

Hydrocarbons Offshore Services Limited

Directors' Report and Financial Statements

For the year ended 31 December 2005



Company Registration Number: 1796415

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Directors' report for the year ended 31 December 2005

The Directors present their report and Financial Statements for Hydrocarbon Offshore Services Limited for the year ended 31 December 2005.

Principal activities

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

Reserves

There have been no movements in reserves during the period.

Directors

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

	Appointed	Resigned
J A Berget	19 January 2005	
M J Houston		
D E Roberts		10 March 2006

Company Secretaries

The following served as joint Company Secretaries during the year:

	Appointed	Resigned
C S Inman		
P A Moore	26 September 2005	

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 2005.

Directors' Share Interests

At no time did any Director still holding office on 31 December 2005 have any beneficial interest in the shares of the Company or any company within BG Group except for interests in the shares of the parent company, BG Group plc.

Beneficial holdings**Beneficial interests in ordinary shares**

	As at 1 Jan 2005	As at 31 Dec 2005
D E Roberts	1,659	10,805
J A Berget	0	183
M J Houston	81,902	173,361

Sharesave Scheme

	Options held at 1 Jan 2005	Options granted in year	Options exercised in year	Options lapsed in year	Options held at 31 Dec 2005
D E Roberts	1,383	-	-	-	1,383
J A Berget	-	4,183	-	-	4,183
M J Houston	6,031	-	-	-	6,031

Company Share Option Scheme

	Options held at 1 Jan 2005	Options granted in year	Options exercised in year	Options lapsed in year	Options held at 31 Dec 2005
D E Roberts	325,361	171,199	-	-	496,560
J A Berget	125,030	171,199	-	-	296,229
M J Houston	518,231	171,199	-	-	689,430

Long Term Incentive Scheme

	Notional allocations of shares as at 1 Jan 2005	Notional allocations of shares made during the year	Number of shares added through dividend reinvestment	Forfeited at end of performance period	Shares vested during the year	Notional allocation of shares as at 31 Dec 2005
D E Roberts	489,086	188,259	-	-	-	677,345
J A Berget	200,000	188,259	-	-	-	388,259
M J Houston	609,974	188,259	506	70647	153113	574,979

Full details of all employee share and option schemes can be found in the BG Group Annual Report and Accounts 2005.

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:



P A Moore
Secretary

Date: 7 August 2006

Registered Office:

100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

Registered in England & Wales No:1796415

Balance sheet as at 31 December 2005

	<u>Notes</u>	<u>2005</u> £000	<u>2004</u> £000
Current assets			
Debtors	2	140	140
Creditors (amounts falling due within one year)	3	(91)	(91)
Net assets		49	49
Capital and reserves			
Called up share capital	4	1	1
Profit and loss Account		48	48
Equity shareholders' funds		49	49

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 requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The notes on page 6 form part of these Financial Statements.

Approved by the Board:



J A Berget

Director

Date: 7 August 2006

Notes to the Financial Statements

1. Ultimate parent undertaking

The immediate parent undertaking is BG Energy Holdings Limited.

The ultimate parent undertaking and controlling party is BG Group plc, which is the parent undertaking of the largest group to consolidate these Financial Statements. The smallest group into which the Company is consolidated is that of which BG Energy Holdings Limited which is the parent undertaking. BG Energy Holdings Limited and BG Group plc are both registered in England. Copies of these consolidated accounts may be obtained from the Company Secretary, 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT.

2. Debtors

	2005 £000	2004 £000
Amounts owed by group undertakings	91	91
Corporation Tax	49	49
	<u>140</u>	<u>140</u>

3. Creditors: amounts falling due within one year

	2005 £000	2004 £000
Amounts owed by group undertakings	(89)	(89)
Other Creditors	(2)	(2)
	<u>(91)</u>	<u>(91)</u>

4. Called up share capital

	2005 £000	2004 £000
Authorised:		
1000 ordinary shares of £1 each	1	1
Allotted and fully paid		
1000 ordinary shares of £1 each	1	1