

Registration number: 03763515

BG Energy Holdings Limited

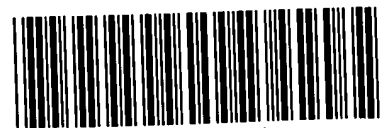
Annual Report

and

Financial Statements

For the year ended 31 December 2018

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BG Energy Holdings Limited

Contents

Strategic report	1 to 2
Directors' report	3 to 4
Independent Auditor's report	5 to 7
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 to 44

BG Energy Holdings Limited

Strategic report for the year ended 31 December 2018

The Directors present their strategic report on BG Energy Holdings Limited (also referred to as the "Company") for the year ended 31 December 2018.

The Company is one of the entities within the "Shell Group". In this context the term "Shell Group" and "Companies of the Shell Group" or "Group companies" means companies where Royal Dutch Shell plc, either directly or indirectly, is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company. Companies in which Group companies have significant influence but not control are classified as "Associated companies". Royal Dutch Shell plc, a company incorporated in England and Wales, is known as the "Parent Company" of the Shell Group. In this report "Shell", "Shell Group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell and its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

Business review

The Company is a holding company, that owns, directly or indirectly, investments in numerous Shell Group companies. Shell is an international energy company with expertise in the exploration, development, production, refining and marketing of oil and natural gas; the manufacturing and marketing of chemicals and investments in low-carbon energy solutions and other commercial opportunities linked to the energy transition.

The principal activities of the Company mainly comprise investing in and financing companies of the Shell Group. The Company will continue with these activities for the foreseeable future.

The Company's profit for the financial year decreased from \$10,409 million to \$994 million. The decrease is principally due to a net impairment charge in the current year of \$997 million for amounts provided against the Company's investments in subsidiaries (2017: net reversal of accumulated impairment losses of \$8,087 million).

Principal risks and uncertainties

The Shell Group has a single risk based control framework - The Shell Control Framework - to identify and manage risks. The Shell Control Framework applies to all wholly owned Shell companies and to those ventures and other companies in which Royal Dutch Shell has directly or indirectly a controlling interest. From the perspective of the Company, the principal risks and uncertainties affecting the Company are considered to be those that affect the Shell Group. Accordingly, the principal risks and uncertainties of the Shell Group, which are discussed on pages 15 to 20 of Royal Dutch Shell's Annual Report and Form 20-F for the year ended 31 December 2018 (the "Group Report"), include those of the Company. The Group Report does not form part of this report.

BG Energy Holdings Limited

Strategic report for the year ended 31 December 2018 (continued)

Key Performance Indicators

Companies of the Shell Group comprise the Upstream businesses of Exploration and Production, Integrated Gas and New Energies, and the Downstream businesses of Oil Products and Chemicals. The Company's key performance indicators, that give an understanding of the development, performance and position of the business, are aligned with those of the Shell Group. The development, performance and position of the various businesses is discussed on pages 29 to 61 of the Group Report and the key performance indicators through which the Group's performance is measured are as set out on pages 27 to 28 of the Group Report.

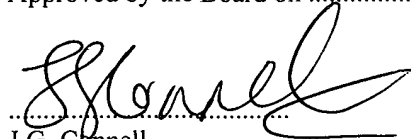
Human Rights

Respect for human rights is embedded in the Shell Group's Business Principles and Code of Conduct. This approach is informed by the Universal Declaration of Human Rights, the core conventions of the International Labour Organization and the United Nations' Guiding Principles on Business and Human Rights.

The Shell Group works closely with other companies and non-governmental organisations to continuously improve the way it applies these principles, with a focus on four key areas: communities, security, labour rights, and supply chain. The Shell Group has systems and processes in place for managing projects, contracting and procurement, recruitment and employment, security and social performance and requires all Group companies and contractors to respect the human rights of their workforce and neighbouring communities.

The Shell Group's Modern Slavery Statement provides more details about the process applied. It can be found at www.shell.com/uk-modern-slavery-act.html.

Approved by the Board on 17 JUNE 2019 and signed on its behalf by:



J.G. Connell
Director

BG Energy Holdings Limited

Directors' report for the year ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

The Directors' report and audited financial statements of the Company have been prepared in accordance with the Companies Act 2006.

Dividends

Interim dividends of \$2,452 million were paid in the year (2017: \$2,452 million). The Directors recommend that no further dividend be paid for the year ended 31 December 2018 (2017: \$nil).

Future Outlook

No significant change in the business of the Company or of its subsidiary undertakings has taken place during the year or is expected in the immediately foreseeable future.

Directors of the Company

The Directors, who held office during the year, and to the date of this report (except as noted) were as follows:

J.G. Connell

M.J. Dawson

F. Hinden

S.M.A. Iskander (resigned 10 January 2018)

K. Jackson

R.L. O'Brien

J. Wilson (resigned 9 November 2018)

The following director was appointed after the year end:

E.C. Andrew (appointed 1 April 2019)

Financial risk management

The Company's Directors are required to follow the requirements of Shell Group risk management policies, which include specific guidelines on the management of market, credit and liquidity risk, and advice on the use of financial instruments to manage them. Shell Group risk management policies can be found in the Group Report (see pages 103 to 104 and note 19).

Events after the end of the reporting period

Refer to note 18 "Events after the end of the reporting period".

Qualifying third party indemnities

Certain Directors have been granted qualifying third-party indemnity under Section 234 of the Companies Act 2006 by BG Group Limited, which remains in force. The indemnity does not apply in the event the indemnified individual is proved to have acted fraudulently or dishonestly.

BG Energy Holdings Limited

Directors' report for the year ended 31 December 2018 (continued)

Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for preparing the Strategic report, Directors' report and the Company's financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 17 JUNE 2019 and signed on its behalf by:


.....
J.G. Connell
Director

Independent Auditor's report to the Member of BG Energy Holdings Limited

Opinion

We have audited the financial statements of BG Energy Holdings Limited (the "Company") for the year ended 31 December 2018, which comprise the Profit and loss account, Balance sheet, Statement of changes in equity, Statement of cash flows, and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's report to the Member of BG Energy Holdings Limited (continued)

Other information

The other information comprises the information included in the annual report set out on pages 1 to 4, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's report to the Member of BG Energy Holdings Limited (continued)

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Moira Ann Lawrence (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 19 JUNE 2019

BG Energy Holdings Limited

Profit and loss account for the year ended 31 December 2018

Continuing operations

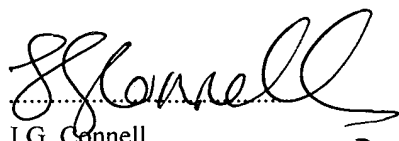
	Note	2018 \$ m	2017 \$ m
Administrative expenses		(5)	(83)
OPERATING LOSS	6	(5)	(83)
Income from shares in subsidiary undertakings		2,711	41,799
Income from participating undertakings		24	15
Amounts written back on investments	9	121	8,180
Amounts provided against investments	9	(1,118)	(93)
Amounts provided against receivables		-	(41)
Loss from disposals of investments		-	(37,942)
PROFIT BEFORE INTEREST AND TAXATION		1,733	11,835
Interest receivable and similar income	4	291	761
Interest payable and similar charges	5	(1,180)	(2,273)
PROFIT BEFORE TAXATION		844	10,323
Tax on profit	8	150	86
PROFIT FOR THE YEAR		994	10,409

The profit for the current year and for the prior year are equal to the total comprehensive income and accordingly a statement of comprehensive income has not been presented.

BG Energy Holdings Limited
(Registration number: 03763515)
Balance sheet as at 31 December 2018

	Note	2018 \$ m	2017 \$ m
Fixed assets			
Investments	9	37,396	36,902
Current assets			
Debtors: amounts due more than one year	10	6,072	6,517
Debtors: amounts due within one year	10	3,479	4,298
Creditors: amounts falling due within one year	11	<u>(10,878)</u>	<u>(7,629)</u>
Net current liabilities		<u>(7,399)</u>	<u>(3,331)</u>
Total assets less current liabilities		36,069	40,088
Creditors: amounts falling due after more than one year	12	(19,738)	(22,284)
Deferred tax	8	<u>(23)</u>	<u>(38)</u>
Net assets		<u>16,308</u>	<u>17,766</u>
Equity			
Called up share capital	14	3,562	3,562
Share premium reserve		388	388
Profit and loss account		<u>12,358</u>	<u>13,816</u>
Total equity		<u>16,308</u>	<u>17,766</u>

The financial statements on pages 8 to 44 were authorised for issue by the Board of Directors on 17 JUNE 2019 and signed on its behalf by:



J.G. Connell
Director

BG Energy Holdings Limited

Statement of changes in equity for the year ended 31 December 2018

	Called up share capital \$ m	Share premium reserve \$ m	Profit and loss account \$ m	Total \$ m
Balance as at 1 January 2017	3,562	388	5,859	9,809
Profit for the year	-	-	10,409	10,409
Total comprehensive income for the year	-	-	10,409	10,409
Dividends paid (refer note 15)	-	-	(2,452)	(2,452)
Balance as at 31 December 2017	3,562	388	13,816	17,766
Balance as at 1 January 2018	3,562	388	13,816	17,766
Profit for the year	-	-	994	994
Total comprehensive income for the year	-	-	994	994
Dividends paid (refer note 15)	-	-	(2,452)	(2,452)
Balance as at 31 December 2018	3,562	388	12,358	16,308

BG Energy Holdings Limited

Statement of cash flows for the year ended 31 December 2018

	Note	2018 \$ m	2017 \$ m
Cash flows from operating activities			
Profit before taxation		<u>844</u>	<u>10,323</u>
Adjustments for:			
Dividend income		(2,735)	(41,814)
Net finance cost		889	1,512
Gain on disposal of investments		-	37,942
Movement in impairment provisions		997	(8,046)
Decreases in working capital		2,490	1,093
Net cash from operating activities		<u>2,485</u>	<u>1,010</u>
Cash flows from investing activities			
Dividends received from subsidiary undertakings		2,340	3,331
Dividends received from participating undertakings		24	15
Capital (invested) in/ received from subsidiary undertakings	9	(1,491)	606
Interest received		<u>290</u>	<u>761</u>
Net cash from investing activities		<u>1,163</u>	<u>4,713</u>
Cash flows from financing activities			
Interest paid		(1,196)	(1,529)
Dividend paid		(2,452)	(2,452)
Repayment of debt		<u>-</u>	<u>(1,742)</u>
Net cash used in financing activities		<u>(3,648)</u>	<u>(5,723)</u>
Net change in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		<u>-</u>	<u>-</u>
Cash and cash equivalents at 31 December		<u>-</u>	<u>-</u>

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018

General information

The Company is a private company limited by share capital incorporated in England and Wales.
The address of its registered office is: Shell Centre, London, SE1 7NA, United Kingdom.

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, which involves the application of International Financial Reporting Standards ("IFRS") with a reduced level of disclosure. The financial statements have been prepared under the historical cost convention, except for certain items measured at fair value, and in accordance with the Companies Act 2006.

As applied to the Company, there are no material differences between EU endorsed IFRS and IFRS as issued by the International Accounting Standards Board.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except for the adoption of IFRS 9 and IFRS 15.

New standards applied

The adoption of IFRS 9 and IFRS 15 has had no material impact on the Company's retained earnings or balance sheet as at 1 January 2018.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following exemptions from the disclosure requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1 'Presentation of financial statements'

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - (ii) 16 (statement of compliance with all IFRS);
 - (iii) 38A (requirement to present a minimum of two statements for each of the primary financial statements, including cash flow statements and related notes);
 - (iv) 38B-D (additional comparative information);
 - (v) 40A-D (requirements for a third balance sheet); and
 - (vi) 134-136 (capital management disclosures)
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

Consolidation

The financial statements contain information about BG Energy Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Royal Dutch Shell plc, a company incorporated in England and Wales.

The immediate parent company is BG Group Limited.

The ultimate parent company and controlling party is Royal Dutch Shell plc, which is the parent undertaking of the smallest and largest group to consolidate these accounts.

The consolidated accounts of Royal Dutch Shell plc are available from:

Royal Dutch Shell plc
Tel: +31 888 800 844
email: order@shell.com
Registered office: Shell Centre, London, SE1 7NA

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Fundamental accounting concept

The balance sheet at 31 December 2018 reports a net current liability of \$7,399 million. The financial statements have been prepared under the going concern basis, due to the material surplus in committed funds available to the Company in comparison to the undrawn commitments and liabilities due to entities not subject to the direct or indirect control of the Company.

Income from shares in subsidiary and participating undertakings

Income from shares in subsidiary and participating undertakings represents dividends relating to the current year and prior periods, provided that the dividends have been approved by the Company.

Taxation

Tax is recognised in profit or loss, except that tax attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date for tax payable to HM Revenue and Customs, or for group relief to surrender to or to be received from other Group undertakings, and for which payment may be requested.

Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised when, on the basis of the most recent available evidence, it is regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Amounts relating to deferred tax are undiscounted.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in US Dollars (\$), which is also the Company's functional currency.

(ii) Transaction and balances

Income and expense items denominated in foreign currencies are translated into \$ at the rate ruling on their transaction date.

Monetary assets and liabilities recorded in foreign currencies have been expressed in \$ at the rates of exchange ruling at the year end. Differences on translation are included in the profit and loss account. Non-monetary assets and liabilities denominated in a foreign currency are translated using exchange rates at the date of the transaction. No subsequent translations are made once this has occurred.

Financial instruments

Financial assets

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets is determined by the contractual cash flows and where applicable the business model for managing the financial assets.

A financial asset is measured at amortised cost if the objective of the business model is to hold the financial asset in order to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Financial assets at amortised cost are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently the financial asset is measured using the effective interest method less any impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. All equity instruments and other debt instruments are recognised at fair value. For equity instruments, on initial recognition, an irrevocable election (on an instrument-by-instrument basis) can be made to designate these as at FVOCI (without recycling to profit and loss) instead of FVTPL. Dividends received on equity instruments are recognised as other income in profit or loss when the right of payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Impairment of financial assets

The impairment requirements for expected credit losses are applied to financial assets measured at amortised cost, financial assets measured at FVOCI and financial guarantees contracts to which IFRS 9 is applied and that are not accounted for at FVTPL and lease receivables under IFRS 15 that give rise to a conditional right to consideration. If the credit risk on the financial asset has increased significantly since initial recognition, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses. In other instances, the loss allowance for the financial asset is measured at an amount equal to the twelve month expected credit losses (ECLs). Changes in loss allowances are recognised in profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL, such as instruments held for trading, or the Company has opted to measure them at FVTPL. Debt and creditors are recognised initially at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost. Interest expense on debt is accounted for using the effective interest method and is recognised in income.

Derivative contracts

Derivative contracts are held at fair value. Gains or losses arising from changes in fair value are recognised in the profit and loss account within interest income or expenses in the period in which they arise.

Investment in subsidiaries and participating undertakings

These comprise investments in shares and loans that the Company intends to hold on a continuing basis. The investments in subsidiaries and participating undertakings are stated at cost, less provisions for impairment. The Company carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Such impairment reviews are performed in accordance with IAS 36. Any impairments are recorded in the profit and loss account.

If, after an impairment loss has been recognised, the recoverable amount of an investment in shares and loans increases because of a change in economic conditions, the resulting reversal of the impairment loss is recognised in the current year to the extent that it increases the carrying amount of the investment up to the amount it would have been had the original impairment not occurred.

Netting off policy

Balances with other companies of the Shell Group are stated gross, unless both of the following conditions are met:

- (i) Currently there is a legally enforceable right to set off the recognised amounts; and
- (ii) There is intent either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Financial Guarantees

Financial guarantees are initially recognised at fair value and are subsequently measured at the higher of (a) the IFRS 9 Expected Credit Loss (ECL) allowance and (b) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IFRS 15.

2 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investments

Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. For the purposes of determining whether impairment of investments has occurred, and the extent of any impairment or its reversal, management review a range of measures relating to the underlying entity's performance, including the net present value of future cash flows. In assessing these measures, management make a number of assumptions relating (but not restricted) to future oil and gas prices, expected production volumes and refining margins appropriate to the local circumstances and environment. These assumptions and the judgements of management that are based on them are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates.

Provision for expected credit losses of debtors

For intra-group debtors, the Company uses an internal credit rating to determine the probability of default. Internal credit ratings are based on methodologies adopted by independent credit rating agencies.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

3 Financial instruments

The Company has the following financial asset and liabilities measured at fair value through profit or loss:

	2018	2017
	\$ m	\$ m
Derivative financial assets	62	50
Derivative financial liabilities	<u>(421)</u>	<u>(331)</u>

The Company enters into derivative financial instruments to mitigate the exchange rate risk and interest rate risk for certain loan balances outstanding with subsidiaries. At 31 December 2018, the outstanding contracts all mature within 15 years (2017: 16 years) of the year end.

The forward foreign currency contracts and interest rate swap contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the relevant exchange rate and interest rate indexes. The valuation of derivatives instruments are carried out on commercial terms and conditions and at market rates.

4 Interest receivable and similar income

	2018	2017
	\$ m	\$ m
Interest from Group undertakings:		
Subsidiary undertakings	200	551
Fellow subsidiary undertakings	7	5
Other interest income	84	60
Gains on derivative financial instruments	<u>-</u>	<u>145</u>
	<u>291</u>	<u>761</u>

5 Interest payable and similar charges

	2018	2017
	\$ m	\$ m
Interest on loans from Group undertakings:		
Subsidiary undertakings	335	1,511
Fellow subsidiary undertakings	546	143
Interest on bank overdrafts and borrowings	102	69
Loss on currency translation - financial items	3	550
Losses on derivative financial instruments	<u>194</u>	<u>-</u>
	<u>1,180</u>	<u>2,273</u>

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Operating loss

The Company had no employees during 2018 (2017: none).

7 Auditor's remuneration

The Auditor's remuneration of \$24,354 (2017: \$20,341) in respect of the statutory audit was borne by another Group Company for both the current and preceding years.

Fees paid to the Company's auditor and its associates for non-audit services to the Company itself are not disclosed in the individual financial statements of the Company because the Royal Dutch Shell plc consolidated accounts are required to disclose such fees on a consolidated basis.

8 Tax on profit

Tax credit in the profit and loss account

The tax credit for the year of \$150 million (2017: \$86 million) is made up as follows:

	2018 \$ m	2017 \$ m
Current taxation		
UK corporation tax	(94)	(218)
UK corporation tax adjustment to prior periods	<u>(41)</u>	<u>138</u>
Total current tax credit	<u>(135)</u>	<u>(80)</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(22)	(6)
Arising from adjustment in respect of prior periods	<u>7</u>	<u>-</u>
Total deferred tax credit	<u>(15)</u>	<u>(6)</u>
Tax credit in the profit and loss account	<u>(150)</u>	<u>(86)</u>

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Tax on profit (continued)

Reconciliation of total tax credit

The tax on profit before tax for the year differs from the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%).

The differences are reconciled below:

	2018 \$ m	2017 \$ m
Profit before tax	<u>844</u>	<u>10,323</u>
Tax on profit calculated at standard rate (2018: 19.00%) (2017: 19.25%)	160	1,987
Effects of:		
Income exempt from taxation	(546)	(9,638)
Expenses not deductible	214	7,410
Adjustments in respect of prior periods	(34)	138
Currency translation adjustments	32	(41)
Unrecognised temporary difference	16	-
Deferred tax expense relating to changes in tax rates or laws	4	-
Tax on imputed interest	<u>4</u>	<u>58</u>
Total tax credit	<u>(150)</u>	<u>(86)</u>

UK Finance Act (No 2) Act 2015 which introduced reductions in the UK corporation tax rate to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020 was enacted on 15 November 2015.

UK Finance Act 2016 which introduced further reductions in the UK corporation tax rate to 17% effective 1 April 2020 was enacted on 15 September 2016.

The relevant deferred tax balances have been re-measured to 17%, the rate enacted by the balance sheet date.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Tax on profit (continued)

Deferred tax liabilities as at:

	Liability \$ m
2018	
Derivatives	<u>(23)</u>
2017	
Derivatives	<u>(38)</u>

Deferred tax movement during the year:

	At 1 January 2018 \$ m	Recognised in profit and loss account \$ m	At 31 December 2018 \$ m
Derivatives	<u>(38)</u>	<u>15</u>	<u>(23)</u>

Deferred tax movement during the prior year:

	At 1 January 2017 \$ m	Recognised in profit and loss account \$ m	At 31 December 2017 \$ m
Derivatives	<u>(44)</u>	<u>6</u>	<u>(38)</u>

The provision for deferred tax consists of the following deferred tax liabilities:

	2018 \$ m	2017 \$ m
Deferred tax liabilities due more than 12 months	<u>(23)</u>	<u>(38)</u>
Total deferred tax provision	<u>(23)</u>	<u>(38)</u>

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

9 Investments

	Subsidiary undertakings shares \$ m	Participating undertakings shares \$ m	Total \$ m
Cost			
Balance at 1 January 2018	36,865	255	37,120
Additions	<u>1,491</u>	<u>-</u>	<u>1,491</u>
Balance at 31 December 2018	<u>38,356</u>	<u>255</u>	<u>38,611</u>
Amounts provided			
Balance at 1 January 2018	(218)	-	(218)
Additions	(1,118)	-	(1,118)
Amounts written back	<u>121</u>	<u>-</u>	<u>121</u>
Balance at 31 December 2018	<u>(1,215)</u>	<u>-</u>	<u>(1,215)</u>
Carrying amount			
At 31 December 2018	<u>37,141</u>	<u>255</u>	<u>37,396</u>
At 31 December 2017	<u>36,647</u>	<u>255</u>	<u>36,902</u>

The Directors believe that the carrying value of the investments is supported by their underlying net assets or discounted cash flows.

Impairment reviews have been performed and investments have been written down where appropriate to their recoverable amounts. This has been based on estimated future cash flows, valuations and subsidiary accounts, where applicable, using a discount rate of 6%.

A list of Company's subsidiary and participating undertakings as at 31 December 2018 is included in note 20.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

10 Debtors

Debtors: amounts due within one year

	2018 \$ m	2017 \$ m
Amounts owed by Group undertakings:		
Parent undertakings	418	418
Subsidiary undertakings	2,847	2,866
Fellow subsidiary undertakings	7	1,012
Amounts owed by participating undertakings	15	-
Derivative contracts	52	2
Tax receivable	140	-
	<u>3,479</u>	<u>4,298</u>

Amounts owed by Group undertakings includes balances bearing interest at LIBOR.

Debtors: amounts due after one year

	2018 \$ m	2017 \$ m
Amounts owed by Group undertakings:		
Subsidiary undertakings	5,792	6,199
Fellow subsidiary undertakings	269	269
Derivative contracts	10	48
Other debtors	1	1
	<u>6,072</u>	<u>6,517</u>

Amounts owed by Group undertakings and due after one year include balances bearing interest at LIBOR/BBSW plus margins ranging from 0.5% to 1.23% with the last loan receivable due in December 2050.

No assets were assessed as credit impaired. The Company has recorded all financials assets at amortised cost.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

11 Creditors: amounts falling due within one year

	2018 \$ m	2017 \$ m
Amounts owed to Group undertakings		
Subsidiary undertakings	4,620	7,122
Fellow subsidiary undertakings	6,149	12
Derivative liabilities	109	175
Tax liability	-	320
	<u>10,878</u>	<u>7,629</u>

Amounts owed to Group undertakings include balances bearing interest at LIBOR plus margins ranging from -0.06% to -0.1% and fixed interest ranging from 2.6% to 3.94%.

The Company has recorded all financial liabilities at amortised cost.

12 Creditors: amounts falling due after more than one year

	2018 \$ m	2017 \$ m
Amounts owed to Group undertakings		
Subsidiary undertakings	6,012	8,628
Fellow subsidiary undertakings	13,414	13,500
Derivative liabilities	312	156
	<u>19,738</u>	<u>22,284</u>

	2018 \$ m	2017 \$ m
Amounts fall due after more than five years		
Loans from subsidiary undertakings	3,125	3,256
Loans from fellow subsidiary undertakings	<u>13,414</u>	<u>13,500</u>
	<u>16,539</u>	<u>16,756</u>

Amounts owed to Group undertakings and due after one year include balances bearing interest at LIBOR plus margins ranging from 0.89% to 1.66% and fixed interest rate ranging from 1.27% to 5.29% with the last loan payable due in October 2041.

The Company has recorded all financial liabilities at amortised cost.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

12 Creditors: amounts falling due after more than one year (continued)

The Company has guaranteed contractual payments, and related interest, in respect of listed debt issued by its direct subsidiary BG Energy Capital plc totalling \$7,630 million at 31 December 2018 (2017: \$9,372 million). As at 31 December 2018, \$6,675 million (2017: \$8,059 million) has been on-lent to the Company, under the same contractual terms.

13 Pension and other schemes

The Company is a Member Company of the BG Pension Scheme ("BGPS"), a defined benefit registered pension plan established under trust. The Trustee is BG Group Pension Trustees Limited. The BGPS is funded to cover future pension liabilities in respect of service up to the closure of the scheme. It is subject to an independent valuation at least every three years, on the basis of which the independent qualified actuary certifies the rate of employers' contributions that, together with the returns on the BGPS's assets, are expected to be sufficient to fund the benefits payable.

The BGPS closed to future accrual of benefits on 31 December 2013 and all active members became deferred pensioners with pensions calculated based on salaries up until the point of closure for such active members. These deferred pensions are generally revalued in line with movements in the Retail Prices Index. Certain benefits relating to individual transfers-in and purchases of additional pensionable service by employees retain a link to pensionable salary post-closure.

The last full independent actuarial valuation of the BGPS for funding purposes showed that the aggregate market value of the plan assets at 31 March 2017 was £1,991 million, representing 89% of the accrued liabilities. The next full funding valuation is expected to be performed with an effective date of 31 March 2020. As part of the funding agreement in respect of the 2011 actuarial valuation and the closure of the BGPS to future accrual of benefits, a subsidiary undertaking, BG International Limited ("BGI") and the Trustee established a Pension Funding Partnership ("PFP") to address the deficit and to provide greater security to the Trustee.

In December 2013, BGI acquired an interest in the PFP for £110 million. It also contributed £350 million to the BGPS and the Trustee used this to purchase its interest in the PFP. The PFP had an interest in loans due from a fellow subsidiary undertaking, Methane Service Limited ("MSL"), secured on four ships owned by MSL. The proceeds from the loans were to be used to make annual distributions of £33 million to the BGPS for 15 years and to pay a capital sum in 2028 of £172 million which would have been used, if necessary, to fund any deficit in the BGPS at that time, measured on a 'self-sufficiency' funding basis. In December 2014, MSL entered into an agreement for the sale of two of these LNG ships for proceeds of \$460 million, which completed in March 2015. From this sale, MSL repaid £220 million of the loans due to the PFP, which were utilised to support the funding of the BGPS. As such the amount of ongoing annual distributions reduced to £16.5 million and the capital sum due in 2028 was revised to £86 million. As part of the establishment of the PFP, it was agreed that certain additional payments into the BGPS may be required.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

13 Pension and other schemes (continued)

The Company is unable to identify its share of the scheme's underlying assets and liabilities on a consistent and reasonable basis to enable it to account for the plan as a defined benefit plan. There are no contractual or stated policies on which to base an allocation of the Fund's underlying assets and liabilities to member companies. Accordingly, the Company will continue to account for the BGPS as a defined contribution scheme.

A valuation was performed for accounting purposes at 31 December 2018 using assumptions set in line with the requirements of the IAS19 accounting standard. The principal financial assumptions adopted in the valuation were a discount rate of 2.90% (2017: 2.54%), and a price inflation rate of 3.22% (2017: 3.17%). The value of the BGPS's assets as at that date was £1,786 million and the value of the liabilities on this accounting basis was £1,488 million, meaning the surplus measured for accounting purposes was £298 million.

The Company's contributions to the BGPS for the year amounted to \$nil (2017: \$nil).

14 Called up share capital

Allotted, called up and fully paid shares

	No.	2018 \$	No.	2017 \$
Issued ordinary shares of £1 each	<u>2,898,413,870</u>	<u>3,562,440,488</u>	<u>2,898,413,870</u>	<u>3,562,440,488</u>

15 Dividends

Interim dividends of \$2,452 million were paid in the year (2017: \$2,452 million). The Directors recommend no further dividend be paid for the year ended 31 December 2018 (2017: \$nil).

16 Directors' emoluments

The Directors' emoluments for the year were as follows:

	2018 \$	2017 \$
Emoluments	1,696,552	2,024,651
Contributions paid to money purchase pension schemes	<u>-</u>	<u>32,693</u>
	<u>1,696,552</u>	<u>2,057,344</u>

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

16 Directors' emoluments (continued)

The number of Directors who were receiving employee benefits as at 31 December 2018 are as follows:

	2018	2017
	No.	No.
Shares receivable by Directors	5	6
Accruing benefits under defined benefit pension scheme	4	5
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>2</u>

In respect of the highest paid Director:

	2018	2017
	\$	\$
Emoluments	631,663	861,797
Defined benefit accrued pension entitlement at the end of the period	-	14,011

During the year the highest paid Director received or was entitled to receive shares under a long term incentive scheme.

These emoluments and pensions were not borne by the Company and hence not charged in the profit and loss account.

17 Contingent liabilities

In 2018, the Company issued financial guarantees for Train 1 and Train 3 gas supply contracts for an amount up to \$2,174 million and \$370 million respectively. The guarantees are provided to Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited, on behalf of Shell Trinidad and Tobago Limited and ENI Trinidad and Tobago Limited, for their obligations under the gas supply contracts between Shell Trinidad and Tobago Limited, ENI Trinidad and Tobago Limited, and Petroleum Company of Trinidad and Tobago Limited (jointly, as Seller) and Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited (as Buyer). In the judgement of the Directors, no material liability is expected to arise from this contingent liability.

18 Events after the end of the reporting period

On 8 February 2019 the Company paid an interim dividend in respect of the financial year ending 31 December 2019 totalling \$910 million.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 Related party transactions

Related parties comprise entities which are in the nature of an associate or member of the Shell Group of which reporting entity (BG Energy Holdings Limited) is a member.

The details of related party transactions during the year are as follows:

Related party name	Receivable balance as at		Dividend during the year	
	2018 \$ m	2017 \$ m	2018 \$ m	2017 \$ m
Amilcar Petroleum Operations S.A.	16	-	-	-
Dragon LNG Group Limited	-	-	24	15

The Company has issued two parental guarantees capped at an aggregate value of up to \$2,544 million to Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited during the year 2018. The details of the guarantees are included in note 17.

20 List of Investments

Details of the subsidiaries as at 31 December 2018 are as follows:

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BC 789 Holdings Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
BG CPS Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
BNG (Surat) Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Condamine 1 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Condamine 2 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Condamine 3 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Condamine 4 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Condamine Power Station Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
New South Oil Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
OME Resources Australia Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Petroleum Resources (Thailand) Pty. Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Pure Energy Resources Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QCLNG Operating Company Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	75%
QCLNG Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC (B7) Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC (Exploration) Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC (Infrastructure) Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Common Facilities Company Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 2 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
QGC Holdings 3 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 4 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 5 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 6 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 7 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 8 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 9 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Midstream Holdings Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Midstream Investments Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Midstream Land Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Midstream Limited Partnership*	Level 42, Bourke Place, 600 Bourke Street, Melbourne, VIC 3000, Australia	Ordinary	100%
QGC Midstream Services Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Northern Forestry Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
QGC Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Sales Qld Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 1 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 1 Tolling Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 1 UJV Manager Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 2 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 2 Tolling No.2 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 2 Tolling Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 2 UJV Manager Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Upstream Finance Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Upstream Holdings Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Upstream Investments Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Upstream Limited Partnership*	Level 42, Bourke Place, 600 Bourke Street, Melbourne, VIC 3000, Australia	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Queensland Gas Company Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Roma Petroleum Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
SGA (Queensland) Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
SGAI Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Starzap Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Sunshine Gas Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Walloons Coal Seam Gas Company Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	75%
Shell Trinidad and Tobago Resources SRL*	One Welches, Welches, St. Thomas, BB22025, Barbados	Ordinary	100%
BG Comercio e Importacao Ltda.*	Av. República do Chile 330, 23o andar, Torre 2, Centro, Rio de Janeiro, 20031-170, Brazil	Ordinary	100%
BG do Brasil Ltda.*	Av. República do Chile 330, 23o andar, Torre 2, sala 2309, Centro, Rio de Janeiro, 20031-170, Brazil	Ordinary	100%
BG Petroleo & Gas Brasil Ltda*	Av. República do Chile 330, 23o andar (parte) - Torre 2, Centro, Rio de Janeiro, 20031-170, Brazil	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Shell Brasil Petroleo Ltda.*	Av.das Americas 4200, Bloco 6, salas 101,201,301,401,501,601, Barra da Tijuca, Rio de Janeiro, 22640-102, Brazil	Ordinary	75%
BG Canada Ltd.*	400 4th Avenue S.W., Calgary, Alberta, T2P 0J4, Canada	Ordinary	100%
Shell Energy Merchants Canada Inc.*	400 4th Avenue S.W., Calgary, Alberta, T2P 0J4, Canada	Ordinary	100%
BG Egypt S.A.*	5th Floor, Bermuda House, Dr. Roy's Drive, George Town, Grand Cayman, KY1-1102, Cayman Islands	Ordinary	100%
BG Exploration and Production India Limited*	Campbells, Floor 4, Willow House, Cricket Square, Grand Cayman, KY1-9010, Cayman Islands	Ordinary	100%
Gas Resources Limited*	Caribbean Management Ltd, 5th Floor, Bermuda House, 36C Dr. Roy's Drive, Grand Cayman, KY1-1102, Cayman Islands	Ordinary	100%
Shell Bolivia Corporation*	PricewaterhouseCoopers Services, Strathvale House, P.O. Box 258, Grand Cayman, KY1-1104, Cayman Islands	Ordinary	100%
Shell Chile S.A.*	C/O Carey y Cia Abogados, Miraflores 222, Piso 28, Santiago, Chile	Ordinary	100%
BG India Energy Private Limited*	3-C World Trade Tower, New Barakhamba Lane, New Delhi, 110001, India	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG India Energy Solutions Private Limited*	3-C World Trade Tower, New Barakhamba Lane, New Delhi, 110001, India	Ordinary	100%
BG India Energy Services Private Limited*	3-C World Trade Tower, New Barakhamba Lane, New Delhi, 110001, India	Ordinary	100%
BG LNG Regas India Private Limited*	3-C World Trade Tower, New Barakhamba Lane, New Delhi, 110001, India	Ordinary	100%
BG Italia Power S.p.A.*	Via Tortona 25, Milano, 20144, Italy	Ordinary	100%
Brindisi LNG S.p.A.*	Via Tortona 25, Milano, 20144, Italy	Ordinary	100%
BG Mauritius LNG Holdings Ltd*	6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Mauritius	Ordinary	100%
BG Mumbai Holdings Limited*	6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Mauritius	Ordinary	100%
BG Group Mexico Exploration, S.A. de C.V.*	Av. Paseo de las Palmas 340, 1st floor, Colonia Lomas de Chapultepec, Delegación Miguel Hidalgo, Ciudad de México, 11000, Mexico	Ordinary	100%
BG Group Mexico Services, S.A. de C.V.*	Av. Paseo de las Palmas 340, 1st floor, Colonia Lomas de Chapultepec, Delegación Miguel Hidalgo, Ciudad de México, 11000, Mexico	Ordinary	100%
BG Gas Brazil E&P 12 B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG Gas Global Holdings B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%
BG Gas International B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%
BG Gas International Holdings B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%
BG Gas Netherlands Holdings B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%
BG Gas Sao Paulo Investments B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%
BJS Oil Operations B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	60%
BJSA Exploration and Production B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	75%
Shell Brazil Holding B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	75%
BG Exploration and Production Nigeria Limited*	Eko Nominees Limited, 252E Muri Okunola Street, Victoria Island, Lagos, Nigeria	Ordinary	100%
BG Upstream A Nigeria Limited*	Eko Nominees Limited, 252E Muri Okunola Street, Victoria Island, Lagos, Nigeria	Ordinary	100%
BG Atlantic 1 Holdings Limited*	Mercury Court, Choc Estate, Castries, Saint Lucia	Ordinary	100%
BG Atlantic 2/3 Holdings Limited	Mercury Court, Choc Estate, Castries, Saint Lucia	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG Atlantic 4 Holdings Limited*	Mercury Court, Choc Estate, Castries, Saint Lucia	Ordinary	100%
BG Central Holdings Limited*	Mercury Court, Choc Estate, Castries, Saint Lucia	Ordinary	100%
BG West Indies No. 2 Limited	Mercury Court, Choc Estate, Castries, Saint Lucia	Ordinary	100%
BG Asia Pacific Holdings Pte. Limited*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
BG Asia Pacific Services Pte. Ltd.*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
BG Exploration & Production Myanmar Pte. Ltd.*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
BG Insurance Company (Singapore) Pte Ltd*	10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore, 049315, Singapore	Ordinary	100%
BG Myanmar Pte. Ltd.*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
BG Oil Marketing Pte Ltd*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Shell Gas Marketing Pte. Ltd.*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
Shell Integrated Gas Thailand Pte.Limited*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
BG Energy Iberian Holdings, S.L.	Paseo de la Castellana, 257-6º, Madrid, 28046, Spain	Ordinary	100%
BG International Services AB*	Deloitte, P.O. Box 450, Östersund, 831 26, Sweden	Ordinary	100%
Fahari Gas Marketing Company Limited*	1st Floor Kilwa House, Plot 369, Toure Drive, Oyster Bay, P.O. Box 105833, Dar es Salaam, Tanzania	Ordinary	53%
Mzalendo Gas Processing Company Limited*	1st Floor Kilwa House, Plot 369, Toure Drive, Oyster Bay, P.O. Box 105833, Dar es Salaam, Tanzania	Ordinary	53%
Ruvuma Pipeline Company Limited*	1st Floor Kilwa House, Plot 369, Toure Drive, Oyster Bay, P.O. Box 105833, Dar es Salaam, Tanzania	Ordinary	53%
Tanzania LNG Limited*	1st Floor Kilwa House, Plot 369, Toure Drive, Oyster Bay, P.O. Box 105833, Dar es Salaam, Tanzania	Ordinary	100%
Thai Energy Company Limited*	10 Soonthornkosa Road, Klongtoey, Bangkok, 10110, Thailand	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG 2/3 Investments Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad and Tobago	Ordinary	100%
Point Fortin LNG Exports Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad and Tobago	Ordinary	81%
Shell Gas Supply Trinidad Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad and Tobago	Ordinary	100%
Shell Manatee Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad and Tobago	Ordinary	100%
Shell Trinidad Central Block Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad and Tobago	Ordinary	100%
Shell Trinidad North Coast Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad and Tobago	Ordinary	100%
TRINLING Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad and Tobago	Ordinary	100%
Shell Tunisia LPG S.A.*	Immeuble Rue du Lac Windermere, Les Berges du Lac, Tunis, 1053, Tunisia	Ordinary	100%
Tunisian Processing S.A.*	Immeuble Rue du Lac Windermere, Les Berges du Lac, Tunis, 1053, Tunisia	Ordinary	100%
Alie Investments Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG Atlantic Finance Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Central Holdings Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Cyprus Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Delta Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Employee Shares Trustees Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Energy Capital Plc	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Energy Trading Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Equatorial Guinea Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Exploration and Production Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Gas Marketing Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Gas Services Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Gas Supply (UK) Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG General Holdings Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG General Partner Limited	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, UK	Ordinary	100%
BG Global Employee Resources Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Global Energy Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Great Britain Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Group Company Secretaries Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Group Employee Benefit Trust Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Group Employee Shares Trustees Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Group Pension Trustees Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Group Trustees Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Intellectual Property Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG International Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Iran Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Karachaganak Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG Karachaganak Trading Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Kenya L10A Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Kenya L10B Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG LNG Investments Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Mongolia Holdings Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Netherlands*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Norge Exploration Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Norge Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG North Sea Holdings Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG OKLNG Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Overseas Holdings Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Overseas Investments Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Overseas Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG Pension Funding Scottish Limited Partnership*	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, UK	Ordinary	100%
BG Rosetta Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Singapore Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG South Asia LNG Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG South East Asia Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Subsea Well Project Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Tanzania Holdings Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG Trinidad LNG Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG UK Capital II Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG UK Capital Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG UK Holdings Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Brazil Shipping I Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Brazil Shipping II Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Maritime Association for Risk Mitigation & Safety Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Methane Services Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Schooner Trustees Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Shell Exploration and Production Tanzania Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Shell Hasdrubal Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Shell QGC Holdings Limited	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Shell QGC Midstream 1 Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Shell QGC Midstream 2 Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Shell QGC Upstream 1 Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Shell QGC Upstream 2 Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Shell Trinidad 5(A) Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Shell Trinidad and Tobago Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
Shell Trinidad Block E Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Shell Tunisia Upstream Limited*	Shell Centre, London, SE1 7NA, UK	Ordinary	100%
BG (Uruguay) S.A.*	La Cumparsita, 1373 4th Floor, Montevideo, 11200, Uruguay	Ordinary	100%
BG Brasilia, LLC*	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	Ordinary	100%
BG LNG Trading, LLC*	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	Ordinary	100%
Shell Thailand E&P Inc.*	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	Ordinary	75%

* indicates indirect investment of the Company.

Details of the joint venture as at 31 December 2018 are as follows:

Name of joint-ventures	Registered office and Country of incorporation	Class of shares	% of ownership
Dragon LNG Group Limited	Main Road, Waterston, Milford Haven, Pembrokeshire, SA73 1DR, UK	Ordinary	50%