

# BG GROUP PLC

## 2006 FOURTH QUARTER AND FULL YEAR RESULTS

BG Group's Chief Executive, Frank Chapman said:

"BG Group has delivered another year of record results in 2006, with E&P volumes up 19% and earnings up 21%. In addition, we made significant progress on the delivery of major projects and substantially enhanced our E&P resource base, adding attractive opportunities for longer-term growth."

### HIGHLIGHTS

Fourth Quarter		Business Performance <sup>(ii)</sup>		Full Year		
2006	2005 <sup>(i)</sup>			2006	2005 <sup>(i)</sup>	
£m	£m			£m	£m	
<b>1 897</b>	2 098	-10%	Revenue and other operating income	<b>7 270</b>	5 664	+28%
			Total operating profit including share of pre-tax operating results from joint ventures and associates			
<b>760</b>	860	-12%		<b>3 103</b>	2 389	+30%
<b>410</b>	503	-18%	Earnings before prior period taxation	<b>1 678</b>	1 354	+24%
-	-		Prior period taxation <sup>(iii)</sup>	<b>(38)</b>	-	-
			Earnings for the period after prior period taxation			
<b>410</b>	503	-18%		<b>1 640</b>	1 354	+21%
<b>12.0p</b>	14.2p	-15%	Earnings per share	<b>47.4p</b>	38.2p	+24%
<b>4.20p</b>	4.09p	+3%	Dividend per share	<b>7.20p</b>	6.00p	+20%
<b>Total results for the period (including disposals and re-measurements)</b>						
<b>2 088</b>	1 995	+5%	Revenue and other operating income	<b>7 674</b>	5 424	+41%
			Operating profit before share of results from joint ventures and associates			
<b>855</b>	700	+22%		<b>3 225</b>	2 353	+37%
			Total operating profit including share of pre-tax operating results from joint ventures and associates			
<b>910</b>	774	+18%		<b>3 458</b>	2 595	+33%
<b>486</b>	462	+5%	Earnings before prior period taxation	<b>1 853</b>	1 525	+22%
-	-		Prior period taxation <sup>(iv)</sup>	<b>23</b>	-	-
			Earnings for the period after prior period taxation			
<b>486</b>	462	+5%		<b>1 876</b>	1 525	+23%
<b>14.3p</b>	13.0p	+10%	Earnings per share	<b>54.2p</b>	43.1p	+26%

For notes i) to iv) see footnotes on page 2

## HIGHLIGHTS

- Earnings rose 21% to £1 640 million for the full year.
- Full year dividend increased by 20% to 7.20 pence per share.
- £1 billion share buyback completed and a further £750 million announced.
- At constant US\$/UK£ exchange rates and upstream prices, total operating profit would have increased by 5% for the quarter and by 15% for the full year.
- E&P volumes rose 5% in the quarter and 19% in the full year.
- Strong LNG performance with total operating profit up 42% in the quarter and 94% in the full year.
- Signed Heads of Agreement with The National Gas Company of Trinidad and Tobago Limited to supply 220 mmscfd for up to 15 years from January 2009.
- Project sanction agreed for Karachaganak Train 4.
- Three year average unit finding and development cost<sup>(v)</sup> was \$11.50/boe.
- Three year average proved reserve replacement rate<sup>(vi)</sup> was 108%. The one year proved reserve replacement rate was 84% at year end prices and 110% on an underlying basis.
- Total resource base increased by approximately 1 billion boe.
- Oil production from the Buzzard field in the UK North Sea started on 7 January 2007.
- Agreed to purchase the 805 MW Lake Road oil and gas combined cycle power plant located in Connecticut, USA.
- Sold Mauritanian interests and two LNG ships, the *Methane Arctic* and *Methane Polar*.
- Two new LNG ships ordered for delivery in 2010.

i) 2005 comparatives have been restated on the application of IFRIC 4 and amendments to IAS 39. See Note 1, page 21.

ii) 'Business Performance' excludes disposals and certain re-measurements as exclusion of these items provides 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 12 and Results Presentation, page 3. Unless otherwise stated, the results discussed in this release relate to BG Group's Business Performance.

iii) Prior period taxation is as a result of the increase in North Sea taxation and includes an additional charge of £38 million in respect of the restatement of deferred tax balances at 1 January 2006.

iv) In addition to (iii) above, prior period taxation includes a £61 million credit relating to the impact of the increase in North Sea taxation on certain re-measurement balances.

v) & vi) See page 33 for an explanation of how these ratios are calculated.

## RESULTS PRESENTATION

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

- The re-measurement of certain financial instruments.
- Profits and losses on the disposal and associated impairment 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 14 and 15). 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 is disclosed in Business Performance discussed on pages 4 to 11. The table below sets out the amounts related to joint ventures and associates, certain re-measurements under IAS 39 and profits on disposal and associated impairment of non-current assets and businesses.

### FOURTH QUARTER

	Business Performance		Disposals and re-measurements <sup>(i)</sup>		Total Result	
	2006 £m	2005 £m	2006 £m	2005 £m	2006 £m	2005 £m
Operating profit before disposal of non-current assets	<b>705</b>	786	<b>191</b>	(103)	<b>896</b>	683
Profits and losses on disposal of non-current assets and impairments	-	-	<b>(41)</b>	17	<b>(41)</b>	17
Operating profit before share of results from joint ventures and associates	<b>705</b>	786	<b>150</b>	(86)	<b>855</b>	700
Pre-tax share of operating results of joint ventures and associates	<b>55</b>	74	-	-	<b>55</b>	74
Total operating profit	<b>760</b>	860	<b>150</b>	(86)	<b>910</b>	774
Net finance costs						
Finance income	<b>22</b>	24	<b>15</b>	(5)	<b>37</b>	19
Finance costs	<b>(23)</b>	(27)	<b>(13)</b>	9	<b>(36)</b>	(18)
Share of joint ventures and associates	<b>(16)</b>	(14)	-	-	<b>(16)</b>	(14)
	<b>(17)</b>	(17)	<b>2</b>	4	<b>(15)</b>	(13)
Taxation						
Taxation	<b>(323)</b>	(326)	<b>(75)</b>	44	<b>(398)</b>	(282)
Share of joint ventures and associates	<b>(1)</b>	(20)	-	-	<b>(1)</b>	(20)
	<b>(324)</b>	(346)	<b>(75)</b>	44	<b>(399)</b>	(302)
Profit for the period	<b>419</b>	497	<b>77</b>	(38)	<b>496</b>	459
Profit attributable to:						
Shareholders (earnings)	<b>410</b>	503	<b>76</b>	(41)	<b>486</b>	462
Minority interest	<b>9</b>	(6)	<b>1</b>	3	<b>10</b>	(3)
	<b>419</b>	497	<b>77</b>	(38)	<b>496</b>	459

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 these unrealised mark-to-market movements are best presented separately from underlying business performance. For an explanation of Non-GAAP measures see page 12.

**BUSINESS REVIEW**

*The results discussed in this Business Review (pages 4 to 11) relate to BG Group's performance excluding disposals and certain re-measurements. For the impact and a description of these items, see the consolidated income statements (pages 14 and 15) and Note 2 of the preliminary un-audited financial statements (page 22). Results at constant US\$/UK£ exchange rates and upstream prices are also quoted. See Presentation of Non-GAAP measures (page 12) for an explanation of these metrics.*

**GROUP**

Fourth Quarter		Business Performance		Full Year		
2006	2005			2006	2005	
£m	£m			£m	£m	
<b>1 897</b>	2 098	-10%	Revenue and other operating income	<b>7 270</b>	5 664	+28%
			Total operating profit including share of pre-tax results from joint ventures and associates			
<b>575</b>	729	-21%	Exploration and Production	<b>2 457</b>	1 942	+27%
<b>115</b>	81	+42%	Liquefied Natural Gas	<b>352</b>	181	+94%
<b>53</b>	45	+18%	Transmission and Distribution	<b>231</b>	211	+9%
<b>28</b>	35	-20%	Power Generation	<b>106</b>	113	-6%
<b>(11)</b>	(30)	-63%	Other activities	<b>(43)</b>	(58)	-26%
<b>760</b>	860	-12%		<b>3 103</b>	2 389	+30%
<b>(17)</b>	(17)	-	Net finance costs	<b>(43)</b>	(65)	-34%
<b>(324)</b>	(346)	-6%	Taxation for the period	<b>(1 337)</b>	(939)	+42%
<b>410</b>	503	-18%	Earnings for the period	<b>1 678</b>	1 354	+24%
-	-	-	Prior period taxation	<b>(38)</b>	-	-
<b>410</b>	503	-18%	Earnings after prior period taxation	<b>1 640</b>	1 354	+21%
<b>12.0p</b>	14.2p	-15%	Earnings per share	<b>47.4p</b>	38.2p	+24%
<b>548</b>	408	+34%	Capital investment	<b>1 847</b>	1 595	+16%

**Fourth quarter**

Total operating profit of £760 million (down 12%) reflected increased E&P production (up 5%) and strong growth in the LNG business, offset by lower gas prices and a weaker US\$ exchange rate. At constant US\$/UK£ exchange rates and upstream prices, total operating profit increased by 5%.

The increase in the effective tax rate (including BG Group's share of joint ventures and associates) in the quarter reflects the increased North Sea tax rate.

Cash conversion remained strong and cash generated by operations increased by £95 million to £804 million.

Capital investment in the quarter of £548 million comprised continuing investment in North America and the Caribbean (£175 million), Europe and Central Asia (£159 million), Mediterranean Basin and Africa (£125 million), South America (£46 million) and Asia Pacific (£43 million).

### **Full year**

Total operating profit increased by 30% to £3 103 million reflecting the step change in E&P production (up 19%), strong growth in the LNG business and higher prices in the first half of the year, partially offset by an increase in exploration costs and the deconsolidation of MetroGAS.

At constant US\$/UK£ exchange rates and upstream prices, total operating profit increased by 15%.

The effective tax rate (including BG Group's share of joint ventures and associates) was approximately 44% for the full year (prior year 40%) following the increase in North Sea taxation. This excludes the effect of a one-off charge of £38 million to reflect the increased North Sea tax rate on deferred tax balances at 1 January 2006.

Cash generated by operations increased by £851 million to £3 360 million primarily due to higher operating profit.

Capital investment of £1 847 million comprised continuing investment in Europe and Central Asia (£530 million), Mediterranean Basin and Africa (£337 million), North America and the Caribbean (£654 million), South America (£199 million) and Asia Pacific (£127 million).

The Board recommends a final dividend of 4.20 pence per share bringing the full year dividend to 7.20 pence per share, an increase of 20% compared with last year. This increase reflects the strong financial performance in 2006.

The Board has approved a share buyback of £750 million. The Board consider that this amount can be returned to shareholders whilst leaving the company strongly resourced to fund its growth plans and to meet its policy of increasing the dividend in line with underlying earnings growth.

## EXPLORATION AND PRODUCTION

Fourth Quarter		Business Performance			Full Year	
2006	2005			2006	2005	
£m	£m			£m	£m	
57.2 <sup>(i)</sup>	54.3	+5%	Production volumes(mmboe)	219.2 <sup>(i)</sup>	183.8	+19%
1 001	1 093	-8%	Revenue and other operating income	3 928	3 074	+28%
575	729	-21%	Total operating profit	2 457	1 942	+27%
368	290	+27%	Capital investment	1 165	935	+25%

*(i) Includes fuel gas for the quarter of 1.05 mmboe, and 4.25 mmboe for the full year.*

*Supplementary operating and financial data is given on page 32.*

## Fourth quarter

E&P total operating profit of £575 million (down 21%) reflected a 5% increase in volumes, offset by lower commodity prices, higher maintenance costs and an adverse US\$/UK£ exchange rate.

Production volumes increased by 5% principally at West Delta Deep Marine (Egypt) and the Dolphin field (Trinidad and Tobago), following the continued build-up of production at Egyptian LNG Train 2 and Atlantic LNG Train 4. The start-up of the Atlantic/Cromarty field in the UK also contributed to the increase in volumes.

Unit operating expenditure<sup>(ii)</sup> at £2.53 (\$4.82) per boe was up 34 pence (97 cents) principally due to one-off maintenance and repair activities in Trinidad and Tobago and Egypt.

The Group's average international gas price was 16.7 pence (2005 21.4 pence) per produced therm reflecting lower international spot prices. In the UK, the average realised price per produced therm was 34.4 pence (2005 38.9 pence) as higher contract prices were offset by lower spot prices.

Capital investment of £368 million included expenditure in the UK (£90 million), Egypt (£18 million), Trinidad and Tobago (£39 million), India (£25 million) and Tunisia (£46 million) and acquisition of exploration acreage in Nigeria and Algeria (£54 million).

## Full year

E&P total operating profit increased by 27% to £2 457 million principally reflecting the 19% increase in production volumes and higher prices, partially offset by higher exploration costs. Increased production primarily came from West Delta Deep Marine (Egypt) and the Dolphin field (Trinidad and Tobago). Full year volumes of 589 kboed (net of fuel gas) were within 2% of BG Group's target of 600 kboed. The production rate in the fourth quarter including fuel gas was 622 kboed.

Unit operating expenditure<sup>(ii)</sup> was up 4% to £2.29 (\$4.18) per boe.

The exploration charge of £272 million was £91 million higher than 2005 mainly due to increased exploration activity across the Group.

Capital investment of £1 165 million included expenditure in the UK (£342 million), Egypt (£126 million), Trinidad and Tobago (£104 million), India (£84 million) and Tunisia (£93 million) and acquisition of exploration acreage in Nigeria and Algeria (£79 million).

ii) See page 34 for an explanation of how this ratio is calculated

### Fourth quarter business highlights

Oil production from the Buzzard field in the UK North Sea began on 7 January 2007. BG Group holds a 21.73% interest in the field in which peak production - expected in the second half of 2007, is forecast to be 200 000 barrels of oil per day (gross) and 60 million standard cubic feet of gas per day (gross).

On 18 December, BG Group announced it had signed Sale and Purchase Agreements for the acquisition of a further 11.45% interest in the Armada field (BG Group operated), increasing its stake to 58.22%. In the Everest field, BG Group also agreed to acquire a further 1.01% interest taking its total stake to 59.32%. The total consideration is \$143 million and completion is expected in March 2007.

On 29 December, BG Group entered into a Heads of Agreement with The National Gas Company of Trinidad and Tobago Limited (NGC) for the supply of 220 mmscfd for up to 15 years with initial deliveries beginning on 1 January 2009. The gas will be sourced from the East Coast Marine Area (BG Group 50%) and delivered to NGC for use in the Trinidad and Tobago domestic market.

In Algeria, a Presidential Decree was signed confirming BG Group's entry into the Hassi Ba Hamou Perimeter with a 36.75% share and position as operator, with effect from 13 December.

In November, BG Group agreed to farm into the UK central North Sea Columbus prospect, which lies partly in P.1314, Block 23/16f (in which BG Group will take a 25% stake on completion of the farm-in), and partly in the adjacent Block 23/21, in which the Lomond field is situated (BG Group 61.10%). In December, testing of the Columbus well 23/16f-11 was completed, and confirmed a discovery where hydrocarbons are present in what BG Group believe to be commercial quantities. Further drilling is expected to take place in 2007.

In December, BG Group and its partners sanctioned the Fourth Train project at the Karachaganak field in Kazakhstan, which will allow further condensate volumes to be sold in Western markets.

In January 2007, BG Group completed the sale of Mauritania Holdings BV for a total consideration of \$128 million. The agreement marks the disposal of all BG Group's current interests in Mauritania which include: 13.08% equity in PSC A, 11.63% equity in PSC B and 10.23% equity in the Chinguetti field.

In January 2007, BG Group was awarded interests in two new licences in the Norwegian APA 2006 licensing round. The awards cover one licence (BG Group 40% and operator) in the southern North Sea which contains the Bream discovery, and one licence (BG Group 25%) in the North Tampen Area in the northern North Sea.

In January 2007, BG Group was awarded interests in three new licences in the UK 24th Licensing Round. The awards cover Block 23/27b (BG 100% and operator) which lies immediately north of the Jackdaw discovery; Block 22/25d (BG Group 100% and operator) which lies west of Lomond; and 30/3b (BG Group 30.5%, non-operated) which is adjacent to the Jackdaw discovery.

During 2006, BG Group has completed 42 exploration and appraisal wells of which 22 have been successful (56%) and 3 are under evaluation. During the quarter, 10 successful wells were drilled in Brazil (1), Canada (4), Thailand (3), Trinidad and Tobago (1) and the UK (1).

## LIQUEFIED NATURAL GAS

Fourth Quarter		Business Performance		Full Year		
2006	2005			2006	2005	
£m	£m			£m	£m	
675	771	-12%	Revenue and other operating income	2 442	1 631	+50%
118	69	+71%	Total operating profit	332	120	+177%
25	36	-31%	Shipping and marketing	104	111	-6%
(28)	(24)	+17%	Liquefaction	(84)	(50)	+68%
115	81	+42%	Business development and other costs	352	181	+94%
91	66	+38%	Capital investment	496	501	-1%

*Supplementary operating and financial data are given on page 32.*

## Fourth quarter

LNG total operating profit increased by £34 million to £115 million principally reflecting higher volumes and margins in the shipping and marketing business despite lower US Henry Hub prices.

In shipping and marketing, total operating profit increased by £49 million to £118 million reflecting an increase in long-term contract supply volumes and the optimisation of that supply through global marketing. During the second quarter of 2006, a future profit of £30 million was secured by selling inventory forward into the higher priced first quarter of 2007. Under IFRS, £20 million of this profit has been recognised during 2006, following a change in market prices.

BG Group's share of operating profit from liquefaction activities decreased to £25 million. This was principally due to more profit being recognised in the E&P segment as the contract at Egyptian LNG Train 1 entered its commercial phase, lower realised prices at Atlantic LNG Train 1, and start up costs at Atlantic LNG Train 4.

Capital investment includes £54 million relating to LNG vessels, £28 million relating to regasification development projects and £6 million investment in Atlantic LNG.

## Full year

LNG total operating profit increased by £171 million to £352 million due to increased volumes and margins in the shipping and marketing business, which captured strong prices in Europe and Asia during the year. BG Group's share of operating profit from liquefaction activities of £104 million reflected the entry of Egyptian LNG Train 1 into its commercial phase, as outlined above. LNG liquefaction volumes for the full year were 6.7 mtpa, slightly below planned levels (7.1 mtpa).

The increase in business development and other costs reflects the development of liquefaction, supply and regasification opportunities across the portfolio, including the OKLNG project in Nigeria and Chile LNG.

Capital investment includes three LNG vessels delivered during 2006 and four due for delivery in 2007 (£313 million), regasification development projects (£74 million), Atlantic LNG (£58 million) and the Lake Charles Phase 2 expansion (£43 million).

**Fourth quarter business highlights**

In November, BG Group sold two LNG vessels, *Methane Arctic* and *Methane Polar*, to JSC Sovcomflot for a total consideration of \$92.5 million. The ships were older assets which were not used in BG Group trades and were sold following a strategic review of BG Group's shipping portfolio.

In January, BG Group announced an order to purchase from Samsung Heavy Industries Co. Limited two new-build dual-fuel diesel electric LNG ships. The new ships will be 170 000 cubic-metre capacity and are scheduled to be delivered in early 2010.

## TRANSMISSION AND DISTRIBUTION

Fourth Quarter		Business Performance		Full Year		
2006	2005			2006	2005	
£m	£m			£m	£m	
			Revenue and other operating income			
<b>186</b>	158	+18%	Comgas	<b>738</b>	532	+39%
-	32	-	MetroGAS	-	164	-
<b>40</b>	29	+38%	Other	<b>139</b>	112	+24%
<b>226</b>	219	+3%		<b>877</b>	808	+9%
			Total operating profit			
<b>39</b>	37	+5%	Comgas	<b>186</b>	147	+27%
-	1	-	MetroGAS	-	26	-
<b>14</b>	7	+100%	Other	<b>45</b>	38	+18%
<b>53</b>	45	+18%		<b>231</b>	211	+9%
<b>38</b>	47	-19%	Capital investment	<b>123</b>	136	-10%

## Fourth quarter

T&D total operating profit increased by 18% to £53 million.

At Comgas, in Brazil, total operating profit increased by £2 million to £39 million, primarily due to an 8% increase in volumes, partially offset by an adverse Brazilian Real (BRL) exchange rate. Operating profit in the fourth quarter of 2006 includes the net cost (£5 million) of passing back to customers the reduced gas costs experienced in earlier periods. A further £6 million is expected to be passed back in future periods.

Other T&D operating profit benefited from improved performance at the Interconnector business which resulted in a one-off reduction in provisions of £11 million.

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

## Full year

T&D total operating profit rose by £20 million to £231 million. Excluding the results of MetroGAS in 2005, total operating profit increased by 25%. At Comgas, a £39 million increase in total operating profit reflected a 10% increase in volumes and a favourable BRL exchange rate. Overall T&D volume for the full year was 11.9 bcmpa, ahead of the 2006 target of 11.7 bcmpa.

Comgas' total operating profit in 2006 includes the net cost (£11 million) of passing back to customers the reduced gas costs experienced in earlier periods.

## Fourth quarter business highlights

In November 2006, BG Group completed the sale of its 37.5% interest in the Nile Valley Gas Company in Egypt.

## POWER GENERATION

Fourth Quarter		Business Performance			Full Year	
2006	2005			2006	2005	
£m	£m			£m	£m	
<b>64</b>	59	+8%	Revenue and other operating income	<b>248</b>	227	+9%
<b>28</b>	35	-20%	Total operating profit	<b>106</b>	113	-6%
<b>48</b>	-	-	Capital investment	<b>55</b>	3	+1 733%

## Fourth quarter and full year

The increase in revenue is primarily due to the pass through of gas costs. Total operating profit in the year was £7 million lower reflecting increased maintenance costs at Premier Power. In the quarter, the reduction in total operating profit included the impact of the recognition of insurance income at Seabank Power in 2005. At the year end power capacity was 3 GW, against the 2006 target of 2.8 GW.

Capital investment relates primarily to the acquisition of the Dighton power plant in the USA.

## Fourth quarter business highlights

On 14 December, BG Italia S.p.A. signed an agreement with Edison S.p.A for the acquisition of 66.316% of Serene S.p.A., a company in which BG Italia already owns the remaining 33.684%. The purchase price is €98 million. Serene currently manages five thermoelectric plants with a total installed capacity of 400 MW. Completion is expected in February 2007.

On 28 December, BG Group announced that it had signed a Sales and Purchase Agreement for the purchase of the Lake Road power plant, an 805 MW gas and oil fired combined cycle facility located in Dayville, Connecticut, USA for \$685 million. Completion, which is subject to FERC and Hart-Scott Rodino approvals, is expected during the first half of 2007.

## Presentation of Non-GAAP measures

### Business Performance

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

BG Group uses commodity instruments to manage price exposures associated with its marketing and optimisation activity in the UK and US. This activity enables the Group to take advantage of commodity price movements. It is considered more appropriate to include both unrealised and realised gains and losses arising from the mark-to-market of derivatives associated with this activity in 'Business Performance'.

### Disposals and certain 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 and 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 instruments to manage certain price exposures in respect of optimising the timing of its gas sales associated with contracted UK storage and pipeline capacity. These instruments are also required to be measured at fair value at the balance sheet date under IAS 39. However, IAS 39 does not allow the matching of these fair values to the economically hedged value of the related gas in storage (taking account of gas prices based on the forward curve or expected delivery destination and the associated storage and capacity costs).

BG Group also 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 derivatives associated with gas in UK storage and pipeline facilities and interest rate and foreign exchange exposure in respect of financial instruments which cannot be designated as hedges under IAS 39 are disclosed separately as 'disposals and re-measurements'. Realised gains and losses relating to these instruments are included in Business Performance. 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.

BG Group has also separately identified profits and losses associated with the disposal of non-current assets, closures and associated impairments, as they are items which require separate disclosure in order to provide a clearer understanding of the results for the period.

For a reconciliation between the overall results and Business Performance and details of disposals and re-measurements, see the consolidated income statement, page 14 and 15 and note 2 to the preliminary unaudited financial statements, page 22.

### 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. This approach 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 preliminary unaudited financial statements, page 25.

### 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/funds

BG Group provides a reconciliation of net borrowings/funds and an analysis of the amounts included within net borrowings/funds as 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 BG Group's growth programme, (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 2005. 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.

**Cautionary note to US investors**

The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation such as "probable reserves", "unbooked resources", "risked exploration", and "total reserve/resource base" that the SEC's guidelines strictly prohibit us from including in filings with the SEC. US investors are urged to consider closely the disclosure in our Form 20-F, File No. 1-09337, available from us at BG Group, 100 Thames Valley Park Drive, Reading RG6 1PT, Attention: Company Secretary. You may read and copy this information at the SEC's public reference room, located at 100F Street NE., Room 1580 Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. This filing is also available at the internet website maintained by SEC at <http://www.sec.gov>.

**CONSOLIDATED INCOME STATEMENT  
FOURTH QUARTER**

	Notes	2006			2005 restated <sup>(i)</sup>		
		Business Performance <sup>(ii)</sup> £m	Disposals and re-measurements (Note 2) <sup>(ii)</sup> £m	Total Result £m	Business Performance <sup>(ii)</sup> £m	Disposals and re-measurements (Note 2) <sup>(ii)</sup> £m	Total Result £m
Group revenue		1 831	-	1 831	2 056	-	2 056
Other operating income	2	66	191	257	42	(103)	(61)
<b>Group revenue and other operating income</b>	3	<b>1 897</b>	<b>191</b>	<b>2 088</b>	<b>2 098</b>	<b>(103)</b>	<b>1 995</b>
Operating costs		(1 192)	-	(1 192)	(1 312)	-	(1 312)
Profits and losses on disposal of non-current assets and impairments	2	-	(41)	(41)	-	17	17
<b>Operating profit/(loss) before share of results from joint ventures and associates</b>	3	<b>705</b>	<b>150</b>	<b>855</b>	<b>786</b>	<b>(86)</b>	<b>700</b>
Finance income	2, 4	22	15	37	24	(5)	19
Finance costs	2, 4	(23)	(13)	(36)	(27)	9	(18)
Share of post-tax results from joint ventures and associates	3	38	-	38	40	-	40
<b>Profit/(loss) before tax</b>		<b>742</b>	<b>152</b>	<b>894</b>	<b>823</b>	<b>(82)</b>	<b>741</b>
Taxation	2, 5	(323)	(75)	(398)	(326)	44	(282)
<b>Profit for the period</b>		<b>419</b>	<b>77</b>	<b>496</b>	<b>497</b>	<b>(38)</b>	<b>459</b>
<b>Attributable to:</b>							
BG Group shareholders (earnings)		410	76	486	503	(41)	462
Minority interest		9	1	10	(6)	3	(3)
		<b>419</b>	<b>77</b>	<b>496</b>	<b>497</b>	<b>(38)</b>	<b>459</b>
Earnings per share – basic	6	12.0p	2.3p	14.3p	14.2p	(1.2p)	13.0p
Earnings per share – diluted	6	11.9p	2.3p	14.2p	14.2p	(1.2p)	13.0p
<b>Total operating profit including share of pre-tax operating results from joint ventures and associates<sup>(iii)</sup></b>	3	<b>760</b>	<b>150</b>	<b>910</b>	<b>860</b>	<b>(86)</b>	<b>774</b>

i) 2005 comparatives have been restated on the application of IFRIC 4 and amendments to IAS 39. See Note 1, page 21.

ii) See Presentation of Non-GAAP measures, page 12, for an explanation of results excluding disposals and re-measurements and presentation of the results of joint ventures and associates.

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

**CONSOLIDATED INCOME STATEMENT  
FULL YEAR**

	Notes	2006			2005 restated <sup>(i)</sup>		
		Business Performance <sup>(ii)</sup> £m	Disposals and re-measurements (Note 2) <sup>(ii)</sup> £m	Total Result £m	Business Performance <sup>(ii)</sup> £m	Disposals and re-measurements (Note 2) <sup>(ii)</sup> £m	Total Result £m
Group revenue		7 136	-	7 136	5 612	-	5 612
Other operating income	2	134	404	538	52	(240)	(188)
<b>Group revenue and other operating income</b>	3	<b>7 270</b>	<b>404</b>	<b>7 674</b>	<b>5 664</b>	<b>(240)</b>	<b>5 424</b>
Operating costs		(4 400)	-	(4 400)	(3 517)	-	(3 517)
Profits and losses on disposal of non-current assets and impairments	2	-	(49)	(49)	-	446	446
<b>Operating profit/(loss) before share of results from joint ventures and associates</b>	3	<b>2 870</b>	<b>355</b>	<b>3 225</b>	<b>2 147</b>	<b>206</b>	<b>2 353</b>
Finance income	2, 4	104	23	127	75	30	105
Finance costs	2, 4	(80)	(22)	(102)	(97)	(15)	(112)
Share of post-tax results from joint ventures and associates	3	139	-	139	158	-	158
<b>Profit/(loss) before tax</b>		<b>3 033</b>	<b>356</b>	<b>3 389</b>	<b>2 283</b>	<b>221</b>	<b>2 504</b>
Taxation	2, 5	(1 348)	(120)	(1 468)	(898)	(41)	(939)
<b>Profit/(loss) for the period</b>		<b>1 685</b>	<b>236</b>	<b>1 921</b>	<b>1 385</b>	<b>180</b>	<b>1 565</b>
<b>Attributable to:</b>							
BG Group shareholders (earnings)		1 640	236	1 876	1 354	171	1 525
Minority interest		45	-	45	31	9	40
		<b>1 685</b>	<b>236</b>	<b>1 921</b>	<b>1 385</b>	<b>180</b>	<b>1 565</b>
Earnings per share – basic	6	47.4p	6.8p	54.2p	38.2p	4.9p	43.1p
Earnings per share – diluted	6	47.0p	6.8p	53.8p	38.1p	4.8p	42.9p
<b>Total operating profit including share of pre-tax operating results from joint ventures and associates<sup>(iii)</sup></b>	3	<b>3 103</b>	<b>355</b>	<b>3 458</b>	<b>2 389</b>	<b>206</b>	<b>2 595</b>
Dividend per share – declared and paid			7.09	247		3.99	142
Dividend per share – final proposed			4.20	143		4.09	144

i) 2005 comparatives have been restated on the application of IFRIC 4 and amendments to IAS 39. See Note 1, page 21.

ii) See Presentation of Non-GAAP measures, page 12, for an explanation of results excluding disposals and re-measurements and presentation of the results of joint ventures and associates.

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

**CONSOLIDATED BALANCE SHEET**  
**FULL YEAR**

	<b>31 Dec 2006</b>	31 Dec 2005 restated
	<b>£m</b>	<b>£m</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	328	342
Other intangible assets	694	682
Property, plant and equipment	6 064	5 830
Investments	1 086	1 129
Deferred tax assets	74	91
Trade and other receivables	49	52
Commodity contracts and other derivative financial instruments	273	84
	<b>8 568</b>	<b>8 210</b>
<b>Current assets</b>		
Inventories	247	185
Trade and other receivables	1 854	1 674
Commodity contracts and other derivative financial instruments	575	10
Cash and cash equivalents	1 463	1 516
	<b>4 139</b>	<b>3 385</b>
Assets classified as held for sale	85	10
<b>Total assets</b>	<b>12 792</b>	<b>11 605</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Borrowings	(103)	(81)
Trade and other payables	(1 618)	(1 308)
Current tax liabilities	(357)	(409)
Commodity contracts and other derivative financial instruments	(741)	(711)
	<b>(2 819)</b>	<b>(2 509)</b>
<b>Non-current liabilities</b>		
Borrowings	(1 559)	(1 497)
Trade and other payables	(21)	(68)
Commodity contracts and other derivative financial instruments	(90)	(2)
Deferred income tax liabilities	(1 153)	(733)
Retirement benefit obligations	(167)	(154)
Provisions for other liabilities and charges	(387)	(372)
	<b>(3 377)</b>	<b>(2 826)</b>
Liabilities associated with assets classified as held for sale	(34)	(3)
<b>Total liabilities</b>	<b>(6 230)</b>	<b>(5 338)</b>
<b>Net assets</b>	<b>6 562</b>	<b>6 267</b>
<b>Attributable to:</b>		
BG Group equity shareholders	6 460	6 169
Minority interest	102	98
<b>Total equity</b>	<b>6 562</b>	<b>6 267</b>

## CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

Fourth Quarter			Full Year	
2006	2005		2006	2005
£m	restated £m		£m	restated £m
<b>496</b>	459	Profit for the year	<b>1 921</b>	1 565
<b>43</b>	4	Hedge adjustments net of tax	<b>127</b>	(70)
<b>(163)</b>	138	Currency translation adjustments	<b>(575)</b>	526
<b>(120)</b>	142	Net gains/(losses) recognised directly in equity	<b>(448)</b>	456
<b>376</b>	317	Total recognised income for the year	<b>1 473</b>	2 021
		Attributable to:		
<b>9</b>	1	Minority interests	<b>39</b>	54
<b>367</b>	316	Shareholders	<b>1 434</b>	1 967
<b>376</b>	317		<b>1 473</b>	2 021
-	-	Effect of adoption of IFRIC 4	-	(8)
-	-	Effect of adoption of IAS 39	-	(238)
<b>376</b>	317		<b>1 473</b>	1 775

## CONSOLIDATED CASH FLOW STATEMENT

Fourth Quarter			Full Year	
2006	2005 restated		2006	2005 restated
£m	£m		£m	£m
<b>Cash flows from operating activities</b>				
894	741	Profit before taxation	3 389	2 504
(38)	(40)	Share of post-tax results from joint ventures and associates	(139)	(158)
160	146	Depreciation of property, plant and equipment and amortisation of intangible assets	608	503
(230)	116	Fair value movements in commodity contracts	(456)	253
41	(17)	Profit and losses on disposal of non-current assets and impairments	49	(446)
36	38	Unsuccessful exploration expenditure written off	113	70
5	7	(Decrease)/increase in provisions	5	7
(37)	(19)	Finance income	(127)	(105)
36	18	Finance costs	102	112
12	9	Share-based payments	30	20
(75)	(290)	(Increase)/decrease in working capital	(214)	(251)
804	709	<b>Cash generated by operations</b>	<b>3 360</b>	<b>2 509</b>
(227)	(340)	Income taxes paid	(979)	(883)
577	369	<b>Net cash inflow from operating activities</b>	<b>2 381</b>	<b>1 626</b>
<b>Cash flows from investing activities</b>				
66	33	Dividends received from joint ventures and associates	193	93
4	(93)	Proceeds from disposal of subsidiary undertakings and investments	9	(67)
49	1	Proceeds from disposal of property, plant and equipment and intangible assets	49	950
(403)	(171)	Purchase of property, plant and equipment and intangible assets	(1 313)	(1 064)
(13)	59	Loans (to)/from joint ventures and associates	(66)	65
(47)	(26)	Purchase of subsidiary undertakings and investments <sup>(i)</sup>	(67)	(39)
(344)	(197)	<b>Net cash (outflow) from investing activities</b>	<b>(1 195)</b>	<b>(62)</b>
<b>Cash flows from financing activities</b>				
9	3	Net interest received/(paid) <sup>(ii)</sup>	14	(25)
(3)	-	Dividends paid	(246)	(142)
(18)	(6)	Dividends paid to minority	(36)	(29)
109	78	Net proceeds from issue of new borrowings	214	334
(51)	(42)	Repayment of borrowings	(192)	(555)
12	6	Issue of shares	25	34
-	-	Issue of shares to minority shareholder	1	-
(14)	(33)	Purchase of own shares	(972)	(37)
44	6	<b>Net cash (outflow)/inflow from financing activities</b>	<b>(1 192)</b>	<b>(420)</b>
277	178	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6)</b>	<b>1 144</b>
1 191	1 335	Cash and cash equivalents at beginning of period	1 516	340
(5)	3	Effect of foreign exchange rate changes	(47)	32
1 463	1 516	<b>Cash and cash equivalents at end of period<sup>(iii)</sup></b>	<b>1 463</b>	<b>1 516</b>

i) Includes cash acquired of nil (2005 £18 million) on the purchase of a subsidiary undertaking.

ii) Includes capitalised interest for the fourth quarter of £11 million (2005 £11 million), and for the full year of £54 million (2005 £30 million).

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

**RECONCILIATION OF NET BORROWINGS/FUNDS<sup>(i)</sup> – FULL YEAR**

	<b>£m</b>
Net funds as at 31 December 2005 as reported	<b>253</b>
Adoption of IFRIC 4 (See Note 1)	<b>(283)</b>
<b>Net borrowings as at 31 December 2005 restated<sup>(i) (ii)</sup></b>	<b>(30)</b>
Net decrease in cash and cash equivalents	<b>(6)</b>
Cash inflow from changes in gross borrowings	<b>(22)</b>
Transferred to assets held for sale	<b>11</b>
Inception of finance leases	<b>(199)</b>
Foreign exchange and other re-measurements	<b>143</b>
<b>Net borrowings as at 31 December 2006<sup>(i) (ii)</sup></b>	<b>(103)</b>

Net borrowings attributable to Comgas were £242 million (31 December 2005 £189 million).

As at 31 December 2006, 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 £0.6 billion. 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/funds are defined on page 34.

ii) Net borrowings/funds comprise:

	<b>As at</b>	
	<b>31 Dec 2006 £m</b>	<b>31 Dec 2005 £m</b>
<i>Amounts receivable/(due) within one year</i>		
Cash and cash equivalents	<b>1 463</b>	1 516
Overdrafts, loans and finance leases	<b>(103)</b>	(81)
Derivative financial instruments <sup>(iii)</sup>	-	(50)
	<b>1 360</b>	1 385
<i>Amounts receivable/(due) after more than one year</i>		
Loans and finance leases	<b>(1 559)</b>	(1 497)
Derivative financial instruments <sup>(iii)</sup>	<b>96</b>	82
	<b>(1 463)</b>	(1 415)
<b>Net borrowings</b>	<b>(103)</b>	<b>(30)</b>

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

**RECONCILIATION OF NET BORROWINGS – FULL YEAR (Continued)****LIQUIDITY AND CAPITAL RESOURCES**

*All the information below is as at 31 December 2006.*

The Group's principal borrowing entities are: BG Energy Holdings Limited (BGEH), including wholly-owned subsidiary undertakings, the majority of whose borrowings are guaranteed by BG Energy Holdings Limited (collectively BGEH), and Comgas and Gujarat Gas, which conduct their borrowing activities on a stand-alone basis.

BGEH had aggregate committed multicurrency revolving borrowing facilities of \$1.04 billion, of which \$520 million expires in 2007 and \$520 million expires in 2009. In addition, BGEH had a note purchase facility of \$65 million expiring in October 2007. There are no restrictions on the application of funds under these facilities, which were undrawn.

BGEH is also lessee under a number of LNG ship charters which constitute finance leases. The total unutilised facility under these finance leases amounted to \$122.6 million, such amounts being available exclusively to fund the construction of certain LNG ships.

BGEH had a \$1.0 billion US Commercial Paper Programme, which was unutilised, and a \$1.0 billion Eurocommercial Paper Programme, of which \$961.4 million was unutilised. BGEH also had a \$2.0 billion Euro Medium Term Note Programme, of which \$1.477 billion was unutilised.

In addition, BGEH had the following uncommitted borrowing facilities – multicurrency facilities of £581 million, overdraft facilities of £60 million and credit facilities of \$40 million, all of which were unutilised.

Comgas had committed borrowing facilities of Brazilian Reals (BRL) 1 954.1 million, of which BRL 760.0 million was unutilised, and uncommitted borrowing facilities of BRL 577.6 million, all of which were unutilised.

Gujarat Gas Company Limited had committed borrowing facilities of Indian Rupees (INR) 780 million, all of which were utilised.

## Notes

### 1. Basis of preparation

These financial statements are the unaudited preliminary consolidated financial statements of BG Group plc for both the quarter ended and the full year ended 31 December 2006. 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 2005, as they provide an update of previously reported information. The latest statutory accounts delivered to the registrar were for the year ended 31 December 2005 which were audited by BG Group's statutory auditors PricewaterhouseCoopers LLP. These financial statements have been prepared in accordance with the requirements of the UK Listing Rules and the accounting policies set out in the 2005 Annual Report and Accounts with the exception of the adoption of new accounting standards as set out below.

The preparation of the 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 preliminary financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the 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.

#### **IFRIC Interpretation 4 'Determining whether an Arrangement contains a Lease'**

IFRIC 4 requires companies to determine whether they have any arrangements which are or contain leases based on an assessment of whether specific assets are required to fulfil each arrangement or whether each arrangement conveys a right of use of the asset. If an arrangement contains a lease, the requirements of IAS 17, 'Leases', should be applied to the lease element of the arrangement.

BG Group has applied IFRIC 4 from 1 January 2006 and has concluded that the contract for the provision of capacity at Lake Charles contains a finance lease. Comparative information has been amended to reflect this arrangement. As at 1 January 2006, borrowings have been increased by £283 million, property, plant and equipment has increased by £263 million, deferred tax assets have increased by £7 million and retained earnings have decreased by £13 million to reflect this arrangement; comparative information has also been restated. The effect of this restatement on 2005 operating profit is a £2 million increase in the quarter and a £9 million increase in the full year and an increase in finance costs of £4 million in the quarter and £14 million in the full year. The tax effect was a £1 million decrease in the quarter and £2 million decrease in the full year, resulting in a £1 million decrease in earnings in the quarter and a £3 million decrease in the full year.

#### **IAS 39 'Financial Guarantee Contracts and Credit Insurance'**

In August 2005, the IASB issued an amendment to IAS 39 which covers the accounting required for financial guarantee contracts that provide payment to be made if a debtor fails to make a payment when due. These contracts should be initially measured at fair value and subsequently re-measured using the higher of the provision required by IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' or the initial amount less cumulative amortisation in accordance with IAS 18, 'Revenue'. This amendment is mandatory for periods beginning on or after 1 January 2006 and BG Group has adopted it from that date. As at 1 January 2006, investments have been increased by £5 million and provisions for other liabilities and charges have been increased by £5 million; comparative information has also been restated. The effect of this restatement on 2005 operating profit is nil for both quarter and full year. There is a decrease of £1 million in finance costs in the quarter and £2 million for the full year and a £1 million decrease to the pre-tax share of operating results of joint ventures and associates in the quarter and £2 million for the full year.

## 2. Disposals and re-measurements

Fourth Quarter			Full Year	
2006	2005		2006	2005
£m	£m		£m	£m
191	(103)	Revenue and other operating income – re-measurements of commodity contracts	404	(240)
(41)	17	Profits and losses on disposal of non-current assets and impairments	(49)	446
2	4	Net finance income/(costs) – re-measurements of financial instruments	1	15
(75)	44	Taxation	(120)	(41)
(1)	(3)	Minority interest	-	(9)
<b>76</b>	<b>(41)</b>	<b>Impact on earnings</b>	<b>236</b>	<b>171</b>

### Fourth quarter and full year: Revenue and other operating income

Re-measurements included within revenue and other operating income amount to a credit of £191 million for the quarter (2005 £103 million charge), of which £167 million (2005 £111 million charge) represents non-cash mark-to-market movements on certain long-term UK gas contracts. For the full year, a credit of £404 million in respect of re-measurements is included within revenue and other operating income (2005 £240 million charge), of which £366 million represents non-cash mark-to-market movements on certain long-term UK gas contracts (2005 £224 million charge). 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.

### Fourth quarter and full year: Net finance costs

Re-measurements presented in net finance costs relate primarily to 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 a subsidiary. In 2005, re-measurements included the retranslation of MetroGAS US Dollar and Euro borrowings which could not be designated as hedges under IAS 39. Following the de-consolidation of MetroGAS and GASA in December 2005, these companies made no contribution to the results of BG Group in 2006.

### 2006 fourth quarter and full year: Disposals of non-current assets

During the second quarter, BG Group disposed of its Indian telecoms businesses. This resulted in a loss on disposal of £8 million. No tax arose on the disposal.

During the fourth quarter, BG Group disposed of its 37.5% interest in Nile Valley Gas Company which resulted in a £1 million profit on disposal. No tax arose on the disposal.

During the fourth quarter, BG Group sold two LNG ships, the Methane Arctic and Methane Polar. This disposal resulted in a £35 million profit on disposal. No tax arose on the disposal.

During the fourth quarter, BG Group committed to a plan to sell its Mauritania business and accordingly reclassified this business as held for sale. As a result, it was revalued to the lower of its carrying amount and fair value less costs to sell. This resulted in a pre-tax charge to the income statement of £67 million (post-tax charge of £49 million). BG Group announced the sale of this business in January 2007.

During the fourth quarter, BG Group committed to a plan to dispose of Microgen and accordingly reclassified the business as held for sale. As a result, it was revalued to the lower of its carrying amount and fair value less costs to sell resulting in a pre-tax charge to the income statement of £10 million and post-tax charge of £7 million.

**2005 fourth quarter and full year: Disposal of non-current assets**

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.

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.

### 3. Segmental analysis

<b>Group revenue and other operating income</b>	<b>Business Performance</b>	<b>Disposals and re-measurements</b>	<b>Total</b>	<b>Business Performance</b>	<b>Disposals and re-measurements</b>	<b>Total</b>
<b>Fourth Quarter</b>	<b>2006 £m</b>	<b>2006 £m</b>	<b>2006 £m</b>	<b>2005 £m</b>	<b>2005 £m</b>	<b>2005 £m</b>
Exploration and Production	1 001	191	1 192	1 093	(118)	975
Liquefied Natural Gas	675	-	675	771	15	786
Transmission and Distribution	226	-	226	219	-	219
Power Generation	64	-	64	59	-	59
Other activities	1	-	1	5	-	5
Less: intra-group sales	(70)	-	(70)	(49)	-	(49)
	<b>1 897</b>	<b>191</b>	<b>2 088</b>	<b>2 098</b>	<b>(103)</b>	<b>1 995</b>

  

<b>Group revenue and other operating income</b>	<b>Business Performance</b>	<b>Disposals and re-measurements</b>	<b>Total</b>	<b>Business Performance</b>	<b>Disposals and re-measurements</b>	<b>Total</b>
<b>Full Year</b>	<b>2006 £m</b>	<b>2006 £m</b>	<b>2006 £m</b>	<b>2005 £m</b>	<b>2005 £m</b>	<b>2005 £m</b>
Exploration and Production	3 928	404	4 332	3 074	(239)	2 835
Liquefied Natural Gas	2 442	-	2 442	1 631	(1)	1 630
Transmission and Distribution	877	-	877	808	-	808
Power Generation	248	-	248	227	-	227
Other activities	8	-	8	15	-	15
Less: intra-group sales	(233)	-	(233)	(91)	-	(91)
	<b>7 270</b>	<b>404</b>	<b>7 674</b>	<b>5 664</b>	<b>(240)</b>	<b>5 424</b>

### 3. Segmental analysis (continued)

Fourth Quarter	Business Performance <sup>(i)</sup>		Disposals and re-measurements <sup>(i)</sup>		Total	
	2006 £m	2005 £m	2006 £m	2005 £m	2006 £m	2005 £m
<b>Total operating profit before share of results from joint ventures and associates</b>						
Exploration and Production	575	729	124	(117)	699	612
Liquefied Natural Gas	90	45	35	15	125	60
Transmission and Distribution	44	34	1	48	45	82
Power Generation	7	8	-	-	7	8
Other activities	(11)	(30)	(10)	(32)	(21)	(62)
	<b>705</b>	<b>786</b>	<b>150</b>	<b>(86)</b>	<b>855</b>	<b>700</b>
<b>Pre-tax share of operating results of joint ventures and associates<sup>(ii)</sup></b>						
Liquefied Natural Gas	25	36	-	-	25	36
Transmission and Distribution	9	11	-	-	9	11
Power Generation	21	27	-	-	21	27
	<b>55</b>	<b>74</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>74</b>
<b>Total operating profit including share of results from joint ventures and associates</b>						
Exploration and Production	575	729	124	(117)	699	612
Liquefied Natural Gas	115	81	35	15	150	96
Transmission and Distribution	53	45	1	48	54	93
Power Generation	28	35	-	-	28	35
Other activities	(11)	(30)	(10)	(32)	(21)	(62)
	<b>760</b>	<b>860</b>	<b>150</b>	<b>(86)</b>	<b>910</b>	<b>774</b>

For notes i) to ii) see footnotes on page 26

### 3. Segmental analysis (continued)

Full Year	Business Performance <sup>(i)</sup>		Disposals and re-measurements <sup>(i)</sup>		Total	
	2006 £m	2005 £m	2006 £m	2005 £m	2006 £m	2005 £m
<b>Total operating profit before share of results from joint ventures and associates</b>						
Exploration and Production	2 457	1 942	337	178	2 794	2 120
Liquefied Natural Gas	248	70	35	(1)	283	69
Transmission and Distribution	190	169	1	61	191	230
Power Generation	18	24	-	-	18	24
Other activities	(43)	(58)	(18)	(32)	(61)	(90)
	<b>2 870</b>	<b>2 147</b>	<b>355</b>	<b>206</b>	<b>3 225</b>	<b>2 353</b>
<b>Pre-tax share of operating results of joint ventures and associates<sup>(ii)</sup></b>						
Liquefied Natural Gas	104	111	-	-	104	111
Transmission and Distribution	41	42	-	-	41	42
Power Generation	88	89	-	-	88	89
	<b>233</b>	<b>242</b>	<b>-</b>	<b>-</b>	<b>233</b>	<b>242</b>
<b>Total operating profit including share of results from joint ventures and associates</b>						
Exploration and Production	2 457	1 942	337	178	2 794	2 120
Liquefied Natural Gas	352	181	35	(1)	387	180
Transmission and Distribution	231	211	1	61	232	272
Power Generation	106	113	-	-	106	113
Other activities	(43)	(58)	(18)	(32)	(61)	(90)
	<b>3 103</b>	<b>2 389</b>	<b>355</b>	<b>206</b>	<b>3 458</b>	<b>2 595</b>

i) Business Performance excludes disposals and certain re-measurements. See Note 2, page 22 and Presentation of Non-GAAP measures, page 12.

ii) 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 £38 million (2005 £40 million), and for the full year is £139 million (2005 £158 million).

### 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	
	2006 £m	2005 £m	2006 £m	2005 £m	2006 £m	2005 £m
<b>Fourth Quarter</b>						
Exploration and Production	699	612	-	-	699	612
Liquefied Natural Gas	125	60	16	27	141	87
Transmission and Distribution	45	82	6	4	51	86
Power Generation	7	8	16	9	23	17
Other activities	(21)	(62)	-	-	(21)	(62)
	<b>855</b>	<b>700</b>	<b>38</b>	<b>40</b>	<b>893</b>	<b>740</b>
Net finance income/(costs)					1	1
Taxation					(398)	(282)
Profit for the period					<b>496</b>	<b>459</b>

Total Result	Operating profit before share of results from joint ventures and associates		Share of results in joint ventures and associates		Total Result	
	2006 £m	2005 £m	2006 £m	2005 £m	2006 £m	2005 £m
<b>Full Year</b>						
Exploration and Production	2 794	2 120	-	-	2 794	2 120
Liquefied Natural Gas	283	69	55	84	338	153
Transmission and Distribution	191	230	25	26	216	256
Power Generation	18	24	59	48	77	72
Other activities	(61)	(90)	-	-	(61)	(90)
	<b>3 225</b>	<b>2 353</b>	<b>139</b>	<b>158</b>	<b>3 364</b>	<b>2 511</b>
Net finance income/(costs)					25	(7)
Taxation					(1 468)	(939)
Profit for the period					<b>1 921</b>	<b>1 565</b>

#### 4. Net finance costs

Fourth Quarter			Full Year	
2006	2005		2006	2005
£m	£m		£m	£m
(14)	(22)	Interest payable	(61)	(80)
(15)	(11)	Interest on obligations under finance leases	(58)	(33)
11	11	Interest capitalised	54	30
(5)	(5)	Unwinding of discount on provisions <sup>(i)</sup>	(15)	(14)
(13)	9	Disposals and re-measurements (Note 2)	(22)	(15)
<b>(36)</b>	<b>(18)</b>	<b>Finance costs</b>	<b>(102)</b>	<b>(112)</b>
<b>22</b>	<b>24</b>	<b>Interest receivable</b>	<b>104</b>	<b>75</b>
<b>15</b>	<b>(5)</b>	<b>Disposals and re-measurements (Note 2)</b>	<b>23</b>	<b>30</b>
<b>37</b>	<b>19</b>	<b>Finance income</b>	<b>127</b>	<b>105</b>
<b>1</b>	<b>1</b>	<b>Net finance income/(costs)<sup>(ii)</sup></b>	<b>25</b>	<b>(7)</b>

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 £16 million (2005 £14 million), and for the full year of £67 million (2005 £43 million).

#### 5. Taxation

The taxation charge for the fourth quarter before disposals and re-measurements was £323 million (2005 £326 million) and the taxation charge including disposals and re-measurements was £398 million (2005 £282 million).

For the full year, the taxation charge before disposals and re-measurements was £1 348 million (2005 £898 million) and the taxation charge including disposals and re-measurements was £1 468 million (2005 £939 million), including £725 million (2005 £669 million) in respect of overseas tax.

The Group share of taxation from joint ventures and associates for the fourth quarter was £1 million (2005 £20 million) and for the full year was £27 million (2005 £41 million).

## 6. Earnings per ordinary share

		Fourth Quarter			Full Year			
		2006	2005		2006	2005		
£m	Pence per share	£m	Pence per share		£m	Pence per share	£m	Pence per share
<b>486</b>	<b>14.3</b>	462	13.0	Earnings	<b>1 876</b>	<b>54.2</b>	1 525	43.1
<b>(96)</b>	<b>(2.8)</b>	58	1.6	Re-measurements (after tax and minority interest)	<b>(264)</b>	<b>(7.6)</b>	138	3.9
<b>20</b>	<b>0.5</b>	(17)	(0.4)	Profits and losses on disposals and impairments (after tax)	<b>28</b>	<b>0.8</b>	(309)	(8.8)
<b>410</b>	<b>12.0</b>	503	14.2	Earnings – excluding disposals and re-measurements	<b>1 640</b>	<b>47.4</b>	1 354	38.2

Basic earnings per share calculations in 2006 are based on shares in issue of 3 411 million for the quarter and 3 464 million for the full year.

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 3 432 million for the quarter and 3 488 million for the full year, being the weighted average number of ordinary shares in issue during the period as adjusted for share options.

## 7. Results Presentation

## FULL YEAR

	Business Performance		Disposals and re-measurements <sup>(i)</sup>		Total Result	
	2006 £m	2005 £m	2006 £m	2005 £m	2006 £m	2005 £m
Operating profit before disposal of non-current assets	<b>2 870</b>	2 147	<b>404</b>	(240)	<b>3 274</b>	1 907
Profits and losses on disposal of non-current assets and impairments <sup>(ii)</sup>	-	-	<b>(49)</b>	446	<b>(49)</b>	446
Operating profit before share of results from joint ventures and associates	<b>2 870</b>	2 147	<b>355</b>	206	<b>3 225</b>	2 353
Pre-tax share of operating results of joint ventures and associates	<b>233</b>	242	-	-	<b>233</b>	242
Total operating profit	<b>3 103</b>	2 389	<b>355</b>	206	<b>3 458</b>	2 595
Net finance costs						
Finance income	<b>104</b>	75	<b>23</b>	30	<b>127</b>	105
Finance costs	<b>(80)</b>	(97)	<b>(22)</b>	(15)	<b>(102)</b>	(112)
Share of joint ventures and associates	<b>(67)</b>	(43)	-	-	<b>(67)</b>	(43)
	<b>(43)</b>	(65)	<b>1</b>	15	<b>(42)</b>	(50)
Taxation						
Taxation <sup>(iii)</sup>	<b>(1 348)</b>	(898)	<b>(120)</b>	(41)	<b>(1 468)</b>	(939)
Share of joint ventures and associates	<b>(27)</b>	(41)	-	-	<b>(27)</b>	(41)
	<b>(1 375)</b>	(939)	<b>(120)</b>	(41)	<b>(1 495)</b>	(980)
Profit for the period	<b>1 685</b>	1 385	<b>236</b>	180	<b>1 921</b>	1 565
Profit attributable to:						
Shareholders (earnings)	<b>1 640</b>	1 354	<b>236</b>	171	<b>1 876</b>	1 525
Minority interest	<b>45</b>	31	-	9	<b>45</b>	40
	<b>1 685</b>	1 385	<b>236</b>	180	<b>1 921</b>	1 565

- 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 these unrealised mark-to-market movements are best presented separately from underlying business performance. For an explanation of Non-GAAP measures see page 12.
- ii) 2005 includes £416 million on disposal of BG Group's interest in the North Caspian PSA.
- iii) 2006 includes prior period taxation adjustments following the increase in North Sea taxation.

## 8. Capital investment: geographical analysis

Fourth Quarter			Full Year	
2006	2005		2006	2005
£m	£m		£m	£m
159	141	Europe and Central Asia	530	554
46	57	South America	199	160
43	19	Asia Pacific	127	80
175	94	North America and the Caribbean	654	482
125	97	Mediterranean Basin and Africa	337	319
<b>548</b>	<b>408</b>		<b>1 847</b>	<b>1 595</b>

## 9. Quarterly information: earnings and earnings per share

	2006	2005	2006	2005
	£m	£m	pence	pence
First quarter				
- including disposals and re-measurements	578	259	16.4	7.3
- excluding disposals and re-measurements	563	269	16.0	7.6
Second quarter				
- including disposals and re-measurements	418	484	12.0	13.7
- excluding disposals and re-measurements	325	275	9.3	7.8
Third quarter				
- including disposals and re-measurements	394	320	11.5	9.0
- excluding disposals and re-measurements	342	307	10.0	8.6
Fourth quarter				
- including disposals and re-measurements	486	462	14.3	13.0
- excluding disposals and re-measurements	410	503	12.0	14.2
Full year				
- including disposals and re-measurements	1 876	1 525	54.2	43.1
- excluding disposals and re-measurements	1 640	1 354	47.4	38.2

**Supplementary information: Operating and financial data**

Fourth Quarter		Third Quarter		Full Year	
2006	2005	2006		2006	2005
			Production volumes (mmboe)		
<b>5.9</b>	5.5	4.3	- oil	<b>21.1</b>	19.3
<b>8.7</b>	7.8	6.9	- liquids	<b>30.6</b>	29.7
<b>42.6<sup>(i)</sup></b>	41.0	39.4	- gas	<b>167.5<sup>(i)</sup></b>	134.8
<b>57.2</b>	54.3	50.6	- total	<b>219.2</b>	183.8
			Production volumes (boepd in thousands)		
<b>64</b>	60	47	- oil	<b>58</b>	53
<b>95</b>	85	75	- liquids	<b>84</b>	82
<b>463</b>	445	428	- gas	<b>459</b>	369
<b>622</b>	590	550	- total	<b>601</b>	504
			LNG cargoes		
<b>13</b>	11	14	- Lake Charles, USA	<b>51</b>	36
<b>14</b>	14	16	- Elba Island, USA	<b>53</b>	50
<b>23</b>	13	13	- Europe, Asia and other USA	<b>78</b>	31
<b>50</b>	38	43	- total	<b>182</b>	117
<b>£31.57</b> <b>(\$60.13)</b>	£33.36 (\$58.55)	£38.48 (\$71.43)	Average realised oil price per barrel	<b>£35.85</b> <b>(\$65.54)</b>	£30.60 (\$55.96)
<b>£24.36</b> <b>(\$46.40)</b>	£26.87 (\$47.17)	£31.00 (\$57.56)	Average realised liquids price per barrel	<b>£28.82</b> <b>(\$52.68)</b>	£22.84 (\$41.77)
<b>34.41p</b>	38.89p	25.50p	Average realised UK gas price per produced therm	<b>31.89p</b>	27.30p
<b>16.69p</b>	21.43p	16.83p	Average realised International gas price per produced therm	<b>17.23p</b>	17.27p
<b>21.28p</b>	26.11p	18.52p	Average realised gas price per produced therm	<b>20.68p</b>	20.15p
<b>£1.51</b> <b>(\$2.88)</b>	£1.09 (\$1.92)	£1.45 (\$2.69)	Lifting costs per boe	<b>£1.34</b> <b>(\$2.45)</b>	£1.19 (\$2.17)
<b>£2.53</b> <b>(\$4.82)</b>	£2.19 (\$3.85)	£2.36 (\$4.39)	Operating expenditure per boe	<b>£2.29</b> <b>(\$4.18)</b>	£2.21 (\$4.04)
<b>201</b>	188	229	Development expenditure (£m)	<b>721</b>	683
			Gross exploration expenditure (£m)		
<b>129</b>	89	65	- capitalised expenditure	<b>396</b>	225
<b>51</b>	42	38	- other expenditure	<b>159</b>	111
<b>180</b>	131	103	- gross expenditure	<b>555</b>	336

i) Includes fuel gas for the fourth quarter of 1.05 mmboe and 4.25 mmboe for the full year.

## 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 2007 by approximately £40 million to £50 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 2007, other factors being constant, a 10 cent strengthening (or weakening) in the US Dollar would increase (or decrease) operating profit by approximately £140 million to £160 million.

## Additional information: Exploration and Production – reserves/resource data

	As at	
	31 Dec 2006 mmboe	31 Dec 2005 mmboe
Proved	2 149	2 184
Probable	1 383	1 236
Unbooked resources	1 772	1 211
Risked exploration	2 713	2 440
Total reserve/resource base	<u>8 017</u>	<u>7 071</u>

Total additions and revisions to proved reserves during the year were 184.2 mmboe. This includes revisions due to new data and improved reservoir performance (114.9 mmboe), new developments and sales agreements (125.7 mmboe) and the net effect of price movements (56.4 mmboe decrease).

### Proved Reserve Replacement Rate (RRR):

The three/one year average proved reserve replacement rate is the total net proved reserves changes over the three/one year period including purchases and sales (excluding production) divided by the total net production for that period calculated at year end prices.

For information:

	3 year	1 year
Underlying performance <sup>(i)</sup>	118%	110%
SEC data <sup>(ii)</sup>	108%	84%

### Finding & Development Cost (F&D):

The three year average unit finding & development cost is calculated by dividing the total exploration, development and unproved acquisition costs incurred over the period by the total changes in net proved reserves (excluding purchases, sales and production) for that period at year end.

For information:

	3 year	1 year
Underlying performance <sup>(i)</sup>	\$10.5/boe	\$9.7/boe
SEC data <sup>(ii)</sup>	\$11.5/boe	\$12.7/boe

(i) Underlying performance includes reserves revisions and new developments and is calculated at constant prices.

(ii) SEC data includes all reserves revisions and is calculated at year end prices.

## Glossary

In BG Group's results some or all of the following definitions are used:

<p> <b>bcf</b>  <b>bcfd</b>  <b>bcmpa</b>  <b>boe</b>  <b>boed</b>  <b>bopd</b>  <b>CCGT</b>  <b>DCQ</b>  <b>E&amp;P</b>  <b>EPC</b>  <b>EPIC</b>  <b>FEED</b>  <b>FERC</b>  <b>Gearing ratio</b> </p> <p> <b>GW</b>  <b>IAS 39</b>  <b>IFRS</b>  <b>kboed</b>  <b>LNG</b>  <b>m</b>  <b>mmboe</b>  <b>mmbtu</b>  <b>mmcf</b>  <b>mmcmd</b>  <b>mmscfd</b>  <b>mmscm</b>  <b>mmscmd</b>  <b>MoU</b>  <b>mtpa</b>  <b>MW</b>  <b>Net borrowings/funds</b> </p> <p> <b>NGL</b>  <b>PSA</b>  <b>T&amp;D</b>  <b>Total operating profit</b> </p> <p> <b>UKCS</b>  <b>UKCNS</b>  <b>Unit operating expenditure per boe</b> </p> <p> <b>Unit lifting costs per boe</b> </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 and associated deferred tax) plus net borrowings  gigawatt  International Accounting Standard 39 (Financial Instruments)  International Financial Reporting Standards  thousand barrels of oil equivalent per day  Liquefied Natural Gas  million  million barrels of oil equivalent  million british thermal units  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  Memorandum of understanding  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  Natural gas liquids  production sharing agreement  Transmission and Distribution  Group operating profit plus share of pre-tax operating results of joint ventures and associates  United Kingdom Continental Shelf  United Kingdom central North Sea  Production costs and royalties incurred over the period divided by the net production for the period. Production costs and royalties (other operating costs) for the period are disclosed under "results of operations" in the Supplementary information – Oil and Gas disclosures in BG Group's Annual Report &amp; Accounts for the period. This measure does not include the impact of depreciation and amortisation costs and exploration costs as they are not considered to be costs associated with the operation of producing assets.  'Unit operating expenditure' as defined above, excluding royalty, tariff and insurance costs incurred over the period divided by the net production for the period. Unit lifting costs as used in this ratio do not represent "Production (Lifting) Costs" as defined by FAS 19 and FAS 69. </p>
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## Enquiries

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

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General enquiries about shareholder matters should be made to:

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## Financial Calendar

<b>Ex-dividend date for 2006 final dividend</b>	<b>11 April 2007</b>
<b>Record date for 2006 final dividend</b>	<b>13 April 2007</b>
<b>Announcement of 2007 first quarter results</b>	<b>4 May 2007</b>
<b>Payment of 2006 final dividend:</b>	
<b>Shareholders</b>	<b>25 May 2007</b>
<b>American depositary receipt holders</b>	<b>4 June 2007</b>

**BG Group plc website: [www.bg-group.com](http://www.bg-group.com)**

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Registered in England No. 3690065