Centrica Onshore Processing UK Limited
Annual Report for the year ended 31 December 2009

Registered Number: 4037670

MONDAY
LLZI1LMV
LD2 12/07/2010 57
COMPANIES HOUSE

Directors' report for the year ended 31 December 2009

The directors present their report and the audited Financial Statements of Centrica Onshore Processing UK Limited (the "Company") for the year ended 31 December 2009

Principal activities

The principal activity of the Company is the processing of gas in the United Kingdom For the purposes of the Companies Act 2006, this constitutes one class of business

Business review

The directors expect the Company to continue to trade profitably in the foreseeable future Following the decision of the counterparty to the processing contract conduct most of the gas processing actively through its own new facilities, a reduced processing tariff will become payable under revised contractual arrangements This is expected to continue for the remainder of the life of the counterparty's field

Financial results

The financial position of the Company is presented in the Balance Sheet on page 6 Shareholder's funds at 31 December 2009 were £11 4 million (2008 £11 0 million)

The results for the year are set out in the Profit and Loss Account on page 5 The profit for the year of £382,000 (2008 profit of £2 3 million) has been transferred to reserves

Dividend

The directors do not recommend the payment of a dividend in respect of the year (2008 nil)

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to the risks outlined below Liquidity risk represents the most significant financial risk to the Company Further discussion of these risks and uncertainties in the context of Centrica plc (the "Group) as a whole is provided on pages 29 to 34 of the Centrica plc Annual Report and Accounts 2009

Financial risk management

The directors have established objectives and policies for managing financial risks, to enable Centrica Onshore Processing UK Limited to achieve long-term shareholder value growth within a prudent risk management framework These objectives and policies are regularly reviewed

The Centrica Storage group of companies has a Financial Risk Management Committee which meets on a regular basis

Liquidity risk

Cash forecasts identifying the liquidity requirements of the Centrica Storage Holdings group of companies are produced frequently and monitored by the directors

Operational risk

The Company is exposed to operational and health and safety risk through its operation of the onshore processing assets Through the use of an Integrated Management System the company identifies the hazards and assesses the risks associated with its activities and decisions on a continuous basis Through the assessment of the risk the Company ensures appropriate measures are in place to mitigate or manage those risks so as to prevent or reduce the impact of potential accidents or incidents on people and the business

Directors' report for the year ended 31 December 2009 (continued)

Key performance indicators (KPIs)

Given the nature of the business the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance, or position of the business

Future developments

Revised contractual arrangements have been agreed with respect to the transportation and processing of third party gas by the Company The new contractual arrangements are expected to result in certain material assets becoming surplus to the Company's needs in the near future Centrica Storage Limited, a fellow subsidiary company of Centrica Storage Holdings Limited, is expected to acquire these assets at their carrying value at such time

Directors

Directors during the year and up to the date of this report were as follows

G E Sibbick
G S Collinson
S M Wills

At no time during the year ended 31 December 2009 did any director have any interests in the shares of the Company (2008 nil) or any other company within the group, except for interests in and options over the shares and interests of the ultimate parent company, Centrica plc

There were no contracts of significance during or at the end of the financial year to which the Company or any subsidiary and associated undertaking is a party and in which any director is or was materially interested

Charitable and political donations

The Company made no political or charitable donations during the year (2008 nil)

Directors' liability

Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc, and was in place throughout the year under review

Events after the reporting period

Following the decision of the counterparty to the processing contract conduct most of the gas processing actively through its own new facilities, a reduced processing tariff will become payable under revised contractual arrangements

The Company has taken advantage of the provisions of the Companies Act 2006 (the 'Act') to abolish the requirement to have an authorised share capital A Special Resolution was passed by the Company's sole member on 17 February 2010 to delete all provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act, were treated as provisions of the Company's Articles of Association and then by adopting new Articles of Association

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements, and
- prepare the financial statements on the 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 auditors

Each of the directors who held office at the date of approval of this Directors' Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with the Companies Act 2006, the Company has elected to dispense with the obligation to reappoint auditors annually, and PricewaterhouseCoopers LLP will therefore continue in office

The Board approved this report on 22 June 2010

Julia Foo
Company Secretary

Date 22 June 2010

Registered office
Venture House
42-54 London Road
Staines
Middlesex
TW18 4HF

Independent auditors' report to the members of Centrica Onshore Processing UK Limited

We have audited the financial statements of Centrica Onshore Processing UK Limited (the "Company") for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

John Maitland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
22 June 2010

Profit and Loss Account

For the year ended 31 December 2009

	Notes	2009 £000	Restated[1] 2008 £000
Turnover		**3,799**	8,635
Depreciation	2	**(351)**	(4,865)
Other operating costs	2	**(2,705)**	(2,350)
Operating profit		**743**	1,420
Net interest payable and similar charges	5	**(101)**	(96)
Profit on ordinary activities before taxation		**642**	1,324
Taxation on profit on ordinary activities	6	**(260)**	987
Profit for the financial year	13	**382**	2,311

[1] Restated from the results previously reported for the prior period to retrospectively reflect the change in accounting policy as described in the decommissioning costs policy (note 1) and tangible fixed assets note (note 7) The restatement has resulted in the following adjustments to the Profit and Loss Account above

- net interest payable being decreased by £107,000,
- profit on ordinary activities before taxation being increased by £107,000,
- taxation on profit on ordinary activities being decreased by £30,000, and
- profit for the year being increased by £77,000

All amounts included in the Profit and Loss Account are derived from continuing operations

There are no recognised gains and losses other than those reported in the Profit and Loss Account Therefore no separate statement of recognised gains and losses has been prepared

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalent

The notes on pages 7 to 14 form part of these financial statements

Balance Sheet

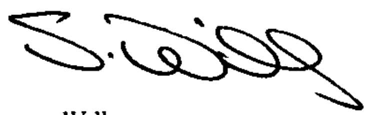
As at 31 December 2009

	Notes	2009 £000	Restated[1] 2008 £000
Fixed assets			
Tangible assets	7	**3,440**	2,880
Current assets			
Debtors (amounts falling due within one year)	8	**13,257**	15,928
Cash at bank and in hand		**1,742**	368
Deferred tax	11	**1,675**	1,935
		16,674	18,231
Creditors (amounts falling due within one year)	9	**(4,000)**	(5,592)
Net current assets		**12,674**	12,639
Total assets less current liabilities		**16,114**	15,519
Provisions for liabilities and charges	10	**(4,680)**	(4,467)
Net assets		**11,434**	11,052
Capital and reserves			
Called up share capital	12	**-**	-
Profit and Loss Account	13	**11,434**	11,052
Total shareholder's funds	14	**11,434**	11,052

[1] Restated from the results previously reported for the prior period to retrospectively reflect the change in accounting policy as described in the decommissioning costs policy (note 1) and tangible fixed assets note (note 7) The restatement has resulted in the following restatements in the Balance Sheet above

- Tangible fixed assets have increased by £106,000,
- Deferred tax, the current assets total and net current assets have decreased by £29,000,
- Total assets less current liabilities and net assets have increased by £77,000, and
- The profit and loss account and total shareholders' funds have increased by £77,000

These financial statements on pages 5 to 14 were approved and authorised for issue by the board of directors on 22 June 2010 and were signed on its behalf by



Simon Wills
Director
Date 22 June 2010

The notes on pages 7 to 14 form part of these financial statements

The Company's registered number is 4037670

Notes to the financial statements

1 Principal accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards

Exemptions

The Company has taken advantage of the exemption available under Financial Reporting Standard No 1 (Revised 1996) "Cashflow Statements", and accordingly has not prepared a cashflow statement, and within Financial Reporting Standard No 8 "Related Party Disclosures" from disclosure of transactions with other group companies, as its ultimate parent company prepares Financial Statements which are publicly available and which include the results of the Company

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provision for impairment

The method of calculating depreciation is based on the Unit of Production basis after adjusting for the estimated residual value of the assets The unit used in the Unit of Production method for the depreciation charge is the production of the remaining gas reserves

Impairment losses or impairment write-backs of fixed assets are calculated as the difference between the carrying values of income generating units and the estimated value in use at the date the impairment or write back is recognised Value in use represents the net present value of expected future cashflows discounted on a pre-tax basis Impairment losses and the write back of fixed assets are recognised in the Profit and Loss Account in the year in which they occur

Decommissioning costs

Operators of oil and gas fields on the United Kingdom Continental Shelf are required to remove installations, including related onshore facilities, to the extent considered acceptable to the Department of Business, Innovation and Skills

Provision is made for the net present value of the estimated cost of decommissioning at the end of the life of the plant When this provision gives access to future economic benefits an asset is recognised, otherwise the provision is charged to the Profit and Loss Account Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision and corresponding decommissioning asset included within property, plant and equipment

During the year the Company has changed its accounting policy with respect to the discounting of the decommissioning provision The Company now capitalises the inflationary unwind of the discount on the decommissioning provision to the decommissioning asset Previously the inflationary unwind was expensed in the interest line on the Profit and Loss Account The interest element of the unwinding of the discount to the net present value continues to be reported in the Profit and Loss Account as a financial item and is added to the net interest charge The financial impact of this change in policy is described in the tangible fixed assets note (note 7) The change has been effected to bring the Company's accounting policy in-line with Centrica Group's policy This practice is consistent with the Statement of Recommended Practice ('SORP') for Oil and Gas accounting

Notes to the financial statements (continued)

Financial instruments: disclosure and presentation

All financıal assets and lıabılıtıes are presented gross on the face of the Balance Sheet unless the Company has a legally enforceable rıght to net off the recognısed amounts and ıt ıntends to settle on a net basıs

The Company ıs exempted by FRS 29 from provıdıng detaıled dısclosures ın respect of ıts financıal ınstruments because the Company ıs ıncluded wıthın the Group's consolıdated financıal statements and ıts financıal ınstruments are ıncorporated ınto dısclosures ın note 4 (page 82 to 86) of the Centrıca plc Annual Report and Accounts 2009

Taxation

Current tax, ıncludıng UK corporatıon tax, ıs provıded at amounts expected to be paıd (or recovered) usıng the tax rates and laws that have been enacted or substantıvely enacted by the balance sheet date

Deferred tax ıs recognısed ın respect of all tımıng dıfferences that have orıgınated but not reversed at the balance sheet date where transactıons or events that result ın an oblıgatıon to pay more tax ın the future or a rıght to pay less tax ın the future have occurred at the balance sheet date Tımıng dıfferences are dıfferences between the Company's taxable profits and ıts results as stated ın the Fınancıal Statements that arıse from the ınclusıon of gaıns and losses ın tax assessments ın perıods dıfferent from those ın whıch they are recognısed ın the Fınancıal Statements

A deferred tax asset ıs regarded as recoverable and therefore recognısed only when, on the basıs of all avaılable evıdence, ıt can be regarded as more lıkely than not there wıll be suıtable taxable profits ın the foreseeable future from whıch the reversal of the underlyıng tımıng dıfferences can be deducted

Deferred tax ıs not recognısed when fixed assets are re-valued unless by the balance sheet date there ıs a bındıng agreement to sell the re-valued assets and the gaın or loss expected to arıse on sale has been recognısed ın the Fınancıal Statements Neıther ıs deferred tax recognısed when fixed assets are sold and ıt ıs more lıkely than not that the taxable gaın wıll be rolled over, beıng charged to tax only ıf and when the replacement assets are sold

Deferred tax ıs measured at the average tax rates that are expected to apply ın the perıods ın whıch the tımıng dıfferences are expected to reverse based on tax rates and laws that have been enacted or substantıvely enacted by the balance sheet date Deferred tax ıs measured on a non-dıscounted basıs

Turnover recognition

Turnover, whıch excludes value added tax, ıs stated as amounts ınvoıced to customers Turnover ıs recognısed upon processıng thırd party gas flowıng through the Easıngton termınal

Notes to the financial statements (continued)

2 Operating profit

Operating profit is stated after charging

	2009 £000	2008 £000
Depreciation charge on tangible fixed assets	351	4,865
Auditor's remuneration for statutory audit services	12	5

Auditors' remuneration £12,075 (2008 £5,250) relates to fees for the audit of the UK GAAP statutory accounts of Centrica Onshore Processing UK Limited and includes fees in relation to the audit of the IFRS group consolidation schedules, for the purpose of the Centrica Group audit, which also contribute to the audit of Centrica Onshore Processing UK Limited No portion of the auditors' remuneration is borne by a related group company (2008 £6,825) The total audit fees in 2008, of which a portion was borne by another group company as disclosed above, amounted to £12,075

Other operating costs include direct costs and allocations of costs from fellow subsidiary undertakings in relation to the processing of gas at the Easington terminal

3 Staff costs

The Company has no employees (2008 nil) and no staff costs (2008 nil) All costs relating to employees are borne by another group company

4 Directors' emoluments

None of the directors received nor were due remuneration during the year (2008 nil)

The emoluments of two directors who served in the year are paid by the Company's immediate parent undertaking, Centrica Storage Limited (S M Wills and G E Sibbick) An associated undertaking paid one other director (G S Collinson) who served during the year No re-charges are made to the Company It is not possible to make an accurate apportionment of the emoluments and accordingly no amounts are included in these Financial Statements for these individuals

5 Net interest payable and similar charges

	2009 £000	Restated [1] 2008 £000
Unwinding of discount on decommissioning provision (note 10)	101	96

[1] The unwinding of discount on decommissioning for the prior period has been decreased by £107,000 to reflect the retrospective application of the change in accounting policy Refer to the decommissioning costs policy (note 1) and tangible fixed asset note (note 7) for further information

Notes to the financial statements (continued)

6 Taxation on profit on ordinary activities

(a) Analysis of tax charge in the period	2009 £000	Restated[1] 2008 £000
The tax (credit)/charge comprises		
Current tax		
UK corporation tax at 28% (2007 28 5%)	-	-
Deferred tax		
Effect of change to deferred tax rate (note 11)	-	-
Origination and reversal of timing differences	260	(987)
Tax on profit on ordinary activities	260	(987)

[1] The origination and reversal of timing differences and total tax on profit on ordinary activities has been decreased by £30,000 from the results previously reported for the prior period to reflect the retrospective application of the change in accounting policy The change in policy is further described in the decommissioning costs policy (note 1) and tangible fixed asset note (note 7)

(b) Factors affecting the tax charge for the period

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2009 £000	Restated[1] 2008 £000
Profit on ordinary activities before tax[1]	**642**	1,324
Tax on profit on at the standard UK corporation tax rate of 28% (2008 28 5%)[1]	**180**	377
Effects of		
Depreciation in excess of capital allowances	**(367)**	700
Utilisation of timing differences[1]	**108**	305
Group relief for nil consideration	**34**	(1,488)
UK UK transfer price adjustment	**45**	106
Current taxation charge for the year	-	-

[1] To reflect the retrospective application of the change in accounting policy as described in the decommissioning costs policy (note 1) and the tangible fixed assets note (note 7), the following adjustments have been made from the results previously reported for the prior period in the table above

- Profit on ordinary activities before tax has been increased by £107,000,
- Tax on profit on ordinary activities at standard UK corporation tax rate of 28 percent has been increased by £30,000, and
- Utilisation of timing differences has been decreased by £30,000

Notes to the financial statements (continued)

6 Taxation on profit on ordinary activities (continued)

The standard rate of corporation tax in the UK changed from 30 percent to 28 percent with effect from 1 April 2008 Accordingly the Company's profits for this accounting period are taxed at an effective rate of 28% (2008 28 5%)

7 Tangible fixed assets

The plant and machinery consists of a plant and machinery used to transport and process third party gas flowing through the Easington terminal All the plant and machinery excluding current year additions have reached its estimated residual value during the current year

	Restated[1] Decommissioning Asset £000	**Plant and Machinery £000**	**Restated[1] Total £000**
Cost			
At 1 January 2009	3,008	37,803	40,811
Additions	-	799	799
Inflationary adjustment	112	-	112
Cost at 31 December 2009	3,120	38,602	41,722
Accumulated Depreciation			
At 1 January 2009	(2,195)	(35,736)	(37,931)
Depreciation charge for the year	(284)	(67)	(351)
At 31 December 2009	(2,479)	(35,803)	(38,282)
Net book value at 31 December 2009	641	2,799	3,440
Net book value at 31 December 2008 (Restated)	813	2,067	2,880

[1] Change in accounting policy

During the year the Company has changed its accounting policy with respect to the discounting of the decommissioning provision The Company now capitalises the inflationary unwind of the discount on the decommissioning provision to the decommissioning asset Previously it was expensed in the interest line on the Profit and Loss Account The interest element of the unwinding of the discount to the net present value continues to be reported in the Profit and Loss Account as a financial item and is added to the net interest charge

This change in policy has resulted in an increase of the decommissioning asset by £112,000 (2008 £107,000) Under the old policy the decommissioning asset would have been £423,000 (2008 £707,000) and instead of the asset increasing as explained above the charges would have been included in the net interest charge in the Profit and Loss Account resulting in profit for the being adjusted as described in the table below

Notes to the financial statements (continued)

7 Tangible fixed assets (continued)

The new policy has resulted in the Company's performance being affected as follows

	2009 £000	2008 £000
Decreased interest payable and increased performance on ordinary activities before tax	112	107
Increased tax on ordinary activities	31	30
Increased performance for the financial year	81	77

8 Debtors (amounts falling due within one year)

	2009 £000	2008 £000
Accrued income	343	257
Amounts due from group undertakings	12,914	15,671
	13,257	15,928

Amounts due from group undertakings are unsecured, interest free and repayable on demand

9 Creditors (amounts falling due within one year)

	2009 £000	2008 £000
Amounts owed to group undertakings	3,944	5,547
VAT	56	45
	4,000	5,592

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

10 Provisions for liabilities and charges

Decommissioning liability	2009 £000	2008 £000
As at 1 January	4,467	4,264
Inflationary increase	112	107
Unwinding of discount	101	96
As at 31 December	4,680	4,467

Notes to the financial statements (continued)

10 Provisions for liabilities and charges (continued)

The estimated cost of decommissioning at the end of the life of the storage and production facilities is based on engineering estimates and reports from independent experts Provision is made for the net present value of the estimated cost of decommissioning at the Balance Sheet date The payment date of total expected future decommissioning costs is uncertain, but is currently anticipated to be 2029 for the Rough facility

11 Deferred tax asset (recoverable after more than one year)

Deferred taxation

	Restated(1) £000
Deferred tax asset at 1 January 2009	1,935
Profit and loss credit	(260)
Deferred tax asset at 31 December 2009	1,675

(1) To reflect the retrospective application of the change in accounting policy as described in the decommissioning costs policy (note 1) and the tangible fixed assets note (note 7), the deferred tax asset as at 1 January 2009 has been decreased by £29,000 from what was previously reported

There are no unprovided amounts in 2009 (2008 nil)

The deferred corporation tax asset at 28 percent (31 December 2008 28 percent) is analysed as follows

	2009 £000	Restated(2) 2008 £000
Accelerated capital allowances	**545**	912
Other timing differences	**1,130**	1,023
	1,675	1,935

(2) To reflect the retrospective application of the change in accounting policy as described in the decommissioning costs policy (note 1) and the tangible fixed assets note (note 7), the other timing differences provided for in the table above has been decreased by £29,000 resulting in the same adjustment to the closing balance for the prior period from what was previously reported

12 Called up share capital

	2009 £	2008 £
Authorised		
100 Ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
1 Ordinary share of £1	**1**	1

Notes to the financial statements (continued)

13 Reserves

	Profit and Loss Account £000
Balance at 1 January 2009 as previously reported	10,975
Retrospective adjustment for change in accounting policy	77
Restated balance as at 1 January 2009	11,052
Profit for the year	382
Balance at 31 December 2009	**11,434**

14 Reconciliation of movements in shareholders' funds

	£000
Shareholder's funds as at 1 January 2008 as previously reported	8,741
Retained profit for the year as previously reported	2,234
Retrospective adjustment for change in accounting policy	77
Shareholder's funds as at 1 January 2009	11,052
Profit for the financial year	382
Shareholder's funds as at 31 December 2009	**11,434**

15 Capital and other commitments

The Company had no capital commitments as at 31 December 2009 (2008 nil)

16 Events after the reporting period

Following the decision of the counterparty to the processing contract conduct most of the gas processing actively through its own new facilities, a reduced processing tariff will become payable under revised contractual arrangements

The Company has taken advantage of the provisions of the Companies Act 2006 (the 'Act') to abolish the requirement to have an authorised share capital A Special Resolution was passed by the Company's sole member on 17 February 2010 to delete all provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act, were treated as provisions of the Company's Articles of Association and then by adopting new Articles of Association

17 Ultimate parent company

Centrica plc, a company registered in England and Wales, is the ultimate parent company and ultimate controlling party Centrica plc has 100 percent interest in the equity share capital of GB Gas Holdings Limited, which in turn owns 100 percent of Centrica Storage Holdings Limited Centrica Storage Holdings Limited has a 100 percent interest in the equity share capital of Centrica Onshore Processing UK Limited and is the Company's immediate parent undertaking Centrica plc is the parent company of the largest and smallest group for which consolidated financial statements are drawn up Copies of the ultimate parent company's consolidated financial statements can be obtained from Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD or www centrica com