANCE

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

5. DIVIDEND

The Directors do not propose to declare a dividend for the year ended 31 December 2000 (1999: Nil).

6. RESERVES

There have been no movements in reserves during the year.

7. **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

A handwritten signature in black ink, appearing to read 'J E H Griffin', with a stylized flourish at the end.

John E H Griffin
Secretary

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

Registered in England
No 1272556

Date: 6 September 2001.

ACRE OIL (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

The Company has not traded during the financial year and has received no income and incurred no expenditure. Consequently, during the year the Company has made neither a profit nor a loss (1999: Nil) nor were there any recognised gains and losses during the year (1999: Nil).

The notes on page 6 form part of these accounts.

ACRE OIL (UK) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2000

	<u>Notes</u>	<u>31.12.00</u> £000	<u>31.12.99</u> £000
CURRENT ASSETS			
Debtors	4	440	440
		==	==
CAPITAL AND RESERVES			
Called up share capital	5	440	440

The Company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the accounting period ending on the date of this balance sheet.

Approved by the Board on: 6 September 2001.



D F Hatton
Director

Date: 6 September 2001.

The notes on page 6 form part of these accounts.

ACRE OIL (UK) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000

1. OWNERSHIP

Acre Oil (UK) Limited is a direct wholly owned subsidiary undertaking of BG Energy Holdings Limited, which is a direct wholly-owned subsidiary of the ultimate holding company BG Group plc, a company registered in England and Wales. Copies of the parent company's report and accounts can be obtained from BG Group plc, 100 Thames Valley 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 (1999 nil). The Company had no employees during the year (1999 nil).

4. DEBTORS

	<u>31.12.00</u>	<u>31.12.99</u>
	£000	£000
Amounts owed by group undertakings	440	440
	=	=

5. SHARE CAPITAL

	<u>31.12.00</u>	<u>31.12.99</u>
	£	£
<u>Authorised:</u>		
456,471,300 ordinary shares of 1p each	4,564,713	4,564,713
435,287 deferred shares of £1 each	<u>435,287</u>	<u>435,287</u>
435,287 ordinary shares of 1p each	4,352	4,352
435,287 deferred shares of £1 each	<u>435,287</u>	<u>435,287</u>
	<u>439,639</u>	<u>439,639</u>