

Hydrocarbons Offshore Services Limited

Directors' Report and Financial Statements

For the year ended 31 December 2004



Company Registration Number: 1796415

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Directors' report for the year ended 31 December 2004

The Directors present their report and Financial Statements for Hydrocarbon Offshore Services Limited for the year ended 31 December 2004.

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:

Director	Resigned
F J Chapman	30 December 2004
W M Friedrich	17 March 2005
M J Houston	
D McManus	30 September 2004
J C Wormley	30 December 2004
D E Roberts	

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.

Directors' interests

At no time did any Director still holding office on 31 December 2004 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. F J Chapman and W M Friedrich are also Directors of BG Group plc and details of their interests in the shares of BG Group plc appear in that company's Annual Report and Accounts for 2004. Interests of the remaining directors are as stated below:

Beneficial Holdings

	As at 1 Jan 2004	Beneficial interests in ordinary shares As at 31 Dec 2004
M J Houston	68,911	82,167
D E Roberts	301	1,659

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
M J Houston	4,230	6,031	(4,230)		6,031
D E Roberts	-	1,383	1,383		7,466

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
M J Houston	393,231	125,000	-	-	518,231
D E Roberts	200,361	125,000	-	-	325,361

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 reinvestment	Forfeited at end of performance period	Shares vested during the year	Notional allocation of shares as at 31 Dec 2004
M J Houston	422,834	200,000	131	-	(12,991)	609,974
D E Roberts	289,086	200,000	-	-	-	489,086

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



P Moore
Secretary

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT
Registered in England & Wales No:1796415

Balance sheet as at 31 December 2004

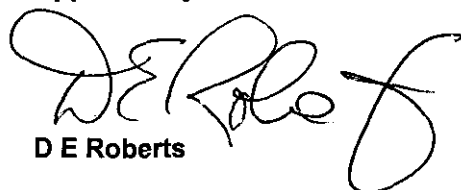
	<u>Notes</u>	<u>2004</u> <u>£000</u>	<u>2003</u> <u>£000</u>
Current assets			
Debtors	2	140	140
Creditors (amounts falling due within one year)	3	(91)	(91)
Net assets		49	49
Capital and reserves			
Called up share capital	4	1	1
Profit and loss Account		48	48
Equity shareholders' funds		49	49

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.

Approved by the Board on



D E Roberts

Director

Date:

The notes on page 5 form part of these Financial Statements.

Notes to the Financial Statements

1. Ultimate parent undertaking

Hydrocarbons Offshore Services 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 Park Drive, Reading, Berkshire RG6 1PT.

2. Debtors

	2004 £000	2003 £000
Amounts owed by group undertakings	91	91
Corporation Tax	49	49
	140	140

3 Creditors: amounts falling due within one year

	2004 £000	2003 £000
Amounts owed by group undertakings	(89)	(89)
Other Creditors	(2)	(2)
	(91)	(91)

4 Called up share capital

	2004 £000	2003 £000
Authorised: 1000 ordinary shares of £1 each	1	1
Allotted and fully paid 1000 ordinary shares of £1 each	1	1