BG Tunisia Limited

Annual Report and Financial Statements

For the year ended 31 December 2013

Company Registration Number: 2750465

Contents

Strategic report for the year ended 31 December 2013

The Directors present their Strategic report for BG Tunisia Limited for the year ended 31 December 2013.

Review of the business

BG Tunisia Limited (the "Company") was incorporated on 21 September 1992 and is a wholly owned subsidiary of BG General Holdings Limited. The Company carries out the exploration for, and production of, hydrocarbons in Tunisia which, for the purposes of the Companies Act 2006, constitutes one class of business.

The Company holds a 50% interest in the Amilcar permit in Tunisia. The permit is operated by the Company. This percentage represents the Company's equity interest. The Company has sought and been granted (subject to decree publication) an extension of the permit until December 2014.

The Company holds a 100% interest in the offshore Miskar gas field within the Miskar Concession and commercial production commenced on 1 June 1996. Net production of gas and condensate from the Miskar field during 2013 was 7.8 million barrels of oil equivalent (mmboe) (2012: 8.3 mmboe), which satisfies a significant proportion of Tunisia's domestic gas demand. The Miskar concession expires in 2022.

Miskar gas is processed at the on-shore Hannibal Terminal and is sold under a long-term gas sales contract to the Tunisian State Electricity and Gas Company.

The Miskar field has been subject to an impairment of $241,000,000 in the year following a downgrade of reserves in the fourth quarter and a transfer of proved and probable reserves to discovered resources at the year-end following a change in assumptions.

For a more detailed review of the activities, development and performance of the business during 2013 and the position of BG Group at the end of the year, please refer to the BG Group Annual Report and Accounts 2013 – Performance and Risks section on pages 22 to 43.

Principal risks and uncertainties

The Company is subject to a broad range of risks such as political, commodity prices, reserves replacement, people resource and project delivery risk. The Company's revenues are dependent upon the performance of its Miskar field offshore installations and Hannibal onshore operating facilities. The integrity of the Company's assets can be affected by a number of factors including unplanned shutdowns and equipment failure. The Company has a continuing monitoring and maintenance program to reduce the risk of failure.

In addition, the Company faces risks which affect both the Company and BG Group as a whole. These risks are managed at Group level on behalf of the Directors of the Company. Group risks are discussed in the BG Group plc Annual Report and Accounts 2013 which does not form part of this report.

Key performance indicators (KPIs)

The performance of the Company is monitored, reviewed and assessed at group level, and therefore the Directors are of the opinion that analysis of the business of the Company using KPIs is not appropriate for an understanding of the development, performance or position of the business of the Company. For further information about KPIs, in the context of the group as a whole, please refer to the BG Group plc Annual Report and Accounts 2013.

Strategic report for the year ended 31 December 2013 continued

Financial performance and position
As shown in the Company's profit and loss account on page 7, turnover of the Company decreased by 8% to $555,888,000 (2012: $606,357,000) mainly due to the lower production volumes from the Miskar field.

The profit for the year ended 31 December 2013 of $33,133,000 (2012: $115,957,000) has been transferred to reserves.

The balance sheet on page 8 shows that the Company's net assets have decreased by 37%. This is principally due to a reduction in debtors following loan repayment from BG Energy Holdings to fund the Tunisia interim dividend of $728,000,000 and a reduction in fixed assets driven by the impairment of $241,000,000 relating to the Miskar field.

By order of the Board:

C S Barry
Company Secretary

Date: 25.9.2014

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

Registered in England & Wales No. 2750465

Directors' report for the year ended 31 December 2013

The Directors present their report and the audited Financial Statements for BG Tunisia Limited for the year ended 31 December 2013.

Dividend
The Directors declared and paid an interim dividend of $728,000,000 in the year ended 31 December 2013 (2012: $nil). The Directors have not proposed a final dividend (2012: $nil).

Future developments
Future developments are included in the Strategic report.

Post balance sheet events
The Directors of the Company declared and paid an interim dividend of $260,000,000 on 7 March 2014.

On 23 July 2014 the subsidiary BG Tunisian Onshore 29 Limited was renamed BG Group Company Secretaries Limited. On 31 July 2014 the Company's shareholding was transferred to another Group company, BG International Limited for consideration of £1.

On 30 August 2014 the Directors of the subsidiary BG Tunisian Onshore 33 Limited applied to Companies House for striking-off.

Directors
The following served as Directors during the year and up to the date of this report:

	Appointed	Resigned
I J Bradshaw		
J M Collingwood		
M Dhouib		
L M G Rees		
W E Taylor		31 December 2013

Company Secretaries
The following served as joint Company Secretaries during the year and up to the date of this report:

	Appointed	Resigned
C S Barry	22 July 2013	
R L Dunn		
C S Inman		22 July 2013

Directors' insurance
The ultimate parent undertaking has purchased insurance to cover the Directors against liabilities in relation to the Company.

Directors' remuneration
For details of the directors' remuneration, see note 6 to the Financial Statements

Derivative financial instruments and financial risks
The Company did not transact in any derivative financial instruments during the year. Full details of the BG Group policies and procedures surrounding financial risks, financial instruments and details of such transactions can be found in the BG Group Annual Report and Accounts 2013.

Auditors
Pursuant to Section 485 of the Companies Act 2006, Ernst & Young LLP were appointed auditors of the Company for the year ended 31 December 2013 by an ordinary resolution of the shareholder following the expiry of PricewaterhouseCoopers LLP's term of office.

Directors' report for the year ended 31 December 2013 continued

Statement as to disclosure of information to auditors
As required by Sections 418 and 419 of the Companies Act 2006, each of the Directors has approved this report and confirmed that, so far as he is aware, there is no relevant audit information (being information needed by the Auditors in connection with preparing their audit report) of which the Company's Auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Statement of Directors' responsibilities
The Directors are responsible for preparing the Annual Report and 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). The Financial Statements are required by law to 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 year.

The Directors consider that in preparing the Financial Statements on pages 9 to 18 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all applicable accounting standards have been followed and that the Financial Statements have been prepared on the going concern basis. The Company has complied with UK disclosure requirements.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the Financial Statements comply with the Companies Act 2006.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors, having prepared the Financial Statements, have requested the Auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit report.

By order of the Board:

C S Barry
Company Secretary

Date: 25.9.2014

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

Registered in England & Wales No. 2750465

Independent Auditor's report to the member of BG Tunisia Limited

We have audited the Financial Statements of BG Tunisia Limited for the year ended 31 December 2013 which comprise the Profit and loss account, Statement of total recognised gains and losses, the Balance sheet and the related notes 1 to 21. 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).

This report is made solely to the Company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' responsibilities as 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. Our responsibility is to audit and express an opinion on 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.

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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its profit for the year;
- 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 Strategic report and the Directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Independent Auditor's report to the member of BG Tunisia Limited continued

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.

Ernst & Young LLP

Gary Donald
(Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 29\9\14

Profit and loss account for the year ended 31 December

	Notes	2013 $000	2012 $000 *Restated
Turnover	3	**555,888**	606,357
Operating costs		**(161,162)**	(183,231)
Exploration expenditure		**(1,866)**	(4,170)
Depreciation		**(143,717)**	(161,597)
Operating costs - impairment	4	**(241,000)**	-
Operating profit	5	**8,143**	257,359
Net interest receivable/(payable) and similar income/(charges)	7	**19,442**	5,972
Profit on ordinary activities before taxation		**27,585**	263,331
Tax on profit on ordinary activities	8	**5,548**	(147,374)
Profit for the financial year	17, 18	**33,133**	115,957

*The prior year disclosures have been restated after it was identified that revenue and the related debtor account had been overstated in 2012 by $8,728,000.

The results for the year are derived solely from continuing operations.

There is no difference between the historical cost profits and losses and the results presented.

The notes on pages 9 to 18 form part of these Financial Statements.

Statement of total recognised gains and losses for the year ended 31 December

	Notes	2013 $000	2012 $000
Profit for the financial year		**33,133**	115,957
Prior year adjustment*		**(8,728)**	-
Total recognised gains and losses for the financial year		**24,405**	115,957

*The prior year disclosures have been restated after it was identified that revenue and the related debtor account had been overstated in 2012 by $8,728,000.

Balance sheet as at 31 December

	Notes	**2013** **$000**	2012 $000 *Restated
Fixed assets			
Tangible assets	9	**909,532**	1,416,175
Investments	10	**674,555**	674,555
		1,584,087	2,090,730
Current assets			
Stocks	11	**22,185**	18,983
Debtors: amounts falling due within one year	12	**283,496**	1,009,399
Debtors: amounts falling due after more than one year	13	**175,323**	-
Cash at bank and in hand		**38,374**	16,000
		519,378	1,044,382
Creditors: amounts falling due within one year	14	**(740,796)**	(789,199)
Net current (liabilities)/assets		**(221,418)**	255,183
Total assets less current liabilities		**1,362,669**	2,345,913
Provisions for liabilities and charges	15	**(186,703)**	(475,080)
Net assets		**1,175,966**	1,870,833
Capital and reserves			
Called up share capital	16	**211,000**	211,000
Share premium account	17	**41,962**	41,962
Profit and loss account	17	**923,004**	1,617,871
Equity shareholder's funds	18	**1,175,966**	1,870,833

*The prior year disclosures have been restated after it was identified that revenue and the related debtor account had been overstated in 2012 by $8,728,000.

The notes on pages 9 to 18 form part of these Financial Statements.

The Financial Statements on pages 7 to 18 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

JCollingwood

J M Collingwood
Director

Date: 25 Sept 2014

Notes to the Financial Statements

1 Ultimate parent undertaking

The immediate parent undertaking is BG General Holdings 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 the Group consolidated accounts may be obtained from the Company Secretary, 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT.

2 Accounting policies

Basis of preparation and accounting principles
The Company is in a net current liabilities position as at 31 December 2013. The Directors of the Company have received confirmation from the Directors of BG Energy Holdings Limited that the entity intends to financially support the Company to enable it to meet its liabilities as they fall due and carry on its business without curtailment of its operations. As a result, the Directors consider the going concern basis of preparation to be appropriate.

These accounts have been prepared on the going concern basis and in accordance with applicable law and Accounting Standards in the United Kingdom, using historical cost principles. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The accounting policies, where applicable, are materially in accordance with a Statement of Recommended Practice (SORP) issued by the Oil Industry Accounting Committee entitled 'Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities' although the accounting policies differ from SORP as follows. The SORP requires depreciation of licence acquisition costs on a straight line basis over the period of the licence, whereas the Company depreciates licence acquisition costs (once transferred to tangible fixed assets on the determination of proved reserves), on a unit of production basis, consistent with the treatment of other exploration fixed assets. The SORP sets out certain specific rules for impairment test cash flow calculations which, whilst appropriate for a value in use calculation, are not necessarily appropriate for a net realisable value calculation, which the Company may perform on a post-tax basis including certain future capital expenditure.

In addition, the SORP recommends the disclosure of oil and gas reserve quantities. The oil and gas reserve quantities of the Company are included in the oil and gas reserve quantities disclosed in the Annual Report and Accounts of the Company's parent, BG Group plc. The Directors have elected not to publish this information for the Company as the information is disclosed by BG Group plc on a consolidated basis and this disclosure is analysed geographically. The consolidated disclosures and the basis on which the information is disclosed can be found on pages 134 to 137 of the Annual Report and Accounts of BG Group plc for the year ended 31 December 2013.

Where the Company has entered into joint operating agreements with other companies to participate in exploration, development and production activities, the Company records its own share of the assets, liabilities, income and expenses including the Company's share of expenditure incurred by the operator.

Notes to the Financial Statements continued

2 Accounting policies continued

Exemptions
The Company is a wholly owned subsidiary undertaking of BG Group plc and is therefore exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated accounts.

The Company has taken advantage of the exemptions available to wholly owned UK subsidiaries under Financial Reporting Standard (FRS) 1 (Revised 1996) 'Cash Flow Statements' and accordingly has not prepared a cash flow statement; and within FRS 8 'Related Party Disclosures' and paragraph 72 of Schedule 1 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from disclosure of transactions with other group companies.

Exploration expenditure
The Company accounts for exploration under the successful efforts method. Exploration expenditure, including licence acquisition costs, is capitalised as an intangible fixed asset when incurred and certain expenditure, such as geological and geophysical exploration costs, is expensed. A review of each licence or field is carried out, at least annually, to ascertain whether proved reserves have been discovered. When proved reserves are determined, the relevant expenditure, including licence acquisition costs, is transferred to intangible fixed assets and depreciated on a unit of production basis. Expenditure deemed to be unsuccessful is written off to the profit and loss account.

Decommissioning costs
Where a legal or constructive obligation has been incurred, provision is made for the net present value of the estimated cost of decommissioning at the end of the producing lives of the assets. When this provision gives access to future economic benefits, an asset is recognised and then subsequently depreciated in line with the life of the underlying producing asset, otherwise the costs are charged to the profit and loss account. The unwinding of the discount on the provision is included in the profit and loss account within the net interest charge. Any changes to estimated costs or discount rates are dealt with prospectively.

Tangible fixed assets
All tangible fixed assets are carried at depreciated historical cost. Additions represent extensions to or significant increases in, the capacity of tangible fixed assets.

Depreciation
Tangible fixed assets, except exploration and production assets, are depreciated on a straight-line basis at rates sufficient to write off the historical cost less residual value of individual assets over their estimated useful lives. Asset lives and residual values are reassessed annually. The depreciation periods for the principal categories of assets are as follows:

Furniture, fittings, motor vehicles and office equipment	up to 10 years

Exploration and production assets are depreciated from the commencement of production in the fields concerned, using the unit of production method based on the proved developed reserves of those fields, except that a basis of total proved reserves is used for acquired interests and facilities.

Changes in depreciation estimates are dealt with prospectively.

Notes to the Financial Statements continued

2 Accounting policies continued

Impairment of fixed assets
Any impairment of fixed assets is calculated as the difference between the carrying values of cash generating units and their recoverable amounts, being the higher of the estimated value in use or net realisable value at the date the impairment loss is recognised. Value in use represents the net present value of expected future cash flows discounted on a pre-tax basis. Net realisable value is based on the best evidence available to the Company, and may include appropriate valuation techniques, market data or sales of comparable assets.

Impairment of fixed assets is recognised in the profit and loss account within operating costs.

Fixed asset investments
Fixed asset investments are stated at cost less provision for impairment.

Stocks
Stocks, including stocks of gas, liquefied natural gas (LNG), and oil held for sale in the ordinary course of business, are stated at weighted average historical cost less provision for deterioration and obsolescence or, if lower, net realisable value.

Revenue
Revenue associated with exploration and production sales (of natural gas, crude oil and petroleum products) is recorded when title passes to the customer. Revenue from the production of hydrocarbons in which the Company has an interest with other producers is recognised on the basis of the Company's working interest and the terms of the relevant production sharing contracts (entitlement method). All other revenue is recognised when title passes to the customer.

Deferred taxation
Provision is made in full, on an undiscounted basis, for the deferred tax arising on the difference between the accounting treatment and tax treatment for depreciation in respect of accelerated capital allowances and other timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

Foreign currencies
Management considers that the Company's functional currency is US Dollars and the Financial Statements are presented in that currency. Transactions in foreign currencies are translated into US Dollars at the rates of exchange ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Differences arising from changes in exchange rates are taken to the profit and loss account in the year in which they arise.

Financial instruments
All loans are stated at the fair value of the consideration paid/received less any repayments and if necessary, provisions for impairment.

Leases
Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Notes to the Financial Statements continued

3 Turnover

Turnover, which excludes value added tax and is stated gross of royalties, represents amounts receivable for sales of hydrocarbons and tariff income as follows:

	2013 $000	2012 $000 *Restated
Condensate	84,467	84,380
Gas	470,339	520,948
Tariff, Gas Transportation & Processing - External	1,082	1,029
	555,888	606,357

*The prior year disclosures have been restated after it was identified that revenue and the related debtor account had been overstated in 2012 by $8,728,000.

4 Impairment and loss on disposal of fixed assets

During the fourth quarter of 2013, the Company downgraded reserves and transferred proved and probable reserves to discovered resources following a change in assumptions. This resulted in an impairment of $241,000,000 (2012: $nil), calculated on a net realisable value basis.

5 Operating profit

The operating profit before taxation is stated after charging/(crediting):

	2013 $000	2012 $000
Depreciation of tangible owned fixed assets	143,717	161,597
Gain on disposal of fixed assets	(403)	(321)
Impairments	241,000	-
	384,314	161,276
Operating leases:		
Plant, machinery & equipment	1,529	1,365
	1,529	1,365
Employee costs are included as follows[(a)]:		
Wages and salaries	23,959	23,095
Social security costs	6,294	5,067
Pension costs	1,291	902
	31,544	29,064

[(a)] All employee costs are shown gross of recharges to other companies within BG Group plc.

The auditor's remuneration of $9,163 (2012: $12,200), has been borne by BG Energy Holdings Limited and has not been recharged to the Company. Any fees paid to the Company's auditor and its associates for services other than the statutory audit of the Company are not disclosed in these accounts since the consolidated accounts of the Company's ultimate parent, BG Group plc are required to disclose non-audit fees on a consolidated basis.

Notes to the Financial Statements continued

5 Operating profit continued

The average number of employees during the year was:

	2013	2012
	Number	Number
United Kingdom	**16**	12
Tunisia	**379**	367
	395	379

6 Directors' remuneration

The total remuneration for all serving directors for their period of directorship to the Company is disclosed below. A number of Directors are considered group function Directors of the BG Group and received no remuneration for services to the Company.

	2013	2012
	$000	$000
Remuneration	**282**	260
Pension scheme contributions	**51**	48
	333	308

Retirement benefits are accruing to no Directors (2012: none) under a defined benefit scheme and to two Directors (2012: two) under a defined contribution scheme.

No Directors (2012: one) exercised share options and two Directors (2012: two) received shares under long-term incentive plans.

The remuneration of the Directors has been borne by another Group company. Where some or all of the remuneration of the Directors has been recharged, it has been included in the profit and loss account.

Highest paid Director	**2013**	2012
	$000	$000
Remuneration	**229**	214
Pension scheme contributions	**49**	47
	279	261

The highest paid Director was accruing retirement benefits under a defined contribution scheme and had no accrued pension or lump sum under a defined benefit pension scheme as at 31 December 2013 (2012: defined contribution).

The highest paid Director has not exercised share options during the year (2012: exercised) but received shares under long-term incentive plans during the year (2012: received shares).

Notes to the Financial Statements continued

7 Net interest receivable/(payable) and similar income/(charges)

	2013	2012
	$000	$000
Interest payable on amounts owed to group undertakings	**(6,481)**	(108)
Foreign exchange gain/(loss)	**28,748**	(3,886)
Interest receivable	**2,755**	15,590
	25,022	11,596
Unwinding of discount on provisions	**(5,580)**	(5,624)
	19,442	5,972

8 Tax on profit on ordinary activities

	2013	2012
The charge/(credit) for taxation comprises:	**$000**	$000
Current Tax		
UK corporation tax at 23.25% (2012: 24.5%)	**95,342**	103,310
Double tax relief	**(86,931)**	(102,600)
UK Corporation tax under provision in prior year	**-**	4
Foreign tax for the year	**86,931**	117,406
Foreign tax under provision in prior year	**3,376**	7,232
Total current tax charge	**98,718**	125,352
Deferred Tax		
Deferred tax current year (credit)/charge	**(111,142)**	6,277
Under provision of deferred tax in prior years	**6,876**	15,745
Total deferred tax (credit)/charge	**(104,266)**	22,022
Total tax (credit)/charge for the year	**(5,548)**	147,374

Factors affecting the tax charge for the year:	**2013**	2012
	$000	$000
Profit on ordinary activities before tax	**27,585**	263,331
Tax on profit on ordinary activities at 23.25% (2012: 24.5%)	**6,413**	64,509
Effects of:		
Depreciation in excess of capital allowances	**30,005**	40,514
Other timing differences	**1,390**	1,392
Foreign tax	**86,931**	117,406
Impairment of fixed assets	**56,024**	-
Double tax relief	**(86,931)**	(102,600)
Under provision of tax in prior years	**3,376**	7,236
Expenses not deductible for tax purposes	**4**	4
Non-taxable income	**1,506**	(3,109)
Current year tax charge	**98,718**	125,352

Effective 1 April 2013, the applicable rate of UK corporation tax is reduced to 23%, with further reductions in the UK corporation tax rate to 21% effective from 1 April 2014 and 20% from 1 April 2015.

Notes to the Financial Statements continued

9 Tangible assets

Cost	Proved oil and gas properties in production and development $000	Furniture, fittings, office equipment and motor vehicles $000	Total $000
At 1 January 2013	2,550,992	69,336	2,620,328
Additions	82,392	1,079	83,471
Disposals and transfers	(257,477)	(845)	(258,322)
At 31 December 2013	**2,375,907**	**69,570**	**2,445,477**
Accumulated depreciation			
At 1 January 2013	1,157,562	46,590	1,204,152
Charge for the year	133,494	10,223	143,717
Disposals and transfers	(51,653)	(1,271)	(52,924)
Impairment	241,000	-	241,000
At 31 December 2013	**1,480,403**	**55,542**	**1,535,945**
Net book value			
At 31 December 2013	**895,504**	**14,028**	**909,532**
At 31 December 2012	1,393,429	22,746	1,416,175

10 Investments

Cost and net book value	Shares in subsidiary undertakings $000
At 1 January 2013 and 31 December 2013	**674,555**

The Company's principal subsidiary undertakings as at 31 December 2013 comprise:

Name	Country of Incorporation	Activity	Direct interest in ordinary shares	Indirect interest in ordinary shares
BG Hasdrubal Limited	England & Wales	Exploration and production	100%	-
BG Tunisian Onshore 29 Limited	England & Wales	Dormant Company	100%	-
BG Tunisian Onshore 33 Limited	England & Wales	Dormant Company	100%	-
BG Tunisia LPG, S.A.	Tunisia	Exploration and production	100%	-
Tunisian Processing, S.A.	Tunisia	Exploration and production	99.99%	-

Notes to the Financial Statements continued

11 Stocks

	2013 $000	2012 $000
Raw materials and consumables	**22,185**	18,983

12 Debtors: amounts falling due within one year

	2013 $000	2012 $000 *Restated
Trade debtors	**159,021**	311,227
Amounts owed by group undertakings	**59,319**	650,207
Other debtors	**62,935**	45,533
Prepayments and accrued income	**2,221**	2,432
	283,496	1,009,399

*The prior year disclosures have been restated after it was identified that revenue and the related debtor account had been overstated in 2012 by $8,728,000.

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

13 Debtors: amounts falling due after more than one year

	2013 $000	2012 $000
Amounts owed by group undertakings	**175,323**	-

Amounts owed by group undertakings includes $174,444,233 (2012: $nil) which is unsecured, bears interest at a rate of LIBOR less 0.10 per cent per annum and is repayable on 31 December 2017.

14 Creditors: amounts falling due within one year

	2013 $000	2012 $000
Trade creditors	**1,059**	1,603
Bank loans and overdraft	**-**	23,813
Amounts owed to group undertakings	**640,096**	677,216
Amounts owed to group undertakings in respect of taxation	**9,121**	760
Other creditors	**17,286**	18,505
Taxation	**30,869**	26,203
Accruals and deferred income	**42,365**	41,099
	740,796	789,199

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

Notes to the Financial Statements continued

15 Provisions for liabilities and charges

	Deferred Taxation $000	Decommissioning costs $000	Total $000
At 1 January 2013	290,969	184,111	475,080
Deferred tax credit	(104,266)	-	(104,266)
Decrease in provision	-	(189,691)	(189,691)
Unwinding of discount	-	5,580	5,580
At 31 December 2013	**186,703**	**-**	**186,703**

Deferred taxation	**2013**	2012
The deferred taxation provision comprises:	**$000**	$000
Accelerated capital allowances	**7,855**	124,760
Other timing differences	**178,848**	166,209
	186,703	290,969

The Company's decommissioning provision was derecognised on 31 December 2013 as it is now assumed that the Government of Tunisia will operate the Miskar field beyond the end of the Company's concession period in 2022.

16 Called up share capital

	2013	2012
	$000	$000
Allotted and fully paid:		
141,137,127 ordinary shares of £1 each	**211,000**	211,000

The allotted share capital is shown in US Dollars at the prevailing rate of exchange as at the date of issue.

17 Reserves

	Share premium account $000	Profit and loss account $000 *Restated	Total $000
At 1 January 2013 as previously reported	41,962	1,626,599	1,668,561
Prior year adjustment *	-	(8,728)	(8,728)
At 1 January 2013 as restated	41,962	1,617,871	1,659,833
Transfer from profit and loss account	-	33,133	33,133
Dividends paid	-	(728,000)	(728,000)
At 31 December 2013	**41,962**	**923,004**	**964,966**

*The prior year disclosures have been restated after it was identified that revenue and the related debtor account had been overstated in 2012 by $8,728,000.

Notes to the Financial Statements continued

18 Reconciliation of movements in shareholder's funds

	2013 $000	2012 $000 *Restated
At 1 January as previously reported	**1,879,561**	1,754,876
Prior year adjustment *	**(8,728)**	-
At 1 January as restated	**1,870,833**	1,754,876
Transfer from profit and loss account	**33,133**	115,957
Dividends paid	**(728,000)**	-
At 31 December	**1,175,966**	1,870,833

*The prior year disclosures have been restated after it was identified that revenue and the related debtor account had been overstated in 2012 by $8,728,000.

19 Capital commitments and contingencies

As at 31 December 2013, the Company had placed contracts for capital expenditure amounting to $6,216,000 (2012: $2,223,000)

It is a condition of the licences received by the consortia, in which the Company is a participant, that a well or wells should be drilled in each licence area in the period which the licence is issued. The Company's share of the estimated future costs of drilling such wells amounted to $30,000,000 as at 31 December 2013 (2012: $30,000,000).

The Company has contingent liabilities relating to decommissioning obligations of $163,000,000 as at 31 December 2013 (2012: $nil).

20 Commitments under operating leases

At 31 December 2013, the Company was committed to making the following payments under operating leases for land and buildings during the next 12 months:

	2013 $000	2012 $000
Lease commitments expiring:		
Within one year	**882**	1,081
Between two and five years	**26**	27
After five years	**274**	257
	1,182	1,365

21 Post balance sheet events

The Directors of the Company declared and paid an interim dividend of $260,000,000 on 7 March 2014.

On 23 July 2014 the subsidiary BG Tunisian Onshore 29 Limited was renamed BG Group Company Secretaries Limited. On 31 July 2014 the Company's shareholding was transferred to another Group company, BG International Limited for consideration of £1.

On 30 August 2014 the Directors of the subsidiary BG Tunisian Onshore 33 Limited applied to Companies House for striking-off.