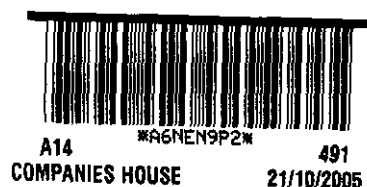


Acre Oil (UK) Limited

Directors' Report and Financial Statements

For the year ended 31 December 2004



Company Registration Number: 1272556

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Directors' report for the year ended 31 December 2004

The Directors present their report and Financial Statements for Acre Oil (UK) Limited for the year to 31 December 2004.

Principal activities

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

Reserves

There have been no movements in reserves during the year

Directors

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

C E Bolton
G Hall

Company Secretary

The following served as Company Secretary during the year:

C S Inman

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 2004 (2003: Nil).

Directors' interests

At no time did any Director, still holding office at 31 December 2004, have any beneficial interest in the shares of the Company or any other company within BG Group except for those interests in the shares of BG Group plc stated below.

Beneficial Holdings

	As at 1 Jan 2004	Beneficial interests in ordinary shares	
		31 Dec 2004	Ordinary Shares
C E Bolton	18,091		20,654
G Hall	7,467		5,777

Sharesave Scheme

	Options Held at 1 Jan 2004	Options granted in year	Options exercised in year	Options lapsed in year	Options held at 31 Dec 2004
C E Bolton	8,460	6,916	(8,460)	-	6,916
G Hall	7,368	-	-	-	7,368

Company Share Option Scheme

	Options Held at 1 Jan 2004	Options granted in year	Options exercised in year	Options lapsed in year	Options held at 31 Dec 2004
C E Bolton	127,191	36,586	(16,670)	-	147,107
G Hall	91,038	28,625	(15,595)	-	104,068

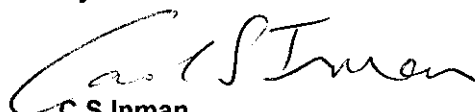
Long Term Incentive Scheme

	Notional allocations of shares as at 1 Jan 2004	Notional allocations of shares made during the year	Number of shares added through dividend reinvestme nt	Forfeited at end of vested performancethe period	Shares vested during year	Notional allocation of shares as at 31 Dec 2004
C E Bolton	1,566	-	14	-	(1,580)	-
G Hall	2,637	-	26	-	(2,663)	-

Full details of all employee share and option schemes can be found in the BG Group Annual Report and Accounts 2004.

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: 7.10.05

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire, RG6 1PT
Registered in England & Wales No: 1272556

Balance Sheet As At 31 December 2004

	<u>Notes</u>	<u>2004</u> £'000	<u>2003</u> £'000
Current Assets			
Debtors	2	440	440
Capital and reserves			
Called up share capital	3	440	440

For the year ended 31 December 2004 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 Companies Act relating to accounts, so far as applicable to the Company.

Approved by the Board on

2005



G Hall
Director

Date: 7 Oct' 2005

The notes on page 4 form part of these Financial Statements.

Notes to the Financial Statements

1. Ultimate parent undertaking

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. Debtors: amount falling due within one year

2004	2003
£'000	£'000

Amounts owed by group undertakings	440	440
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3. Called up share capital

2004	2003
£	£

Authorised:

456,471,300 ordinary shares of 1p each	4,564,713	4,564,713
435,287 deferred shares of £1 each	435,287	435,287

Allotted and fully paid

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>
	439,639	439,639