

Microgen Energy Limited

Directors' Report and Financial Statements

For the year ended 31 December 2004

Company Registration Number: 4442132



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Directors' report for the year ended 31 December 2004

The Directors submit their report and the Financial Statements for Microgen Energy Limited for the year ended 31 December 2004.

Principal activities

The Company did not trade during the year 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 during the year:

	Appointed	Resigned
S G C Sutcliffe		10 August 2004
C M Bland		10 August 2004
W H Adamson	1 January 2004	
J P Heininger	10 August 2004	
C J Lee	10 August 2004	

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 on 31 December 2004, have any beneficial interest in the shares of the Company or any company within BG Group except for those interests in the shares of BG Group plc as stated below.

Beneficial holdings

	Beneficial interests in ordinary shares	
	As at 1 Jan 2004*	As at 31 Dec 2004
W H Adamson	15,993	23,046
J P Heininger	-	-
C J Lee	-	-

Sharesave scheme

	Options as at 1 Jan 2004*	Options granted in period	Options exercised in period	Options lapsed in year	Options as at 31 Dec 2004
W H Admanson	-	3,458	-	-	3,458
J P Heininger	-	-	-	-	-
C J Lee	-	-	-	-	-

Company share option scheme

	Options as at 1 Jan 2004*	Options granted in period	Options exercised in period	Options lapsed in year	Options as at 31 Dec 2004
W H Adamson	148,210	29,294	-	-	177,504
J P Heininger	-	-	-	-	-
C J Lee	-	-	-	-	-

Long term incentive scheme

	Notional allocations of shares as at 1 Jan 2004*	Notional allocations of shares made during the period	Number of shares added through dividend reinvestment	Forfeited at end of performance period	Shares vested during the period	Notional allocation of shares as at 31 Dec 2004
W H Adamson	95,632	36,108	105	-	10,423	121,422
J P Heininger	-	-	-	-	-	-
C J Lee	-	-	-	-	-	-

* Or at date of appointment (if later).

Full details of all employee share and option schemes can be found in the BG Group plc 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

Date 19-10-05

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire RG6 1PT
Registered in England and Wales No: 4442132

Balance sheet as at 31 December 2004

	Notes	2004 £	2003 £
Fixed assets			
Investments	4	2	1
Current assets			
Debtors: amounts falling due within one year	5	1	1
Current Liabilities			
Creditors: amounts falling due within one year	6	(2)	(1)
Total assets less current liabilities		<u>1</u>	<u>1</u>
Capital and Reserves			
Called up share capital	7	<u>1</u>	<u>1</u>
Equity shareholder's funds		<u>1</u>	<u>1</u>

For the year ended 31 December 2004, the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Companies Act 1985.

The Directors acknowledge their responsibility for (i) ensuring the Company keeps accounting records which comply with section 221 of the Companies Act 1985; 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 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

Approved by the Board of Directors:



A C W Williams
Director

Date 19-10-05

The notes on pages 5 and 6 form part of these Financial Statements.

Notes to the Financial Statements

1 Ultimate parent undertaking

The immediate parent undertaking is BG International 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 is the parent undertaking. BG Energy Holdings Limited and BG Group plc are both registered in England and Wales. Copies of these consolidated accounts may be obtained from the Company Secretary, 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT.

2 Basis of accounting

Basis of preparation and accounting policies

These accounts have been prepared in accordance with applicable accounting standards in the United Kingdom, using historical cost principles.

3 Directors' emoluments and employees

No Director received emoluments in respect of his services to the Company during the year (2003:£nil). The Company had no employees during the year (2003: nil).

4 Investments

	2004	2003
Cost and net book value	£	£
As at 1 January 2004	1	-
Additions	1	1
At 31 December 2004	<u>2</u>	<u>1</u>

The Company's principal subsidiary undertakings as at 31 December 2004 comprise:

Name	Country of Incorporation	Activity	Direct interest in ordinary shares (%)	Indirect interest in ordinary shares (%)
Microgen Manufacturing Limited	England	Microgen manufacturer	100.0	
Microgen Holdings Limited	England	Non - trading company	100.0	
Homepower Services Limited	England	Non - trading company		100.0

5 Debtors: amounts falling due within one year

	2004	2003
	£	£
Amounts owed by group undertakings	<u>1</u>	<u>1</u>

6 Creditors: amounts falling due within one year

	2004	2003
	£	£
Amounts owed to group undertakings	<u>1</u>	<u>1</u>

7 Called up share capital

	2004	2003
	£	£
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid		
1 ordinary shares of £1	<u>1</u>	<u>1</u>

8 Reconciliation of movement in shareholder's funds

	2004	2003
	£	£
As at 1 January	1	-
Issue of 1 ordinary share at par	<u>-</u>	<u>1</u>
As at 31 December 2004	<u>1</u>	<u>1</u>