

BG GROUP PLC

2005 THIRD QUARTER RESULTS

BG Group's Chief Executive, Frank Chapman said:

"These are good results which reflect a strong business performance and firm oil and gas prices.

"Following the completion of an extensive maintenance and inspection programme during the third quarter, we expect strong growth in E&P volumes in the fourth quarter and we remain on track to deliver our 2006 production target. The strength of our financial position and outlook enables us to return up to £1 billion to shareholders and also increase our investment in new growth projects by £500 million."

HIGHLIGHTS

Third Quarter			Business Performance ⁽ⁱ⁾	Nine Months		
2005 £m	2004 £m			2005 £m	2004 £m	
1 339	1 084	+24%	Revenue and other operating income	3 566	2 902	+23%
548	395	+39%	Total operating profit including share of pre-tax operating results from joint ventures and associates	1 522	1 078	+41%
308	214	+44%	Earnings	853	593	+44%
8.7p	6.1p	+43%	Earnings per share	24.1p	16.8p	+43%
Total results for the period (including disposals and re-measurements⁽ⁱ⁾)						
1 360	1 084	+25%	Revenue and other operating income	3 429	2 902	+18%
509	346	+47%	Operating profit before share of results from joint ventures and associates	1 646	1 019	+62%
569	395	+44%	Total operating profit including share of pre-tax operating results from joint ventures and associates	1 814	1 165	+56%
321	214	+50%	Earnings	1 065	650	+64%
9.1p	6.1p	+49%	Earnings per share	30.1p	18.5p	+63%

i) 'Business Performance' excludes disposals and certain re-measurements and is presented as management believes that exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business. For further explanation of Business Performance and the presentation of results from joint ventures and associates, see Presentation of Non-GAAP measures, page 8 and Results Presentation, page 2.

RESULTS PRESENTATION

The presentation of BG Group's results under IFRS separately identifies the effect of:

- The re-measurement of financial instruments under IAS 39
- Profits and losses on the disposal of non-current assets and businesses.

These items are excluded from Business Performance in order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing businesses.

Under IFRS the results of joint ventures and associates are presented net of finance costs and tax (see pages 10 and 11). Given the relevance of these businesses within BG Group, the results of joint ventures and associates are presented both before interest and tax, and after tax. The pre-interest and tax result for joint ventures and associates is included in Business Performance discussed on pages 2 to 7. The tables below set out the amounts related to joint ventures and associates, re-measurements under IAS 39 and profits on disposal of non-current assets and businesses.

Third Quarter			Nine Months	
2005	2004		2005	2004
£m	£m		£m	£m
509	346	Operating profit for the period before share of results from joint ventures and associates	1 646	1 019
60	49	Share of pre-tax operating results from joint ventures and associates	168	146
569	395	Operating profit for the period including share of pre-tax results from joint ventures and associates	1 814	1 165
(21)	-	Disposals and re-measurements:	137	-
-	-	Re-measurements – IAS 39 ⁽ⁱ⁾	(429)	(87)
548	395	Profit on disposal		
		Business Performance – total operating profit for the period	1 522	1 078

Third Quarter			Nine Months	
2005	2004		2005	2004
£m	£m		£m	£m
321	214	Earnings for the period – including disposals and re-measurements	1 065	650
(21)	-	Disposals and re-measurements – before interest and tax	(292)	(87)
(1)	-	Disposals and re-measurements – interest	(11)	-
9	-	Tax and minority interest on disposals and re-measurements	91	30
308	214	Earnings – excluding disposals and re-measurements	853	593

i) Re-measurements excluded from Business Performance

The IAS 39 re-measurements reflect movements in external market prices and exchange rates. Financial instruments include certain long-term UK gas contracts which are classified as derivatives under IAS 39 due to the nature of the contract terms and are therefore required to be marked-to-market. This treatment has no impact on the ongoing cashflows of the business and management believes these unrealised mark-to-market movements are best presented separately from underlying business performance. For an explanation of Non-GAAP measures see page 8.

BUSINESS REVIEW

The results discussed in this Business Review (pages 3 to 7) relate to BG Group's performance excluding disposals and re-measurements. For the impact and a description of these items, see the consolidated income statement (pages 10 and 11) and Note 2 of the accounts (page 17). Results at constant US\$/UK£ exchange rates and upstream prices are also quoted. See Presentation of Non-GAAP measures (page 8) for an explanation of these metrics.

GROUP

Business Performance	Third Quarter		
	2005	2004	
	£m	£m	
Revenue and other operating income	1 339	1 084	+24%
Total operating profit including share of pre-tax results from joint ventures and associates			
Exploration and Production	419	291	+44%
Liquefied Natural Gas	51	37	+38%
Transmission and Distribution	64	51	+25%
Power Generation	21	21	-
Other activities	(7)	(5)	+40%
	548	395	+39%
Net finance costs ⁽ⁱ⁾	(10)	(16)	-38%
Taxation ⁽ⁱⁱ⁾	(215)	(151)	+42%
Earnings	308	214	+44%
Earnings per share	8.7p	6.1p	+43%
Capital investment	378	356	+6%

Third quarter

Total operating profit increased by 39% to £548 million reflecting higher E&P volumes and margins together with strong performances from the LNG and T&D segments. As expected, E&P volumes were held back during the third quarter by extensive maintenance and inspection activities in the UK and Kazakhstan.

At constant E&P prices and US\$/UK£ exchange rates, total operating profit increased by 1%.

Net finance costs were £6 million lower primarily due to reduced average net debt levels following the receipt of the cash proceeds from the sale of the Group's interest in the North Caspian Sea PSA in the second quarter of 2005. The effective tax rate (including the BG Group share of tax attributable to joint ventures and associates) was unchanged at 40%.

Earnings increased by 44% to £308 million.

Cash generated from operations increased by £244 million to £692 million primarily due to higher operating profit. Gearing, including non-recourse debt in MetroGAS, was 1.6%. The company has today announced a programme to buy back up to £1 billion of ordinary shares and an increase in the Group's planned investment by £500 million, including exploration expenditure, to accommodate the development of new growth projects.

Capital investment in the quarter of £378 million comprised continuing investment in North America and the Caribbean (£144 million), Europe (£109 million), South America (£46 million), Mediterranean Basin and Africa (£44 million) and Asia and the Middle East (£35 million).

i) Includes Group share of net finance costs from joint ventures and associates for the quarter of £11 million (2004 £8 million).

ii) Includes Group share of taxation from joint ventures and associates for the quarter of £8 million (2004 £9 million).

EXPLORATION AND PRODUCTION

Business Performance	Third Quarter		
	2005 £m	2004 £m	
Production volumes (mmbobe)	41.2	39.7	+4%
Revenue and other operating income	688	534	+29%
Total operating profit	419	291	+44%
Capital investment	207	238	-13%

Additional operating and financial data are given on page 27.

Third quarter

E&P total operating profit increased by 44% to £419 million due primarily to higher prices and volumes. This was partially offset by the impact of increased exploration activity and extensive maintenance and inspection activities in the UK and Kazakhstan.

Increased production volumes from West Delta Deep Marine in Egypt following the early start-up of Egyptian LNG Trains 1 and 2 were partially offset by the maintenance and inspection activities referred to above. These activities affected production in the UK and exports to Russia from Kazakhstan. These programmes have been completed and we expect strong volume growth in the fourth quarter.

Unit operating expenditure at £2.56 (\$4.57) per boe was up 35 pence (56 cents) per barrel of oil equivalent, principally due to the cost and volume impact of increased maintenance activity referred to above and the impact of higher upstream prices on royalties. It is expected that the full year unit operating expenditure will be approximately \$4.00 per boe after taking into account the effect of higher commodity prices.

The exploration charge of £42 million was £8 million higher reflecting the planned increase in exploration activity across the Group.

For the UK gas year starting 1 October 2005, BG Group expects to realise an average price of approximately 23 pence per therm on North Sea production sold under various contracts. This compares to 20 pence per therm in the prior gas year.

Capital investment of £207 million included expenditure in the UK (£80 million) and Egypt (£46 million).

Third quarter business highlights

In Egypt, the Sapphire field in the West Delta Deep Marine concession came on-stream in September to supply Egyptian LNG Train 2.

The third quarter saw significant progress in building BG Group's exploration portfolio.

In September, BG Group was awarded 100% and operatorship of North Sea blocks 20/2b, 20/3d and part block 13/21b and 50% and operatorship of part block 22/8a in the UK 23rd Licensing Round. Block 22/8a lies close to existing infrastructure at the Everest hub (BG Group 58.31%). The other blocks build on BG Group's existing position in the Outer Moray Firth.

In September, BG Group successfully bid to acquire six sections in the Waterton Northern Block and three in the Southern Block in Alberta, Canada.

BG Group was awarded three onshore exploration licences in the 2nd Libyan Licensing Round in October. BG Group will assume 100% and operatorship of two licences in the Sirt basin and 50% in a block in the Kufra basin.

In Egypt, BG Group was successful in its bid for a 50% stake and operatorship of the Sidi Kerir Deep concession, in the Nile Delta, subject to finalisation of terms and its ratification by the People's Assembly.

In October, BG Group was awarded ten exploration licences in the 7th Brazilian Licensing Round. This includes two BG Group-operated blocks and acreage off-shore in the Santos basin and on-shore.

As a result of BG Group's success in licensing rounds this year, BG Group has increased its net exploration acreage by around a third.

Since the start of the year, BG Group has completed 20 exploration and appraisal wells of which 11 have been successful (55%).

LIQUEFIED NATURAL GAS

Business Performance	Third Quarter		
	2005 £m	2004 £m	
Revenue and other operating income	404	336	+20%
Total operating profit			
Shipping and marketing	28	24	+17%
Liquefaction	30	19	+58%
Business development and other	(7)	(6)	+17%
	51	37	+38%
Capital investment	128	97	+32%

Additional operating and financial data are given on page 27.

Third quarter

Total operating profit was up 38% to £51 million reflecting higher prices and a strong performance from the liquefaction businesses.

In shipping and marketing, total operating profit was £4 million higher, primarily due to increased shipping utilisation. Short-term LNG supplies remained tight but this was offset by higher realisations. Operations at the Lake Charles regasification facilities were suspended from 23 September to 3 October due to Hurricane Rita but overall volumes were unaffected.

The fourth quarter will see an increased build up of new contracted volumes from Egypt. These volumes represent the start of a major shift from short-term to long-term supply, which will build further as contracted volumes start from Trinidad and Nigeria in 2006 and Equatorial Guinea in 2007.

BG Group's share of operating profit from liquefaction increased by 58% to £30 million, principally due to the early start-up of exports from Egyptian LNG Trains 1 and 2.

Capital investment primarily relates to LNG vessels in construction due for delivery in 2006 and 2007. Financial close of Egyptian LNG Train 2 project financing in the quarter resulted in a reimbursement of capital investment of \$153 million.

Third quarter business highlights

On 5 September, BG Group (38%) and partners announced the early start-up of Egyptian LNG Train 2. The first cargo was lifted on 15 September. BG Group will take 50% of any early cargoes until the second quarter of 2006 when BG Group will lift the entire output of Train 2 under its LNG purchase agreement.

At Lake Charles new facilities came into service in September that increased sustainable base load throughput capacity to 1.2 bcf/d. This expansion was completed in anticipation of the increase in contracted cargoes as referred to above.

TRANSMISSION AND DISTRIBUTION

Business Performance	Third Quarter		
	2005	2004	
	£m	£m	
Revenue and other operating income			
Comgas	141	107	+32%
MetroGAS	53	47	+13%
Other	30	24	+25%
	224	178	+26%
Total operating profit			
Comgas	43	31	+39%
MetroGAS	11	11	-
Other	10	9	+11%
	64	51	+25%
Capital investment	39	15	+160%

Third quarter

T&D total operating profit increased by 25% to £64 million.

At Comgas, in Brazil, the impact of 11% volume growth and stronger exchange rates underpinned a 39% increase in operating profit, up £12 million in the quarter. Total operating profit included a net £4 million benefit in the quarter from lower gas costs which is expected to be passed back to customers through lower tariffs in the future.

MetroGAS, in Argentina, reported an operating profit of £11 million, in line with last year. The capital restructuring of MetroGAS continues to make progress.

Capital investment mainly represents the development of the Comgas pipeline network.

POWER GENERATION

Business Performance	Third Quarter		
	2005	2004	
	£m	£m	
Revenue and other operating income	47	40	+18%
Total operating profit	21	21	-
Capital investment	-	-	-

Third quarter

The increase in revenue is primarily due to pass through of gas costs.

Total operating profit of £21 million was in line with last year. Seabank Power, in the UK, continues to be affected by the failure of a steam turbine which occurred in June 2005.

Presentation of Non-GAAP measures

Business Performance

'Business Performance' excludes certain disposals and re-measurements (see below) and is presented as management believes that exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business.

Disposals and re-measurements

BG Group's commercial arrangements for marketing gas include the use of long-term gas sales contracts. Whilst the activity surrounding these contracts involves the physical delivery of gas, certain UK gas sales contracts are classified as derivatives under the rules of IAS 39 and are required to be measured at fair value at the balance sheet date. Unrealised gains or losses on these contracts reflect the comparison between current market gas prices and the actual prices to be realised under the gas sales contract. BG Group also uses commodity derivative instruments to manage certain price exposures in respect of optimising the timing of its gas sales, including the use of gas in storage facilities. These instruments are also required to be measured at fair value at the balance sheet date under IAS 39.

BG Group uses financial instruments, including derivatives, to manage foreign exchange and interest rate exposure. These instruments are required to be recognised at fair value or amortised cost on the balance sheet in accordance with IAS 39. Most of these instruments have been designated either as hedges of foreign exchange movements associated with the Group's net investments in foreign operations, or as hedges of interest rate risk. Where these instruments cannot be designated as hedges under IAS 39, unrealised movements in fair value are recorded in the income statement.

Unrealised gains and losses in respect of long-term gas sales contracts and other financial instruments are disclosed separately as 'disposals and re-measurements'. Realised gains and losses relating to these instruments are included in Business Performance. Management considers that this presentation best reflects the underlying performance of the business since it distinguishes between the temporary timing differences associated with re-measurements under IAS 39 rules and actual realised gains and losses.

For a reconciliation between the overall results and Business Performance and details of disposals and re-measurements, see the consolidated income statement, pages 10 and 11 and Note 2 to the accounts, page 17.

Joint ventures and associates

Under IFRS the results from jointly controlled entities (joint ventures) and associates, accounted for under the equity method, are required to be presented net of finance costs and tax on the face of the income statement. Given the relevance of these businesses within BG Group, the results of joint ventures and associates are presented before interest and tax, and after tax. Management considers that this approach aids comparability with prior years' published results and provides additional information on the source of BG Group's operating profits. For a reconciliation between operating profit and earnings including and excluding the results of joint ventures and associates, see Note 3 to the accounts, page 18.

Exchange rates and prices

BG Group also discloses certain information, as indicated, at constant US\$/UK£ exchange rates and upstream prices. The presentation of results in this manner is intended to provide additional information to explain further the underlying trends in the business.

Net borrowings

BG Group provides a reconciliation of net borrowings and an analysis of the amounts included within net borrowings as management believes that this is an important liquidity measure for the Group.

LEGAL NOTICE

These results include "forward-looking information" within the meaning of Section 27A of the US Securities Act of 1933, as amended and Section 21E of the US Securities Exchange Act of 1934, as amended. Certain statements included in these results, including without limitation, those concerning (i) strategies, outlook and growth opportunities, (ii) positioning to deliver future plans and to realise potential for growth, (iii) delivery of the performance required to achieve the 2006 targets, (iv) development of new markets, (v) the development and commencement of commercial operations of new projects, (vi) liquidity and capital resources, (vii) plans for capital and investment expenditure and (viii) statements preceded by "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar statements, contain certain forward-looking statements concerning operations, economic performance and financial condition. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, including oil and gas prices, (ii) success in implementing business and operating initiatives, (iii) changes in the regulatory environment and other government actions, including UK and international corporation tax rates, (iv) a major recession or significant upheaval in the major markets in which BG Group operates, (v) the failure to ensure the safe operation of assets worldwide, (vi) implementation risk, being the challenges associated with delivering capital intensive projects on time and on budget, including the need to retain and motivate staff, (vii) commodity risk, being the risk of a significant fluctuation in oil and/or gas prices from those assumed, (viii) fluctuations in exchange rates, in particular the US\$/UK£ exchange rate being significantly different to that assumed, (ix) risks encountered in the gas and oil exploration and production sector in general, (x) business risk management and (xi) the Risk Factors included in BG Group's Annual Report and Accounts 2004. BG Group undertakes no obligation to update any forward-looking statements.

No part of these results constitutes or shall be taken to constitute an invitation or inducement to invest in BG Group plc or any other entity and must not be relied upon in any way in connection with any investment decision.

**CONSOLIDATED INCOME STATEMENT
THIRD QUARTER**

	Notes	2005			2004		
		Business Performance ⁽ⁱ⁾ £m	Disposals and re-measurements (Note 2) ⁽ⁱⁱ⁾ £m	Total Result £m	Business Performance ⁽ⁱ⁾ £m	Disposals and re-measurements (Note 2) ⁽ⁱⁱ⁾ £m	Total Result £m
Group revenue and other operating income	3	1 339	21	1 360	1 084	-	1 084
Operating costs		(851)	-	(851)	(738)	-	(738)
Profit on disposal of non-current assets		-	-	-	-	-	-
Operating profit/(loss) before share of results from joint ventures and associates	3	488	21	509	346	-	346
Finance income	4	21	-	21	12	-	12
Finance costs	4	(20)	1	(19)	(20)	-	(20)
Share of post-tax results from joint ventures and associates	3	41	-	41	32	-	32
Profit/(loss) before tax		530	22	552	370	-	370
Taxation	5	(207)	(11)	(218)	(142)	-	(142)
Profit for the period		323	11	334	228	-	228
Attributable to:							
BG Group shareholders (earnings)		308	13	321	214	-	214
Minority interest		15	(2)	13	14	-	14
		323	11	334	228	-	228
Earnings per share – basic	6	8.7p	0.4p	9.1p	6.1p	-	6.1p
Earnings per share – diluted	6	8.7p	0.4p	9.1p	6.1p	-	6.1p
Total operating profit including share of pre-tax operating results from joint ventures and associates⁽ⁱⁱ⁾	3	548	21	569	395	-	395

i) See Presentation of Non-GAAP measures, page 8, for an explanation of results excluding disposals and re-measurements and presentation of the results of joint ventures and associates.

ii) This measurement is shown by BG Group as it is used by management as a means of measuring the underlying performance of the business.

**CONSOLIDATED INCOME STATEMENT
NINE MONTHS**

	Notes	2005			2004		
		Business Performance ⁽ⁱ⁾ £m	Disposals and re-measurements (Note 2) ⁽ⁱⁱ⁾ £m	Total Result £m	Business Performance ⁽ⁱ⁾ £m	Disposals and re-measurements (Note 2) ⁽ⁱⁱ⁾ £m	Total Result £m
Group revenue and other operating income	3	3 566	(137)	3 429	2 902	-	2 902
Operating costs		(2 212)	-	(2 212)	(1 970)	-	(1 970)
Profit on disposal of non-current assets		-	429	429	-	87	87
Operating profit/(loss) before share of results from joint ventures and associates	3	1 354	292	1 646	932	87	1 019
Finance income	4	51	-	51	33	-	33
Finance costs	4	(61)	11	(50)	(54)	-	(54)
Share of post-tax results from joint ventures and associates	3	119	-	119	92	-	92
Profit/(loss) before tax		1 463	303	1 766	1 003	87	1 090
Taxation	5	(573)	(85)	(658)	(384)	(30)	(414)
Profit/(loss) for the period		890	218	1 108	619	57	676
Attributable to:							
BG Group shareholders (earnings)		853	212	1 065	593	57	650
Minority interest		37	6	43	26	-	26
		890	218	1 108	619	57	676
Earnings per share – basic	6	24.1p	6.0p	30.1p	16.8p	1.7p	18.5p
Earnings per share – diluted	6	24.0p	6.0p	30.0p	16.8p	1.7p	18.5p
Total operating profit including share of pre-tax operating results from joint ventures and associates⁽ⁱⁱ⁾	3	1 522	292	1 814	1 078	87	1 165

i) See Presentation of Non-GAAP measures, page 8, for an explanation of results excluding disposals and re-measurements and presentation of the results of joint ventures and associates.

ii) This measurement is shown by BG Group as it is used by management as a means of measuring the underlying performance of the business.

**CONSOLIDATED BALANCE SHEET
THIRD QUARTER**

	As at		
	30 Sept 2005 £m	31 Dec 2004 £m	30 Sept 2004 £m
Assets			
Non-current assets			
Goodwill	349	272	267
Other intangible assets	712	585	504
Property, plant and equipment	5 403	4 509	4 408
Investments	1 094	1 050	1 053
Deferred tax assets	77	68	61
Trade and other receivables	54	46	79
Derivative financial instruments	115	-	-
	7 804	6 530	6 372
Current assets			
Inventories	144	99	175
Trade and other receivables	1 243	1 190	937
Commodity contracts and other derivative financial instruments	16	-	-
Cash and cash equivalents	1 335	340	350
	2 738	1 629	1 462
Non-current assets classified as held for sale	-	530	475
Total assets	10 542	8 689	8 309
Liabilities			
Current liabilities			
Borrowings	(332)	(577)	(542)
Trade and other payables	(1 031)	(976)	(904)
Current tax liabilities	(340)	(264)	(182)
Commodity contracts and other derivative financial instruments	(619)	-	-
	(2 322)	(1 817)	(1 628)
Non-current liabilities			
Borrowings	(1 187)	(762)	(814)
Trade and other payables	(85)	(89)	(77)
Derivative financial instruments	(1)	-	-
Deferred income tax liabilities	(805)	(907)	(861)
Retirement benefit obligations	(152)	(135)	(134)
Provisions for other liabilities and charges	(349)	(325)	(288)
	(2 579)	(2 218)	(2 174)
Liabilities associated with non-current assets classified as held for sale	-	(67)	(51)
Total liabilities	(4 901)	(4 102)	(3 853)
Net assets	5 641	4 587	4 456
Attributable to:			
BG Group equity shareholders	5 593	4 567	4 440
Minority interests	48	20	16
Total equity	5 641	4 587	4 456

STATEMENT OF CHANGES IN EQUITY

Third Quarter			Nine Months	
2005	2004		2005	2004
£m	£m		£m	£m
Equity as at start of period				
5 195	4 225	BG Group shareholders' funds	4 567	3 924
43	1	Minority interest	20	(9)
5 238	4 226		4 587	3 915
-	-	Effect of adoption of IAS 39	(238)	-
5 238	4 226	Equity as at start of period	4 349	3 915
334	228	Profit for the financial period	1 108	676
14	1	Issue of shares	28	8
(2)	-	Purchase of own shares	(4)	-
3	8	Adjustment in respect of employee share schemes	11	9
(68)	(61)	Dividends on ordinary shares	(142)	(127)
(9)	(2)	Dividends paid to minority interest	(23)	(2)
131	56	Currency translation and hedge adjustments net of tax	314	(23)
403	230	Net changes in equity for the financial period	1 292	541
Equity as at 30 Sept				
5 593	4 440	BG Group shareholders' funds	5 593	4 440
48	16	Minority interest	48	16
5 641	4 456		5 641	4 456

CONSOLIDATED CASH FLOW STATEMENT

Third Quarter			Nine Months	
2005	2004		2005	2004
£m	£m		£m	£m
Cash flows from operating activities				
509	346	Profit from operations	1 646	1 019
116	110	Depreciation of property, plant and equipment and amortisation of intangible assets	350	327
(21)	-	Fair value movements in commodity contracts	137	-
-	-	Profit on disposal of non-current assets	(429)	(87)
11	16	Unsuccessful exploration expenditure written off	32	23
(13)	(4)	(Decrease)/increase in provisions	-	(2)
3	4	Share based payments	11	4
87	(24)	Decrease/(increase) in working capital	39	(137)
692	448	Cash generated by operations	1 786	1 147
(229)	(94)	Income taxes paid	(543)	(263)
463	354	Net cash inflow from operating activities	1 243	884
Cash flows from investing activities				
22	5	Dividends received from joint ventures and associates	60	38
-	-	Proceeds from disposal of subsidiary undertakings and investments	26	32
13	-	Proceeds from disposal of property, plant and equipment and intangible assets	949	143
(365)	(214)	Purchase of property, plant and equipment and intangible assets	(893)	(635)
60	(19)	Loans (to)/from joint ventures and associates	6	17
(1)	-	Purchase of subsidiary undertakings and investments ⁽ⁱ⁾	(13)	(342)
(271)	(228)	Net cash inflow/(outflow) from investing activities	135	(747)
Cash flows from financing activities				
(2)	(3)	Net interest paid ⁽ⁱⁱ⁾	(18)	(22)
(68)	(58)	Dividends paid	(142)	(123)
(9)	(2)	Dividends paid to minority	(23)	(2)
4	46	Net increase/(decrease) in short-term borrowings	(253)	125
(29)	(22)	Net increase/(decrease) in long-term borrowings	-	(76)
14	1	Issue of shares	28	8
(2)	-	Purchase of own shares	(4)	-
(92)	(38)	Net cash outflow from financing activities	(412)	(90)
100	88	Net increase/(decrease) in cash and cash equivalents	966	47
1 223	259	Cash and cash equivalents at beginning of period	340	313
12	3	Effect of foreign exchange rate changes	29	(10)
1 335	350	Cash and cash equivalents at end of period⁽ⁱⁱⁱ⁾	1 335	350

i) Includes cash acquired of £18 million (2004 £10 million) on the purchase of a subsidiary undertaking.

ii) Includes capitalised interest for the third quarter of £9 million (2004 £2 million), and for the nine months of £19 million (2004 £8 million).

iii) Cash and cash equivalents comprise cash and short-term liquid investments that are readily convertible to cash.

RECONCILIATION OF NET BORROWINGS⁽ⁱ⁾ – NINE MONTHS

	£m
Net borrowings as at 31 December 2004 ^{(i) (ii)}	(999)
Adoption of IAS 39	(6)
	(1 005)
Net increase in cash and cash equivalents	966
Cash outflow from changes in gross borrowings	253
Inception of finance leases	(184)
Foreign exchange and other re-measurements	(134)
Net borrowings as at 30 Sept 2005 ^{(i) (ii)}	(104)

Net borrowings attributable to MetroGAS (including Gas Argentino) was £178 million (31 December 2004 £202 million) and to Comgas was £211 million (31 December 2004 £98 million).

The gearing ratio (net borrowings as a percentage of net borrowings plus equity) was 1.6% (31 December 2004 17.9%).

As at 30 Sept 2005, BG Group's share of the net borrowings in joint ventures and associates amounted to approximately £1 billion, including BG Group shareholder loans of approximately £600 million. These net borrowings are included in BG Group's share of the net assets in joint ventures and associates which are consolidated in BG Group's accounts.

i) Net borrowings are defined on page 29.

ii) Net borrowings comprise:

	As at	
	30 Sept 2005	31 Dec 2004
	£m	£m
<i>Amounts receivable/(due) within one year</i>		
Cash and cash equivalents	1 335	340
Overdrafts, loans and finance leases	(332)	(577)
Derivative financial instruments	(34)⁽ⁱⁱⁱ⁾	-
	969	(237)
<i>Amounts receivable/(due) after more than one year</i>		
Loans and finance leases	(1 187)	(762)
Derivative financial instruments	114	-
	(1 073)	(762)
Net borrowings	(104)	(999)

iii) These items are included within commodity contracts and other derivative financial instrument balances on the balance sheet.

Notes

1. Basis of preparation

These primary statements are the unaudited consolidated financial statements of BG Group plc for both the quarter ended and the nine months ended 30 Sept 2005. The financial information does not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985, and should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2004, as they provide an update of previously reported information.

From 1 January 2005, BG Group is required to prepare its consolidated financial statements in accordance with accounting standards adopted for use in the European Union. In the 2004 Annual Report and Accounts (pages 110 to 118) information was provided in order to provide clarity on the impact of International Financial Reporting Standards (IFRS) in advance of the publication of results under these standards. It included details of BG Group's principal accounting policies under IFRS and the adjustments required to restate comparative information for the year ended 31 December 2003 (including the transition balance sheet as at 1 January 2003) and the year ended 31 December 2004. The financial information set out in this interim statement has been prepared in accordance with the accounting policies under IFRS published in the 2004 Annual Report and Accounts.

Standards currently in issue and adopted by the EU are subject to interpretation issued from time to time by the International Financial Reporting Interpretations Committee (IFRIC). Further standards may be issued by the International Accounting Standards Board that will be adopted for financial years beginning on or after 1 January 2005. Additionally, IFRS is currently being applied in the United Kingdom and in a large number of countries simultaneously for the first time. Furthermore, due to a number of new and revised Standards included within the body of the Standards that comprise IFRS, there is not yet a significant body of established practice on which to draw in forming opinions regarding interpretation and application. Accordingly, practice is continuing to evolve. At this preliminary stage, therefore, the full financial effect of reporting under IFRS as it will be applied and reported on in the Company's first IFRS Financial Statements for the year ended 31 December 2005 may be subject to change.

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Income tax expense is recognised based upon the best estimate of the weighted average annual income tax rate expected for the full financial year.

2. Disposals and re-measurements

Third Quarter			Nine Months	
2005	2004		2005	2004
£m	£m		£m	£m
21	-(i)	Revenue and other operating income – re-measurements of commodity contracts	(137)	-(i)
-	-	Profit on disposal of non-current assets	429	87
1	-(i)	Finance costs – re-measurements of financial instruments	11	-(i)
(11)	-	Taxation	(85)	(30)
2	-	Minority interest	(6)	-
13	-	Impact on earnings	212	57

i) BG Group adopted IAS 39 from 1 January 2005, figures for 2004 do not contain any non-cash re-measurements.

2005 third quarter and nine months: Revenue and other operating income

Re-measurements included within revenue and other operating income amount to a net credit of £21 million for the third quarter, including a credit of £25 million which represents unrealised mark-to-market movements on certain long-term UK gas contracts. Whilst the activity surrounding these contracts involves the physical delivery of gas, the contracts fall within the scope of IAS 39 and meet the definition of a derivative instrument. The remaining £4 million charge represents unrealised mark-to-market movements on derivatives used for gas marketing activity in the UK and US.

For the second quarter of 2005, re-measurements included within revenue and other operating income amounted to a charge of £120 million.

For the first quarter of 2005, re-measurements included within revenue and other operating income amounted to a charge of £38 million.

2005 third quarter and nine months: Disposal of non-current assets

During the second quarter of 2005, BG Group completed the sale of its 16.67% interest in the North Caspian Sea PSA and received net pre-tax proceeds of approximately \$1.8 billion realising a £416 million pre-tax and £279 million post-tax profit on the sale.

During the first quarter of 2005, BG Group disposed of its 50% interest in Premier Transmission Limited to Premier Transmission Financing plc for cash proceeds of £26 million. No tax arose on the disposal.

2004 third quarter and nine months: Disposal of non-current assets

Profits on disposal of non-current assets during the second quarter of 2004 included the disposal of BG Group's interest in the Muturi Production Sharing Contract in Indonesia for £142 million realising a £66 million pre-tax and £38 million post-tax profit on the sale.

£1 million of pre- and post-tax expenditure was incurred relating to a prior year disposal.

During the first quarter of 2004, BG Group disposed of its 1.21% holding of shares in a listed company, Gas Authority of India Limited, for £32 million. Tax of £2 million arose on the profit on disposal, based on the effective rate of capital gains tax applicable in India for long-term investments.

2005 third quarter and nine months: Finance costs

Re-measurements presented in finance costs relate primarily to the retranslation of MetroGAS US Dollar and Euro borrowings which cannot be designated as hedges under IAS 39. In addition there are re-measurement movements in respect of certain derivatives used to hedge foreign exchange and interest rate risk which have not been designated as hedges under IAS 39, partly offset by foreign exchange movements on certain borrowings in subsidiaries.

3. Segmental analysis

Group revenue and other operating income	Business Performance	Disposals and re-measurements	Total	Business Performance	Disposals and re-measurements	Total
Third Quarter	2005 £m	2005 £m	2005 £m	2004 £m	2004 £m	2004 £m
Exploration and Production	688	37	725	534	-	534
Liquefied Natural Gas	404	(16)	388	336	-	336
Transmission and Distribution	224	-	224	178	-	178
Power Generation	47	-	47	40	-	40
Other activities	4	-	4	3	-	3
Less: intra-group sales	(28)	-	(28)	(7)	-	(7)
	1 339	21	1 360	1 084	-	1 084

Group revenue and other operating income	Business Performance	Disposals and re-measurements	Total	Business Performance	Disposals and re-measurements	Total
Nine Months	2005 £m	2005 £m	2005 £m	2004 £m	2004 £m	2004 £m
Exploration and Production	1 981	(121)	1 860	1 498	-	1 498
Liquefied Natural Gas	860	(16)	844	802	-	802
Transmission and Distribution	589	-	589	479	-	479
Power Generation	168	-	168	132	-	132
Other activities	10	-	10	6	-	6
Less: intra-group sales	(42)	-	(42)	(15)	-	(15)
	3 566	(137)	3 429	2 902	-	2 902

3. Segmental analysis (continued)

Business Performance	Before share of results from joint ventures and associates		Share of results in joint ventures and associates ⁽ⁱ⁾		Including share of results from joint ventures and associates		Disposals and re-measurements ⁽ⁱⁱ⁾		Business Performance ⁽ⁱⁱ⁾	
	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m
Third Quarter										
Exploration and Production	456	291	-	-	456	291	(37)	-	419	291
Liquefied Natural Gas	5	18	30	19	35	37	16	-	51	37
Transmission and Distribution	54	41	10	10	64	51	-	-	64	51
Power Generation	1	1	20	20	21	21	-	-	21	21
Other activities	(7)	(5)	-	-	(7)	(5)	-	-	(7)	(5)
Operating Profit	509	346	60	49	569	395	(21)	-	548	395

Business Performance	Before share of results from joint ventures and associates		Share of results in joint ventures and associates ⁽ⁱ⁾		Including share of results from joint ventures and associates		Disposals and re-measurements ⁽ⁱⁱ⁾		Business Performance ⁽ⁱⁱ⁾	
	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m
Nine Months										
Exploration and Production	1 508	875	-	-	1 508	875	(295)	(46)	1 213	829
Liquefied Natural Gas	2	41	75	49	77	90	16	(19)	93	71
Transmission and Distribution	148	86	31	31	179	117	(13)	-	166	117
Power Generation	16	16	62	66	78	82	-	-	78	82
Other activities	(28)	1	-	-	(28)	1	-	(22)	(28)	(21)
Operating Profit	1 646	1 019	168	146	1 814	1 165	(292)	(87)	1 522	1 078

- i) Share of results in joint ventures and associates in the table above is before finance costs and taxation. The share of results after finance costs and taxation for the quarter is £41 million (2004 £32 million), and for the nine months is £119 million (2004 £92 million).
- ii) Business Performance excludes certain disposals and re-measurements. See Note 2, page 17 and Presentation of Non-GAAP measures, page 8.

3. Segmental analysis (continued)

Total Result	Operating profit before share of results from joint ventures and associates		Share of results in joint ventures and associates		Total Result	
	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m
Third Quarter						
Exploration and Production	456	291	-	-	456	291
Liquefied Natural Gas	5	18	22	14	27	32
Transmission and Distribution	54	41	6	6	60	47
Power Generation	1	1	13	12	14	13
Other activities	(7)	(5)	-	-	(7)	(5)
	509	346	41	32	550	378
Net finance income/(costs)					2	(8)
Taxation					(218)	(142)
Profit for the period					334	228

Total Result	Operating profit before share of results from joint ventures and associates		Share of results in joint ventures and associates		Total Result	
	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m
Nine Months						
Exploration and Production	1 508	875	-	-	1 508	875
Liquefied Natural Gas	2	41	58	32	60	73
Transmission and Distribution	148	86	22	17	170	103
Power Generation	16	16	39	43	55	59
Other activities	(28)	1	-	-	(28)	1
	1 646	1 019	119	92	1 765	1 111
Net finance income/(costs)					1	(21)
Taxation					(658)	(414)
Profit for the period					1 108	676

4. Net finance costs

Third Quarter			Nine Months	
2005	2004		2005	2004
£m	£m		£m	£m
(21)	(15)	Interest payable	(59)	(46)
(5)	(4)	Interest on obligations under finance leases	(12)	(8)
9	2	Interest capitalised	19	8
(3)	(3)	Unwinding of discount on provisions ⁽ⁱ⁾	(9)	(8)
1	-	Disposals and re-measurements (Note 2)	11	-
(19)	(20)	Finance costs	(50)	(54)
21	12	Finance income	51	33
2	(8)	Net finance income/(costs) ⁽ⁱⁱ⁾	1	(21)

i) Relates to the unwinding of the discount on provisions in respect of decommissioning and pension obligations, included in the income statement as a financial item within net finance costs.

ii) Excludes Group share of net finance costs from joint ventures and associates for the quarter of £11 million (2004 £8 million), and for the nine months of £28 million (2004 £26 million).

5. Taxation

The taxation charge for the quarter before disposals and re-measurements was £207 million (2004 £142 million), and the taxation charge including disposals and re-measurements was £218 million (2004 £142 million).

For the nine months, the taxation charge before disposals and re-measurements was £573 million (2004 £384 million). The taxation charge including disposals and re-measurements was £658 million (2004 £414 million).

The Group share of taxation from joint ventures and associates for the quarter was £8 million (2004 £9 million) and for the nine months was £21 million (2004 £28 million).

6. Earnings per ordinary share

Third Quarter				Nine Months			
2005		2004		2005		2004	
£m	Pence per share	£m	Pence per share	£m	Pence per share	£m	Pence per share
321	9.1	214	6.1	1 065	30.1	650	18.5
(13)	(0.4)	-	-	80	2.3	-	-
-	-	-	-	(292)	(8.3)	(57)	(1.7)
308	8.7	214	6.1	853	24.1	593	16.8

Basic earnings per share calculations in 2005 are based on shares in issue of 3 542 million for the quarter and 3 539 million for the year to date.

The earnings figure used to calculate diluted earnings per ordinary share is the same as that used to calculate earnings per ordinary share given above, divided by 3 555 million for the quarter and 3 554 million for the year to date, being the weighted average number of ordinary shares in issue during the year as adjusted for share options.

7. Capital investment – geographical analysis

Third Quarter			Nine Months	
2005	2004		2005	2004
£m	£m		£m	£m
109	65	Europe	327	143
46	18	South America	103	72
35	75	Asia and the Middle East	152	225
144	82	North America and the Caribbean	309	606
44	116	Mediterranean Basin and Africa	217	339
378	356		1 108	1 385

8. Quarterly information: earnings and earnings per share

	2005	2004	2005	2004
	£m	£m	pence	pence
First quarter				
- including disposals and re-measurements	260	207	7.3	5.9
- excluding disposals and re-measurements	270	187	7.6	5.3
Second quarter				
- including disposals and re-measurements	484	229	13.7	6.5
- excluding disposals and re-measurements	275	192	7.8	5.4
Third quarter				
- including disposals and re-measurements	321	214	9.1	6.1
- excluding disposals and re-measurements	308	214	8.7	6.1
Fourth quarter				
- including disposals and re-measurements		236		6.7
- excluding disposals and re-measurements		236		6.7
Full year				
- including disposals and re-measurements		886		25.1
- excluding disposals and re-measurements		829		23.5

9. IFRS 1 requirement – Reconciliation of profit and equity to previous GAAP

Included within the Annual Report and Accounts for BG Group for the year ended 31 December 2004 is a reconciliation of the income statement from UK GAAP to IFRS for the years ended 31 December 2003 and 2004 and a reconciliation of equity at the transition date (1 January 2003), 31 December 2003, 31 December 2004 and 1 January 2005, the date of adoption of IAS 32 and 39. This document also provides details of the impact of the adoption of IAS 32 and IAS 39 from 1 January 2005, details of the reconciling items, BG Group's principal accounting policies under IFRS and the exemptions taken by BG Group in accordance with IFRS 1 on transition to IFRS.

In order to comply with IFRS 1, in this statement BG Group also presents a reconciliation from UK GAAP to IFRS of the profit for the comparable financial period (the quarter and nine months ended 30 Sept 2004), together with the equity at the end of the comparable period (30 Sept 2004) as follows:

Reconciliation of earnings between UK GAAP and IFRS	Notes	Third Quarter 2004 £m	Nine Months 2004 £m
Profit attributable to shareholders (earnings) under UK GAAP		215	655
Effect of transition to IFRS:			
Pensions	1	(1)	(5)
Premier Power CCGT Project	2	(1)	(3)
Goodwill amortisation	3	4	12
Regulatory current account	4	3	7
Share-based payments	5	(3)	(3)
Tax	6	(3)	(8)
Profit on disposal of non-current assets	7	-	(5)
Profit attributable to shareholders (earnings) under IFRS		214	650

Reconciliation of equity between UK GAAP and IFRS	Notes	30 Sept 2004 £m
Total equity under UK GAAP		4 516
Effect of transition to IFRS:		
Pensions	1	(40)
Premier Power CCGT Project	2	16
Goodwill	3	28
Regulatory current account	4	14
Deferred tax	6	(81)
Other		3
Total equity under IFRS		4 456

Notes

1. Pensions

Cumulative actuarial gains and losses in respect of the Group's pension and post-retirement benefit plans have been recognised in full on transition to IFRS (1 January 2003). Actuarial gains and losses arising from the transition date are recognised over the average remaining service lives of employees (commonly referred to as the 'corridor' approach). The charge to operating costs in respect of pensions has increased by £1 million for the quarter ended 30 Sept 2004 (£5 million for the nine

9. IFRS 1 requirement – Reconciliation of profit and equity to previous GAAP (continued)

1. Pensions (continued)

months ended 30 Sept 2004) compared to UK GAAP. The impact on earnings is a reduction of £1 million for the quarter ended 30 Sept 2004 (£5 million for the nine months ended 30 Sept 2004) compared to UK GAAP and the impact on net assets as at 30 Sept 2004 is a reduction of £40 million compared to UK GAAP.

2. Premier Power CCGT Project

In 2000, BG Group's wholly-owned subsidiary Premier Power Limited received £168 million in consideration for the restructuring of power purchase agreements with Northern Ireland Electricity following agreement to construct a new CCGT power plant at Ballylumford. Under UK GAAP this amount was treated as deferred income and released over the life of the remaining power agreements, matched to the associated asset depreciation charge. Under IFRS the amount has been recognised as income in the year of receipt, along with the impairment of the property, plant and equipment associated with the original power plants. This has resulted in a reduction in operating profit for the quarter ended 30 Sept 2004 of £1 million (£3 million for the nine months ended 30 Sept 2004) and an increase in net assets as at 30 Sept 2004 of £16 million.

3. Goodwill amortisation

BG Group has used the exemption available under IFRS 1 for not restating business combinations. IFRS 3 requires that goodwill arising from business combinations should not be amortised. Accordingly, the carrying value of goodwill as at 30 Sept 2004 is increased by £28 million and operating costs in respect of goodwill amortisation under UK GAAP for the quarter ended 30 Sept 2004 of £4 million, and for the nine months ended 30 Sept 2004 of £12 million, have been reversed. There is no tax impact.

4. Regulatory current account balances – Comgas

Comgas (BG Group's Brazilian gas distribution business) recognised balances under UK GAAP in respect of the pass-through of costs after formal approval of a revised tariff by the Comgas Regulator. These balances do not meet the criteria for recognition under current IFRS and accordingly have been de-recognised. This has resulted in a decrease in operating costs for the quarter ended 30 Sept 2004 of £6 million and for the nine months ended 30 Sept 2004 of £10 million with an increase in earnings for the quarter ended 30 Sept 2004 of £3 million (£7 million for the nine months ended 30 Sept 2004), and has led to an increase in net assets as at 30 Sept 2004 of £14 million.

5. Share-based payments

On adoption of IFRS 2, BG Group has recognised the cost of providing share-based payments to employees in the income statement over the relevant vesting period. The cost is based on the fair value of the options and shares allocated determined using a Black-Scholes option pricing model and a Monte Carlo projection model. This has resulted in a decrease in earnings for the quarter ended 30 Sept 2004 of £3 million and for the nine months ended 30 Sept 2004 of £3 million.

6. Deferred tax

On adoption of IAS 12, BG Group has recognised deferred tax liabilities in respect of unremitted earnings of overseas associates and jointly controlled entities and in respect of fixed assets held at fair value following a business combination. The effective tax rate under IFRS is 40% for the quarter and the nine months ended 30 Sept 2004. The impact of these adjustments is an increase to the deferred tax provision as at 30 Sept 2004 of £81 million.

7. Profit on disposal of non-current assets

The adjustment to profit on disposal of non-current assets represents foreign currency losses previously recognised in equity which are recycled through the income statement on the disposal of the related assets in accordance with IAS 21.

10. Commitments and Contingencies

Pages 93 and 94 of the 2004 Annual Report and Accounts provide details of the size and nature of BG Group's commitments and contingencies as at 31 Dec 2004. As at 30 Sept 2005, the amounts and transactions were not significantly different to those at the year end, except for the following:

Commitments for capital expenditure were £419 million lower principally reflecting the Kashagan disposal.

The outstanding balance on loans guaranteed by BG Energy Holdings Limited had decreased by £284 million.

Supplementary information: Operating and financial data

Third Quarter		Second Quarter		Nine Months	
2005	2004	2005		2005	2004
			Production volumes (mmboe)		
4.6	4.8	4.5	- oil	13.8	15.6
5.8	6.4	8.4	- liquids	21.9	17.8
30.8	28.5	31.7	- gas	93.8	88.4
41.2	39.7	44.6	- total	129.5	121.8
			Production volumes (boepd in thousands)		
50	52	50	- oil	50	57
63	70	92	- liquids	80	65
335	310	348	- gas	344	324
448	432	490	- total	474	446
			LNG cargoes (standard)		
9	25	10	- delivered to Lake Charles	27	53
15	11	11	- delivered to Elba Island	36	29
7	8	1	- re-marketed	18	11
31	44	22	- total	81	93
£35.25	£23.65	£28.01	Average realised oil price per barrel	£29.50	£20.36
(\$63.02)	(\$42.80)	(\$52.36)		(\$54.68)	(\$36.94)
£26.98	£16.89	£21.15	Average realised liquids price per barrel	£20.68	£12.92
(\$48.23)	(\$30.56)	(\$39.54)		(\$38.32)	(\$23.45)
20.10p	18.33p	22.98p	Average realised UK gas price per produced therm	22.72p	18.69p
17.92p	14.17p	14.16p	Average realised International gas price per produced therm	15.39p	13.68p
18.42p	15.71p	16.81p	Average realised gas price per produced therm	17.56p	15.69p
£1.42	£1.22	£1.13	Lifting costs per boe ⁽ⁱ⁾	£1.23	£1.05
(\$2.54)	(\$2.20)	(\$2.10)		(\$2.27)	(\$1.91)
£2.56	£2.21	£2.04	Operating expenditure per boe	£2.22	£2.03
(\$4.57)	(\$4.01)	(\$3.82)		(\$4.11)	(\$3.69)
166	151	174	Development expenditure (£m)	495	415
			Gross exploration expenditure (£m)		
34	75	15	- capitalised expenditure	136	170
31	18	23	- other expenditure	69	44
65	93	38	- gross expenditure	205	214

i) Lifting costs are defined as operating expenditure excluding royalties, tariffs and insurance.

Supplementary information: Operating and financial data (continued)

BG Group's exposure to the oil price varies according to a number of factors including the mix of production and sales. Management estimates that, other factors being constant, a \$1.00 rise (or fall) in the Brent price would increase (or decrease) operating profit in 2005 by approximately £30 million to £40 million.

BG Group's exposure to the US\$/UK£ exchange rate varies according to a number of factors including commodity prices and the timing of US Dollar revenues and costs including capital expenditure. Management estimates that in 2005, other factors being constant, a 10 cent strengthening (or weakening) in the US Dollar would increase (or decrease) operating profit by approximately £80 million to £90 million.

Definitions

In these results:

<p>bcf bcfd bcmpa boe boed bopd CCGT DCQ E&P EPC EPIC FEED FERC Gearing</p> <p>GW IAS 39 IFRS LNG m mmboe mmcfd mmcmd mmscfd mmscm mmscmd mtpa MW Net borrowings</p> <p>PSA ROACE Standard Cargo T&D Total operating profit</p> <p>UKCS</p>	<p>billion cubic feet billion cubic feet per day billion cubic metres per annum barrels of oil equivalent barrels of oil equivalent per day barrels of oil per day combined cycle gas turbine daily contracted quantity Exploration and Production engineering, procurement and construction engineering, procurement, installation and commissioning front end engineering design Federal Energy Regulatory Commission Net borrowings as a percentage of total shareholders' funds (excluding the re-measurement of commodity financial instruments) plus net borrowings gigawatt International Accounting Standard 39 (Financial Instruments) International Financial Reporting Standards Liquefied Natural Gas million million barrels of oil equivalent million cubic feet per day million cubic metres per day million standard cubic feet per day million standard cubic metres million standard cubic metres per day million tonnes per annum megawatt Comprise cash, current asset investments, finance leases, currency and interest rate derivative financial instruments and short- and long-term borrowings production sharing agreement return on average capital employed 2 750 000 mmbtu Transmission and Distribution Group operating profit plus share of pre-tax operating results of joint ventures and associates United Kingdom Continental Shelf</p>
---	--

Enquiries

Enquiries relating to BG Group's results, business and financial position should be made to:

Investor Relations Department
BG Group plc
Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

Tel: 0118 929 3025
e-mail: invrel@bg-group.com

General enquiries about shareholder matters should be made to:

Lloyds TSB Registrars
The Causeway
Worthing
West Sussex
BN99 6DA

Tel: 0870 600 3951
e-mail: bg@lloydstsb-registrars.co.uk

Financial Calendar

Announcement of 2005 fourth quarter results and full year results and annual strategy presentation

9 February 2006

Announcement of 2006 first quarter results

4 May 2006

BG Group plc website: www.bg-group.com

Registered office

Thames Valley Park Drive, Reading RG6 1PT
Registered in England No. 3690065