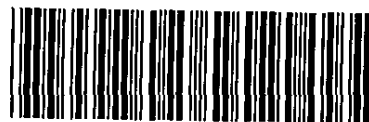


AQUILA STERLING LIMITED
REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2007

TUESDAY



A13 *AXKTG459* 21/10/2008 194
COMPANIES HOUSE

Registered No: 4391954

AQUILA STERLING LIMITED**BALANCE SHEET**
AS AT 31 DECEMBER 2007

	Note	At 31 December 2007 £'000	At 31 December 2006 £'000
Fixed assets			
Investments	4	176,000	176,000
Current assets			
Debtors: amounts falling due within one year	5	10	10
Net Assets		176,010	176,010
Capital and reserves			
Called-up share capital	6	49	49
Share premium account	7	336,101	336,101
Profit and loss reserve	7	(160,140)	(160,140)
Shareholders' funds	8	176,010	176,010

The Company was dormant within the meaning of the Companies Act 1985 throughout the year to 31 December 2007

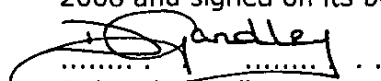
For the year ended 31 December 2007 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985

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, so far as applicable to the Company.

The financial statements on pages 1 to 3 were approved by the Board on 13 October 2008 and signed on its behalf by



Deborah Gandley
On behalf of E.ON UK Directors Limited
Director

13 October 2008

AQUILA STERLING LIMITED

Notes to the financial statements **for the year ended 31 December 2007**

1 Accounting Policies

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

2 Profit and Loss Account

The Company has not traded during the year.

3 Directors' Report

A copy of the Directors' Report has been omitted in accordance with Schedule 8 of the Companies Act 1985

4 Fixed asset investments

	Shares at cost £'000	Provision for impairment £'000	Net Book Value £'000
At 31 December 2006 and 31 December 2007	336,200	(160,200)	176,000

The Company owns 100% of the share capital of Avon Energy Partners Holdings, a holding company incorporated in England and Wales.

5 Debtors: amounts falling due within one year

	At 31 December 2007 £'000	At 31 December 2006 £'000
Amounts owed by group undertakings	10	10

Amounts receivable from group undertakings are denominated in sterling, non-interest bearing and repayable on demand.

AQUILA STERLING LIMITED

Notes to the financial statements for the year ended 31 December 2007 (continued)

6 Share capital

	At 31 December 2007 £'000	At 31 December 2006 £'000
Authorised		
10,000,000 ordinary shares of 1 pence each	100,000	100,000
Allotted, called-up and fully paid		
4,888,889 number ordinary shares of 1 pence each	49	49

7 Reserves

	Share premium account £'000	Profit and loss reserve £'000
At 31 December 2006 and at 31 December 2007	336,101	(160,140)

8 Reconciliation of movements in shareholders' funds

	31 December 2007 £'000	31 December 2006 £'000
Opening shareholders' funds	176,010	176,010
Closing shareholders' funds	176,010	176,010

9 Ultimate parent undertaking and controlling party

The immediate parent undertaking is EME Distribution No 2 Limited. The ultimate parent undertaking and controlling party is E.ON AG, a company incorporated in Germany, which is the parent company of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is that of which E.ON UK plc, the principal UK trading subsidiary of E.ON AG, is the parent undertaking. Copies of E.ON AG's accounts are available from the offices of E.ON AG at the following address:

E.ON AG
E.ON-Platz 1
D-40479
Dusseldorf
Germany