Company Registration No.1483021

Deloitte
& Touche

CALENERGY GAS (UK) LIMITED

Report and Financial Statements

31 December 2000

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR



Deloitte
& Touche

REPORT AND FINANCIAL STATEMENTS 2000

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Statement of cash flows	7
Reconciliation of net cash flow to movement in net debt	7
Notes to the accounts	8

Deloitte
& Touche

REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G E Abel
P E Connor
J G Davies
J J Treen
P R A Youngs

SECRETARY

M J Sparkes

REGISTERED OFFICE

60 Grays Inn Road
London WC1X 8LU

BANKERS

Lloyds TSB Bank PLC
102 Grey Street
Newcastle upon Tyne
NE99 1SL

SOLICITORS

Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

Deloitte & Touche

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2000.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £707,000 (1999: £3,516,000). No dividend was paid during the year (1999: £3,767,000). The directors do not recommend that a final dividend be paid for the year and that the £707,000 be transferred to reserves.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

On 14 March 2000, the shares of CalEnergy Gas (UK) Limited's ultimate parent, MidAmerican Energy Holdings Company, were acquired by an investment group including Berkshire Hathaway, Inc., Walter Scott and David L Sokol.

The principal activity of the Company is the exploration for and production of hydrocarbons, principally natural gas. The directors expect the general level of activities to continue for the foreseeable future. The Company will continue to invest in exploration and development of natural gas fields.

Exploration and appraisal activities in Australia are carried out within an Australian branch.

CREDITORS PAYMENT POLICY

It is the company's normal practice to make payments to suppliers in accordance with agreed credit terms.

DIRECTORS

The directors who served during the year ended 31 December 2000 were as follows:

G E Abel
P E Connor
J G Davies
J J Treen
P R A Youngs

No director had any interests in the shares of the Company, or any other group company incorporated in Great Britain.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

M J Sparkes
Secretary
23rd May 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the Company's system of internal financial controls and for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

Tel: National 020 7936 3000
International + 44 20 7936 3000
Fax (Gp. 3): 020 7583 8517
LDE: DX 599
www.deloitte.co.uk

Deloitte & Touche

AUDITORS' REPORT TO THE MEMBERS OF

CALENERGY GAS (UK) LIMITED

We have audited the financial statements on pages 5 to 19, which have been prepared under the accounting policies set out on pages 8 to 10.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche

Chartered Accountants and Registered Auditors

23 May 2001

Deloitte Touche Tohmatsu

Aberdeen, Belfast, Birmingham, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, St Albans and Southampton.

Principal place of business at which a list of partners' names is available: Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Deloitte & Touche

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2000

	Note	2000 £'000	1999 £'000
TURNOVER			
Continuing operations		34,994	14,019
Acquisitions		-	7,996
	2	34,994	22,015
Cost of sales	3	(27,620)	(18,821)
GROSS PROFIT		7,374	3,194
Administrative expenses		(192)	(132)
Other operating expenses		(14)	(108)
OPERATING PROFIT / (LOSS)			
Continuing operations		7,168	(390)
Acquisitions		-	3,344
	3	7,168	2,954
Interest receivable and similar income	6	373	223
Interest payable and similar charges	7	(4,482)	(2,958)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,059	219
Tax on profit on ordinary activities	8	(2,352)	3,297
PROFIT AFTER TAXATION		707	3,516
Dividends		-	(3,767)
RETAINED PROFIT / (LOSS) TRANSFERRED TO/(FROM) RESERVES	17	707	(251)

There were no other recognised gains or losses for the current or preceding years and accordingly no Statement of Recognised Gains and Losses is presented.

Deloitte & Touche

BALANCE SHEET
31 December 2000

	Note	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	9	102,811	123,142
Investments	10	312	312
		103,123	123,454
CURRENT ASSETS			
Stocks	11	283	500
Debtors	12	7,151	13,267
Cash at bank and in hand		2,943	800
		10,377	14,567
CREDITORS: amounts falling due within one year	13	(16,490)	(24,054)
NET CURRENT LIABILITIES		(6,113)	(9,487)
TOTAL ASSETS LESS CURRENT LIABILITIES		97,010	113,967
CREDITORS: amounts falling due after more than one year	14	(48,899)	(65,979)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred petroleum revenue tax	15	(1,592)	(1,850)
Abandonment	15	(8,099)	(8,425)
		(9,691)	(10,275)
NET ASSETS		38,420	37,713
CAPITAL AND RESERVES			
Called up share capital	16,17	35,704	35,704
Profit and loss account	17	1,552	671
Revaluation reserve	17	1,164	1,338
EQUITY SHAREHOLDERS' FUNDS	17	38,420	37,713

These financial statements were approved by the Board of Directors on 23 May 2001.

Signed on behalf of the Board of Directors

P R A Youngs
Director

Deloitte & Touche

STATEMENT OF CASH FLOWS
Year ended 31 December 2000

	Note	2000 £'000	1999 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	18a	26,184	9,809
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	18b	(4,309)	(2,628)
TAXATION	18b	1,847	1,955
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	18b	(457)	(53,211)
EQUITY DIVIDENDS PAID		-	(3,767)
FINANCING	18b	(21,122)	48,043
INCREASE IN CASH	18c	2,143	201

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
Year ended 31 December 2000

	Note	2000 £'000	1999 £'000
Increase in cash		2,143	201
Cash outflow/(inflow) from decrease/(increase) in loans		21,000	(45,000)
Change in net debt resulting from cash flows		23,143	(44,799)
(Decrease) / increase in loan from parent company		122	(3,043)
MOVEMENT IN NET DEBT	18c	23,265	(47,842)
NET DEBT AT 1 JANUARY	18c	(72,477)	(24,635)
NET DEBT AT 31 DECEMBER	18c	(49,212)	(72,477)

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Investments

Investments are carried at cost less any provision for permanent impairment.

Joint ventures

Exploration, development and production activities are conducted as co-licensee in joint ventures with other companies. The accounts reflect the relevant proportions of production, capital expenditure, operating costs and current assets and liabilities applicable to the Company's interests.

Oil and gas assets

Oil and gas assets are stated at cost or valuation, net of depletion and provision for permanent diminution in value. The oil and gas assets were revalued by the directors in December 1996. No deferred tax was provided in respect of the revaluation.

Expenditure on oil and gas properties are accounted for using the full cost method. Under this method, exploration, appraisal and development costs are capitalised in appropriate cost pools.

Capitalised costs, other than costs of unevaluated exploration projects and projects awaiting development consent, are depleted using a unit of production method.

Depletion is calculated based on hydrocarbon reserves of properties in the evaluated pool estimated to be commercially recoverable and include anticipated future development costs in respect of these reserves.

Capitalised costs relating to exploration licences are initially classified as assets under appraisal. These costs are transferred to the evaluated pool at the commencement of a development programme or at the conclusion of an appraisal programme when there are indications of impairment.

Other fixed assets

Other fixed assets, being office equipment, are stated at cost less amounts written off. Depreciation is calculated to write down the cost, less estimated residual value, of these assets on a straight line basis over their expected useful lives. Depreciation is charged on office equipment at a rate of 20% per annum.

Commercial reserves

Commercial reserves used in the unit of production calculations are proven and probable oil and gas reserves as defined in SORP 2. Reserves are based on estimates provided by the operators.

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

1. ACCOUNTING POLICIES (continued)

Ceiling test

The carrying value of fields within the depletable cost pools are assessed for impairment at each balance sheet date and any impairment identified is provided for. The assessment is made on the basis of future oil prices, exchange rates and cost levels forecast at the balance sheet date.

Over and underlifts

The quantities of oil and other hydrocarbons lifted by the Company may differ from its equity share of production giving rise to over or underlifts which are accounted for as follows:

(i) an overlift of production from a field is included in accruals and valued at the year end spot price or prevailing contract price; and

(ii) an underlift of production from a field is included in other debtors and valued at the year end spot price or prevailing contract price.

Any adjustment for overlift or underlift is reflected within cost of sales.

Turnover

Turnover represents the sales value of the Company's share of oil and gas lifting during the year (net of VAT).

Deferred income

Receipts under gas sales contracts, whereby the buyer must pay for minimum levels of gas made available in excess of gas actually taken in each period, are treated as deferred income and released to turnover as related deliveries are made in future periods.

Corporation tax

Corporation tax payable is provided on taxable profits at the current rate.

The taxation assets of the Company can be realised wholly or in part by the surrender of losses by or to other group companies. The tax benefits arising from consortium relief are recognised in the accounts of the surrendering and recipient companies.

Deferred corporation tax (which arises from differences in the timing of the recognition of items in the accounts and by the tax legislation) has been calculated on the liability method. Deferred corporation tax is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal, except when it is probable that a liability or asset will not crystallise in the foreseeable future.

Interest

Interest on borrowings to finance the acquisition of producing interests is written off in the profit and loss account as incurred. Interest on borrowings to finance fields under development is capitalised within fixed assets.

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

1. ACCOUNTING POLICIES (continued)

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All exchange differences thus arising are reported as part of the results for the year.

Leases

The Company enters into operating leases. The rental payments under operating leases are substantially included as part of the costs incurred on exploration and development.

Revaluation of oil and gas properties

Surpluses or deficits arising on revaluation are transferred to a revaluation reserve. Where depletion charges are increased following a revaluation, an amount equivalent to such increase is transferred annually from the revaluation reserve to the profit and loss reserve.

Stock

Stock is held on the balance sheet at the lower of cost and net realisable value.

Pensions

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme operated within the Company in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

2. SEGMENTAL INFORMATION

Contributions to turnover and profit on ordinary activities before taxation were all from the sale of hydrocarbons in the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2000 £'000	1999 £'000
Operating expenses	11,290	8,559
Depletion	16,330	10,262
Total Cost of Sales	27,620	18,821
Depreciation on office equipment	105	136
Staff costs (see note 5)	1,804	1,665

Auditors' remuneration was borne by another group company in the current and preceding financial years

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

4. DIRECTORS' EMOLUMENTS

	2000 £'000	1999 £'000
Emoluments	361	342
	No.	**No.**
Members of defined benefit schemes	3	3

The emoluments of the highest paid director during the year were £144,087 (1999: £134,207) and his accrued pension was £15,875 (1999: £14,111) as at 31 December 2000.

5. STAFF COSTS

	2000 £'000	1999 £'000
Wages and salaries	1,454	1,371
Social security costs	178	127
Other pension costs	172	167
	1,804	1,665

The Company contributes to the Electricity Supply Pension Scheme. The average number of persons employed during the year in all departments was 30 (1999 – 26).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £'000	1999 £'000
Bank interest receivable	104	92
Other interest receivable	179	95
Exchange gain	90	36
	373	223

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £'000	1999 £'000
Bank loans	4,023	2,776
Other interest payable and similar charges	56	50
	4,079	2,826
Add: Unwinding of discount on provisions (see note 15, page 15)	506	132
Less: amount of interest added to the cost of assets under development	(103)	
Total interest payable and similar charges	4,482	2,958

The tax relief obtained in the year in respect of interest costs capitalised has reduced the tax charge by 30% (1999 – nil). No provision has been made for the potential tax liability which might arise in respect of the capitalised interest element of assets, if these assets were/are sold, since it is anticipated that any tax liability will be rolled over into a replacement asset.

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000	1999 £'000
Based on profit for the year:		
Group relief receivable	-	(3,893)
Adjustment in respect of prior years	976	823
Corporation tax payable	1,180	-
	2,156	(3,070)
Petroleum revenue tax:		
Current	455	144
Deferred	(259)	(371)
	2,352	(3,297)

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

9. TANGIBLE FIXED ASSETS

	Exploration and production interests			
	Assets under appraisal £'000	Depletable cost pool £'000	Office equipment £'000	Total £'000
Cost or revaluation:				
At 1 January 2000	18,411	131,401	999	150,811
Additions	282	2,933	131	3,346
Transfers	(4,501)	4,501	-	-
Disposals	-	(7,242)	-	(7,242)
At 31 December 2000	14,192	131,593	1,130	146,915
Depreciation:				
At 1 January 2000	-	27,099	570	27,669
Charge for the year	-	16,330	105	16,435
Disposals	-	-	-	-
At 31 December 2000	-	43,429	675	44,104
Net book value:				
At 31 December 2000	14,192	88,164	455	102,811
At 31 December 1999	18,411	104,302	429	123,142

	2000 £'000	1999 £'000
If tangible fixed assets had not been revalued, they would have been included at the following amounts:		
Cost	150,156	154,052
Aggregate depreciation	(48,509)	(32,248)
	101,647	121,804

Additions during the year included capitalised interest of £103,360 (1999 - £ nil). The net book value of capitalised interest at 31 December 2000 was £207,184 (1999 - £140,323).

10. INVESTMENTS

Five million shares in Empire Oil and Gas NL were acquired on 18 August 1997 for A$667,000 (£311,537). Flotation of Empire Oil and Gas took place on 15 January 1999 at 9 cents/share. The sterling value of the shares on 31 December 2000 was £168,704. No write down of the investment has been taken as the directors viewed the reduction in the investment value as temporary.

11. STOCK

All stock is classified as finished goods.

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

12. DEBTORS

	2000 £'000	1999 £'000
Amounts falling due within one year:		
Trade debtors	3,853	6,492
Amounts receivable from joint venture partners	781	176
Amounts receivable from group undertakings	2,039	3,468
Group relief recoverable	-	2,886
Other debtors	263	50
Prepayments	215	195
	7,151	13,267

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £'000	1999 £'000
Bank loans secured	4,771	9,584
Amounts payable to joint venture partners	1,665	1,101
Amounts payable to group undertakings	5,275	5,672
Corporation tax payable	1,180	-
Petroleum revenue tax payable	13	8
VAT payable	955	254
Other creditors	823	25
Accruals and deferred income	1,808	7,410
	16,490	24,054

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £'000	1999 £'000
Bank loans secured	44,229	60,416
Deferred Revenue	4,670	5,563
	48,899	65,979
The bank loans, which are repayable by instalments, are due as follows:		
Between one and two years	13,329	11,952
Between two and five years	30,900	48,427
Over five years	-	37
	44,229	60,416

The outstanding secured bank loan, as at 31 December 2000 is a limited recourse loan repayable only from the future income from licence interests. It is predicted that repayments will commence during 2001 and, based on current production profiles, it is estimated that loan repayments will be completed within five years, with the final repayment in 2005. The interest rate on the loan is based on LIBOR plus a variable percentage rate. The loan is secured over the producing fields.

15. PROVISIONS FOR LIABILITIES AND CHARGES

	As at 1 January 2000 £'000	Profit and loss credit £'000	Repayment £'000	Transfers and other adjustments (i) £'000	As at 31 December 2000 £'000
Abandonment costs	8,425	-	-	(326)	8,099
Deferred petroleum revenue tax	1,850	(196)	(62)	-	1,592
Total	10,275	(196)	(62)	(326)	9,691

(i) includes unwinding of discount (abandonment costs) added to net interest amounting to £506,000 (see note 7, page 12) and reduction in the abandonment asset of £831,000.

A brief description of each provision together with estimates of the timing of expenditure is given below.

Abandonment costs

The estimated cost of abandonment at the end of the producing lives of fields is based on engineering estimates provided by the operator and independent experts. Provision is made for the estimated costs of abandonment at the balance sheet date. The payment dates of total expected future abandonment costs is uncertain, but are currently anticipated to be between 2007 and 2017.

It is assumed that certain abandonment costs will be allowable for petroleum revenue tax and corporation tax purposes when incurred.

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

15. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

Deferred petroleum revenue tax

Provision is made for petroleum revenue tax over the expected life of each field on a unit of production basis. It takes into account the estimated benefit of uplift, oil allowance, exploration expenditure relief, safeguard and abandonment costs and using the relevant gas prices and cost levels prevailing at the balance sheet date. It represents liabilities expected to crystallise on certain North Sea fields. Payments of petroleum revenue tax are made monthly based on twice-yearly tax returns.

Deferred corporation tax

No provision has been made for deferred corporation tax as, in the opinion of the directors, the timing differences will not reverse in the foreseeable future.

The amount of unprovided deferred corporation taxation is computed at the appropriate rate of corporation tax of 30%:

	2000 £'000	1999 £'000
Accelerated capital allowances	11,668	11,165
Petroleum revenue tax	(481)	(557)
Abandonment	(766)	(321)
Losses	-	(515)
Deferred Income	(1,401)	(1,669)
	9,020	8,103

16. CALLED UP SHARE CAPITAL

	2000 £'000	1999 £'000
Authorised:		
50,000,000 ordinary shares of £1 each	50,000	50,000
Called up, allotted and fully paid:		
35,704,000 ordinary shares of £1 each	35,704	35,704

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £'000	Profit and loss account £'000	Revaluation reserve £'000	Total £'000
At 31 December 1999	35,704	671	1,338	37,713
Profit for the year	-	707	-	707
Release from revaluation reserve	-	174	(174)	-
At 31 December 2000	35,704	1,552	1,164	38,420

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities.

	2000 £'000	1999 £'000
Operating profit	7,168	2,954
Depreciation, depletion and abandonment	16,435	10,398
Decrease / (increase) in stocks	217	(500)
Decrease / (increase) in debtors	3,930	(1,403)
(Decrease) / increase in creditors	(1,656)	(1,748)
Other non-cash movements	90	108
Net cash inflow from operating activities	26,184	9,809

(b) Analysis of cash flows for headings netted in the statement of cash flows.

	2000 £'000	1999 £'000
Returns on investments and servicing of finance		
Interest received	283	187
Interest paid	(4,592)	(2,815)
	(4,309)	(2,628)
Taxation		
Group relief payments received	2,297	1,778
Petroleum revenue tax (paid) / refunded	(450)	177
	1,847	1,955
Capital expenditure and financial investment		
Payment to acquire tangible fixed assets	(7,699)	(53,211)
Receipt from disposal of tangible fixed asset	7,242	-
	(457)	(53,211)
Financing		
(Decrease) / increase in secured loans	(21,000)	45,000
Other loan movements (shareholder loans)	(122)	3,043
	(21,122)	48,043

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

18. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(c) Analysis of changes in net debt

	At 1 January 2000 £'000	Cash flow £'000	Other changes £'000	At 31 December 2000 £'000
Cash at bank and in hand	800	2,143	-	2,943
Debt due within one year	(12,861)	14,477	(4,771)	(3,155)
Debt due after one year	(60,416)	6,645	4,771	(49,000)
	(72,477)	23,265	-	(49,212)

19. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Capital commitments

At the end of the year capital commitments were:

	2000 £'000	1999 £'000
Authorised and contracted for	590	509

Operating Lease commitments

At 31 December 2000 the company was committed to making the following payments during the next year in respect of operating leases:

Leases which expire:	2000 £'000 Land & buildings	1999 £'000 Land & buildings
Between two and five years	206	206

20. ULTIMATE PARENT COMPANY

The immediate parent company is CalEnergy Gas (Holdings) Limited. The ultimate controlling party and ultimate parent company of CalEnergy Gas (Holdings) Limited is MidAmerican Energy Holdings Company, a company incorporated in Iowa, United States of America. Copies of the group accounts of this Company are available to the public and may be obtained from the Company Secretary, Northern Electric plc, Carliol House, Market Street, Newcastle upon Tyne NE1 6NE.

The Company has taken advantage of the exemption granted by Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose transactions with other undertakings within, and related parties of, MidAmerican Energy Holdings Company.

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

21. TRANSACTIONS WITH DIRECTORS

Included in debtors are interest free loans to directors as follows:

	J Davies £	J Treen £	P Youngs £
Balance at 31 December 1999	2,608	786	253
Maximum amount outstanding in the year ended 31 December 2000	2,792	786	1,460
Balance at 31 December 2000	2559	-	1,191