

Strategy and Q3 2010 results

November 2010



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Please note that this presentation represents only a summary of BG Group's Fourth Quarter and Full Year Results for the financial year ended 31 December 2009 and of its 2010 Strategy Presentation, each released on 5 February 2010. It does not contain sufficient information to enable as full an understanding as would be provided by the full versions of the BG Group Fourth Quarter and Full Year Results for 2009 and the transcripts of the speeches given by the Chief Executive Officer and Chief Financial Officer of BG Group that accompany this presentation. This presentation should therefore be read in conjunction with those additional documents available from BG Group's website, www.bg-group.com

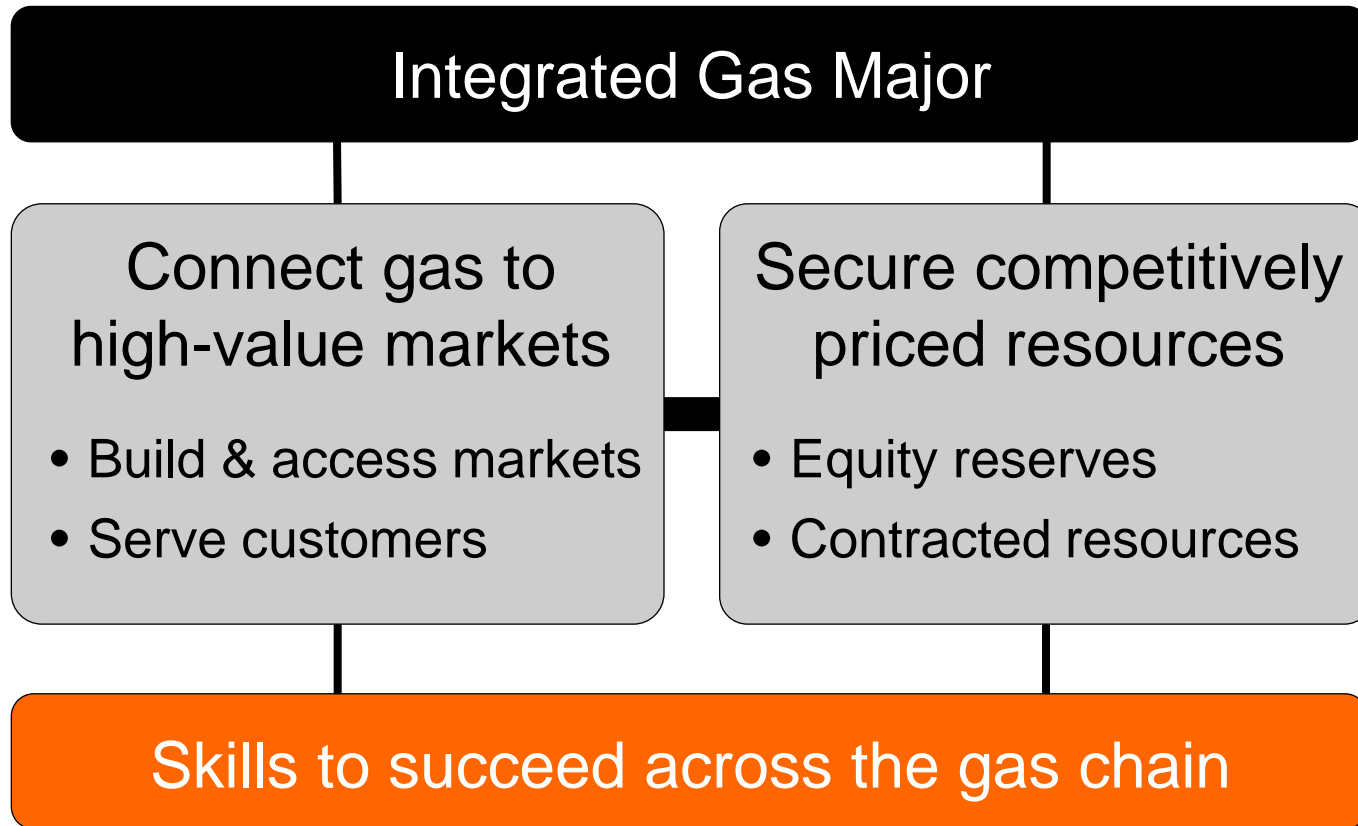
Key messages

- Entering a new decade of high growth
- Underpinned by strengthened & rebalanced portfolio
- Key projects significantly & rapidly de-risked
- Already own reserves & resources to meet growth ambitions
- Potential to extend track record of growth & value creation

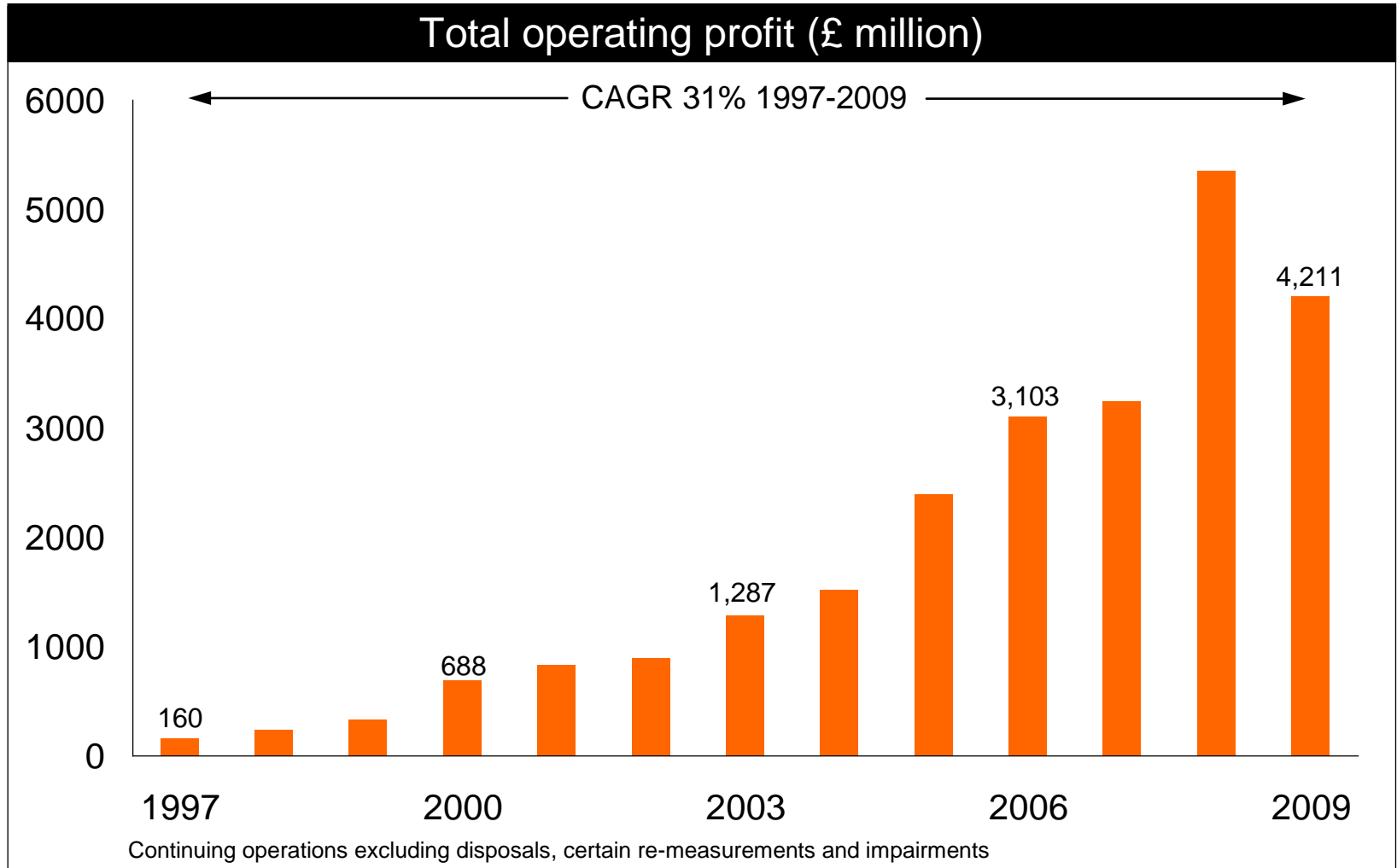
Key messages

- E&P: upper end 6-8% range to 2020, LNG: 20 mtpa for 2015
- Brazil: in production, > 400,000 boepd net by 2020
- Queensland Curtis LNG sanctioned
- EXCO alliance: 100,000 boepd net by 2015
- LNG profit guidance: \$1.8-2.0 bn pa 2011-12
- Total reserves and resources: up 1.4 bn boe to 14.5 bn boe

Integrated Gas Major



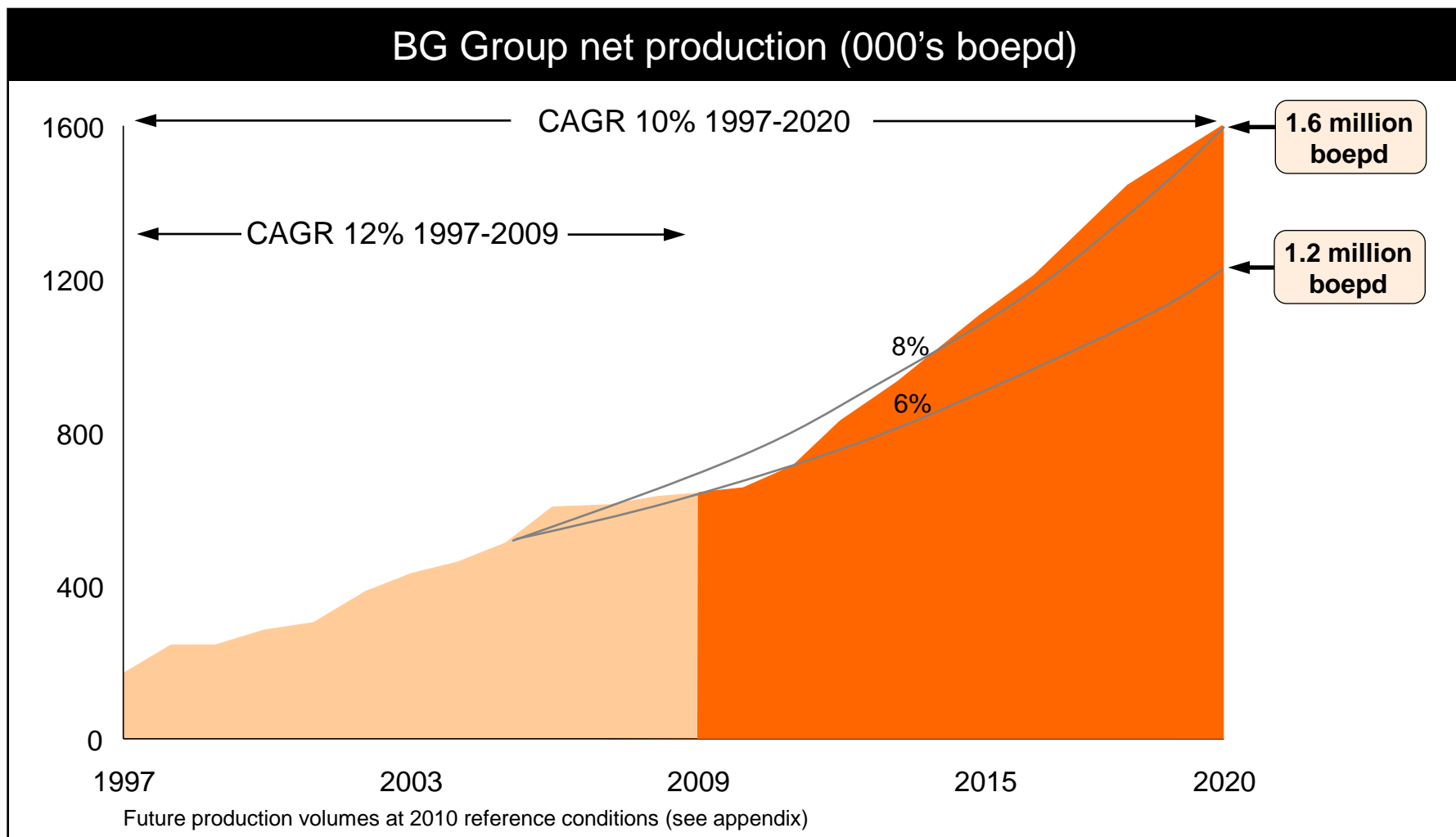
BG Group performance



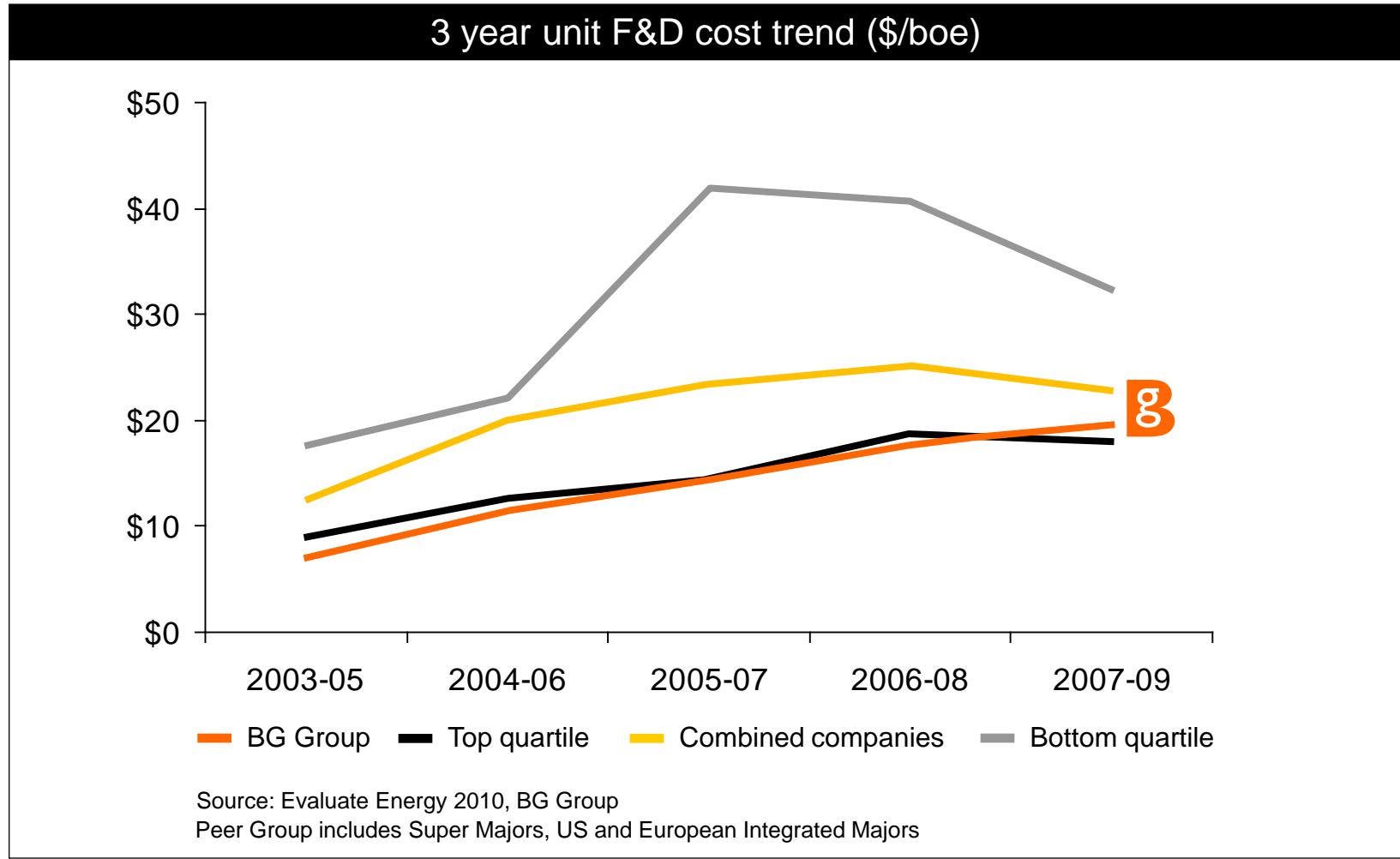
Portfolio development



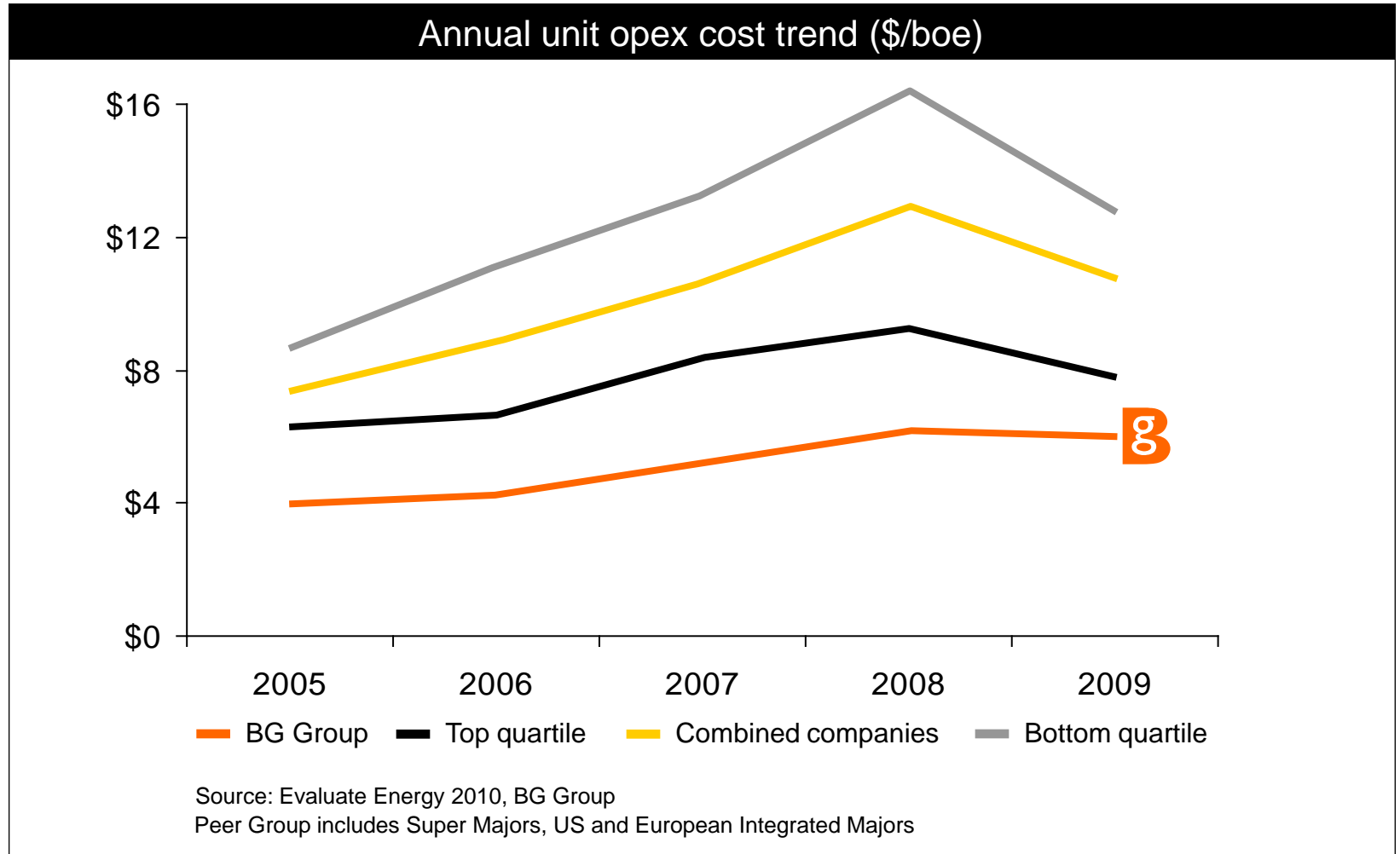
BG Group performance



E&P benchmarking



E&P benchmarking




LNG: Portfolio



 Current and future equity positions

 Existing liquefaction

 Future liquefaction

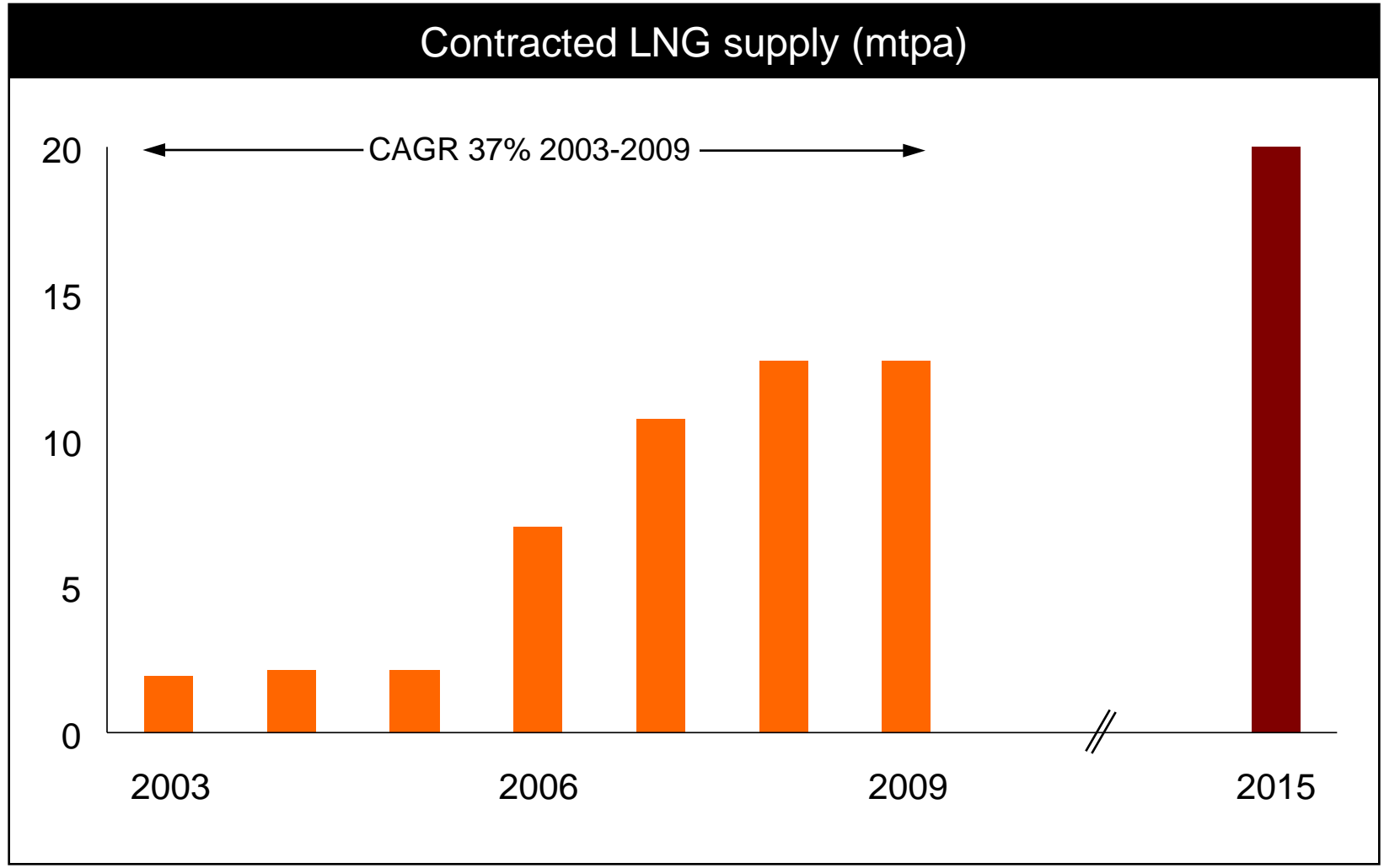
 Existing import capacity

 Future import capacity

 Long term purchases (contracted)

* exclusive right to supply only

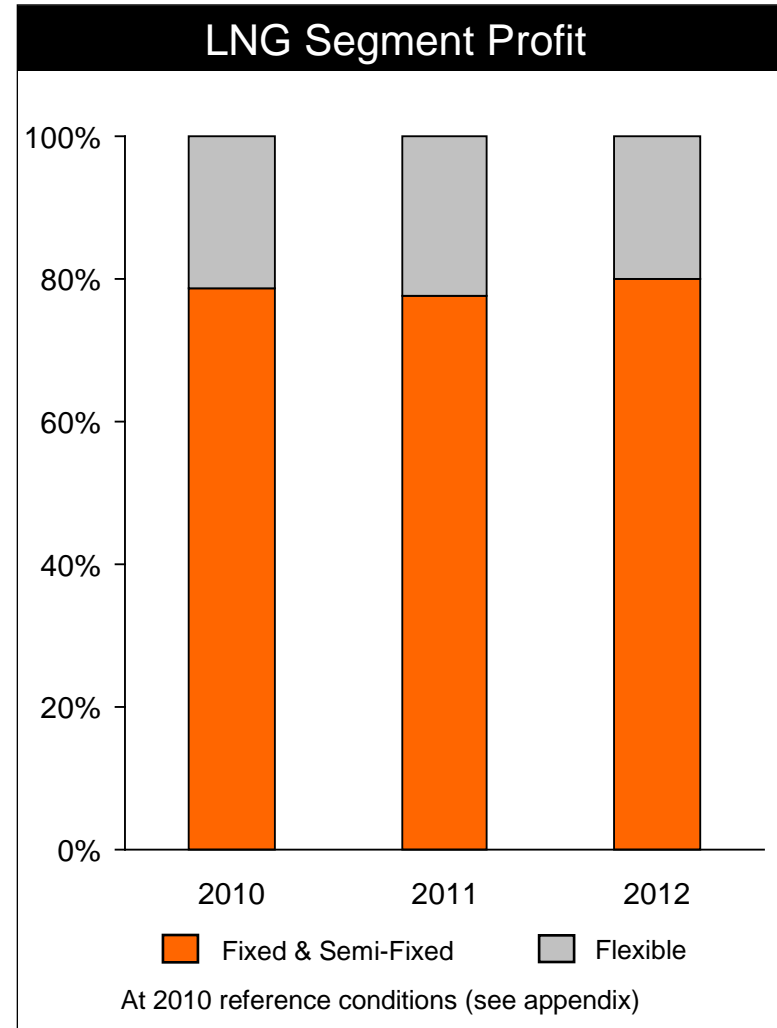
BG Group performance



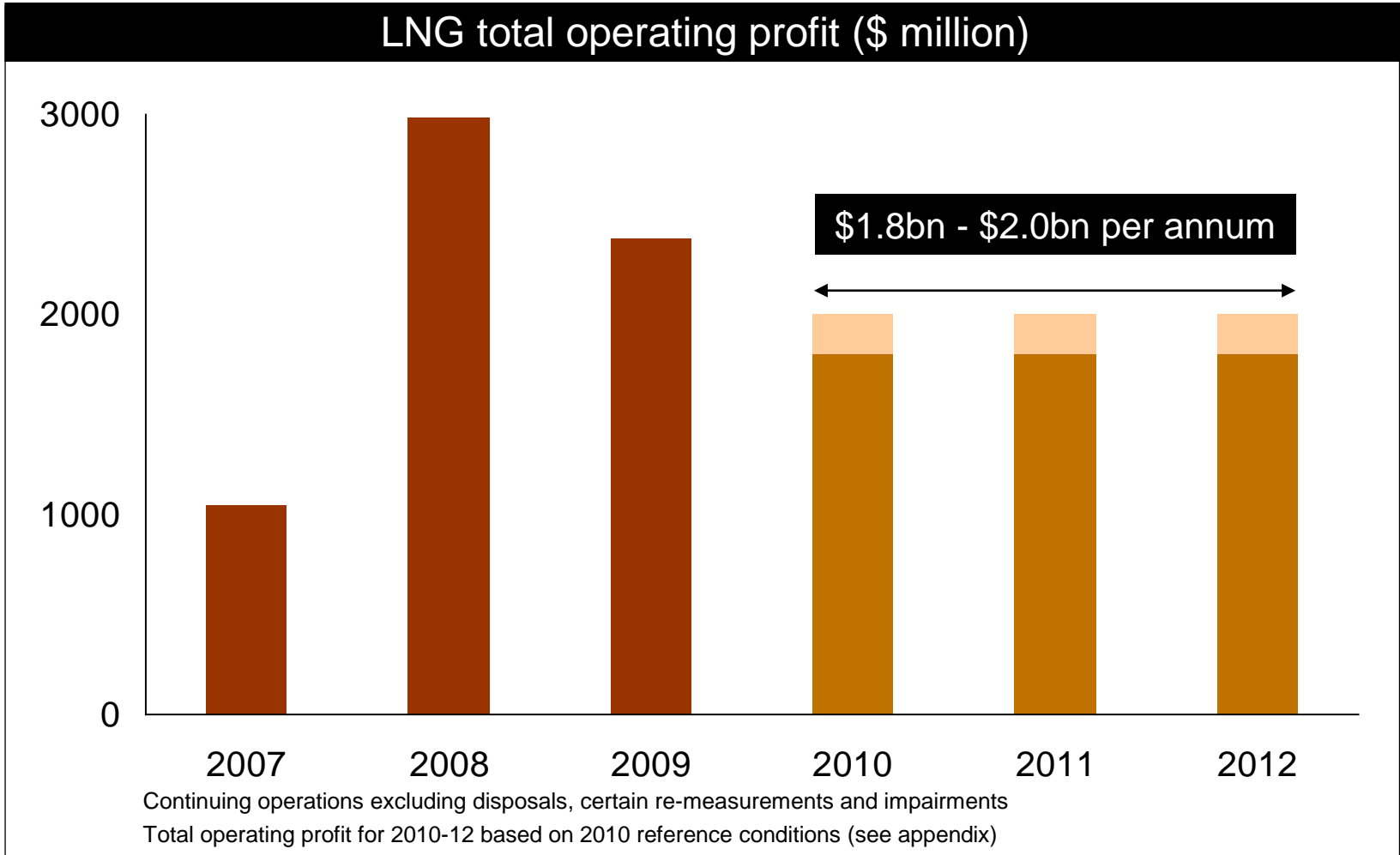
Goal of 20 mtpa by 2015

LNG segment profitability: Value secured

- Positioned to secure value
- Locked-in LNG sales
- Stable liquefaction profile
- Some flexibility retained



LNG

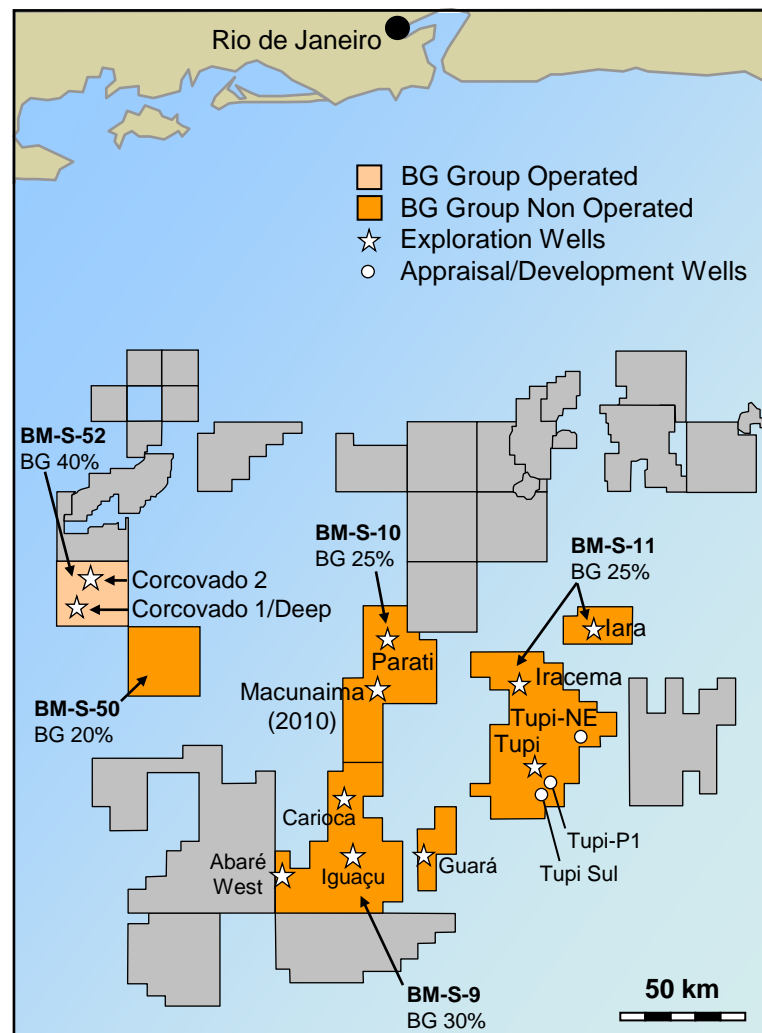


Global portfolio



Brazil: Santos Basin activity overview

- Seismic, wells, cores & DSTs
- EWT produced 7.6 mmboe gross
- Upgrade to resources on Tupi, Iracema and Guar fields
 - 2.7 bboe increase gross
 - 680 mmboe increase net to BG Group
- Eight 150,000 bopd FPSO hulls ordered for BM-S-9 and BM-S-11



Upgrade to Tupi, Iracema and Guar resources

Resources^(a) net to BG Group

Billions of barrels of oil equivalent	Previous indicative resources range	Previous indicative resources mid-point	New MLL certified best estimate resources	New BG Group best estimate resources	New BG Group estimated P90 ^(b) resources	New BG Group estimated P10 ^(b) resources
Tupi	1.25 – 2.00	1.63	1.97	1.84	1.38	2.38
Iracema	Incl in Tupi	Incl in Tupi	0.32	0.41	0.33	0.42
Tupi + Iracema	1.25 – 2.00	1.63	2.29	2.25	1.71	2.80
Guar	0.33 – 0.60	0.47	0.49	0.53	0.45	0.60
Total	1.58 – 2.60	2.10	2.78	2.78	2.16	3.40

Source: BG Group, Miller and Lents, Ltd (MLL)

(a) 'Resources' are defined by BG Group as the aggregate of proved and probable reserves and discovered resources. These terms are defined in the BG Group Annual Report and Accounts 2009 (www.bg-group.com/ara)

(b) A P90 estimate is a low-case resources estimate with a 90% probability of being realised. A P10 estimate is a high-case estimate with a 10% probability of being realised

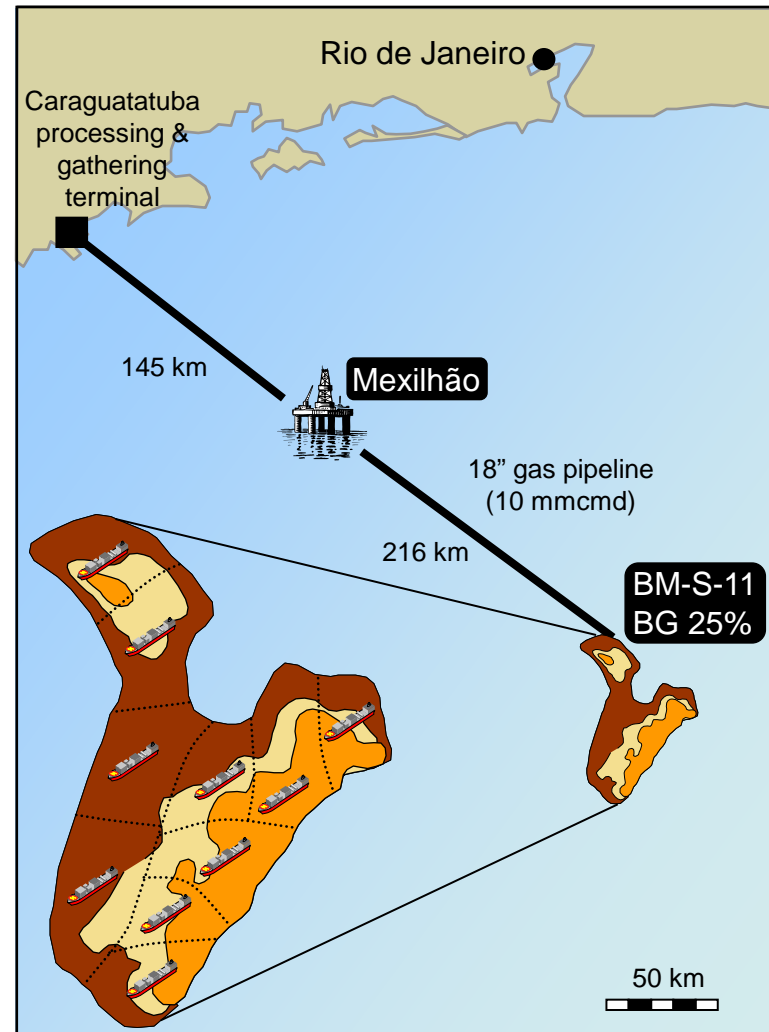
Brazil: Tupi and Iracema

- Gross reserves & resources
9 bn boe
 - Tupi 7.3 bn boe
 - Iracema 1.7 bn boe
- Tupi: 100,000 bopd FPSO
 - Onstream Oct 2010
- Tupi NE: 120,000 bopd FPSO
 - Onstream 2013



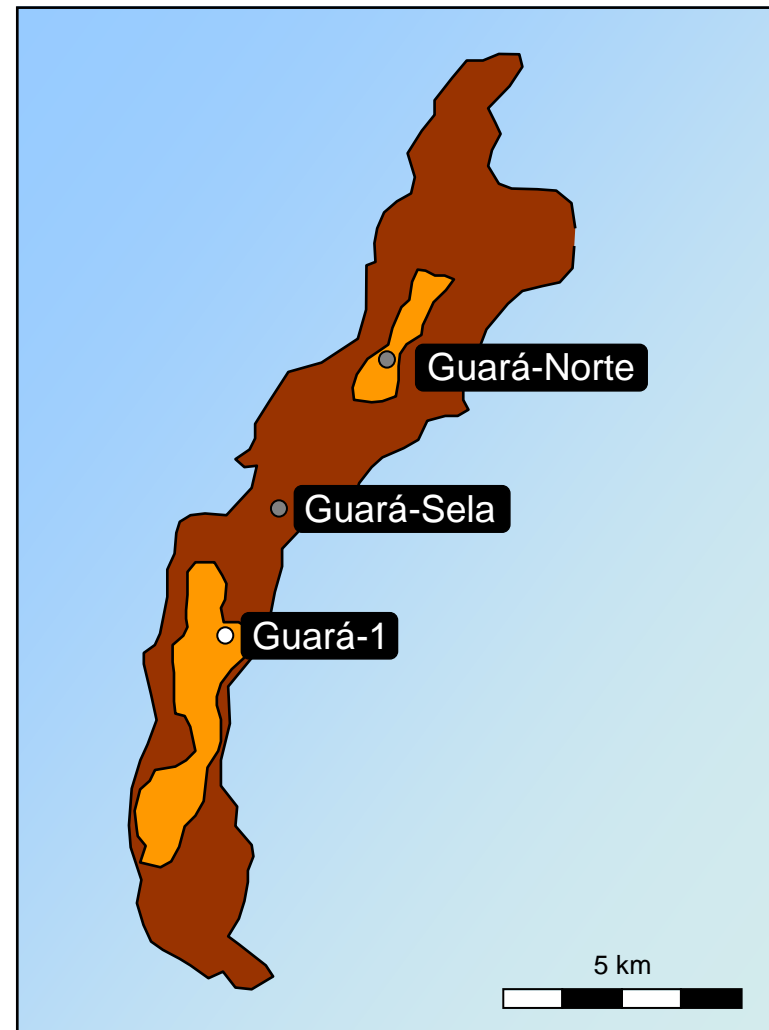
Brazil: Tupi and Iracema full field development

- Up to 10 FPSO modules
- 200-300 producer and injection wells
- Optimising drilling investment
- Material gas resources across the basin
- Large and developing gas market
 - BG Group Comgás interests
- Floating LNG
 - Parallel FEED studies in 2010



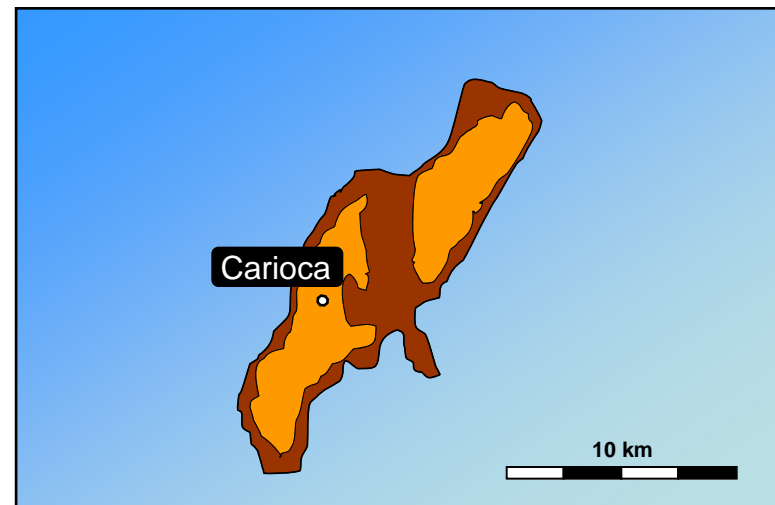
Brazil: Guará

- Outstanding potential
 - Up to 50,000 bopd per well
- Gross reserves & resources 1.8 bn boe
- EWT later in 2010
- 120,000 bopd FPSO
 - Onstream early 2013



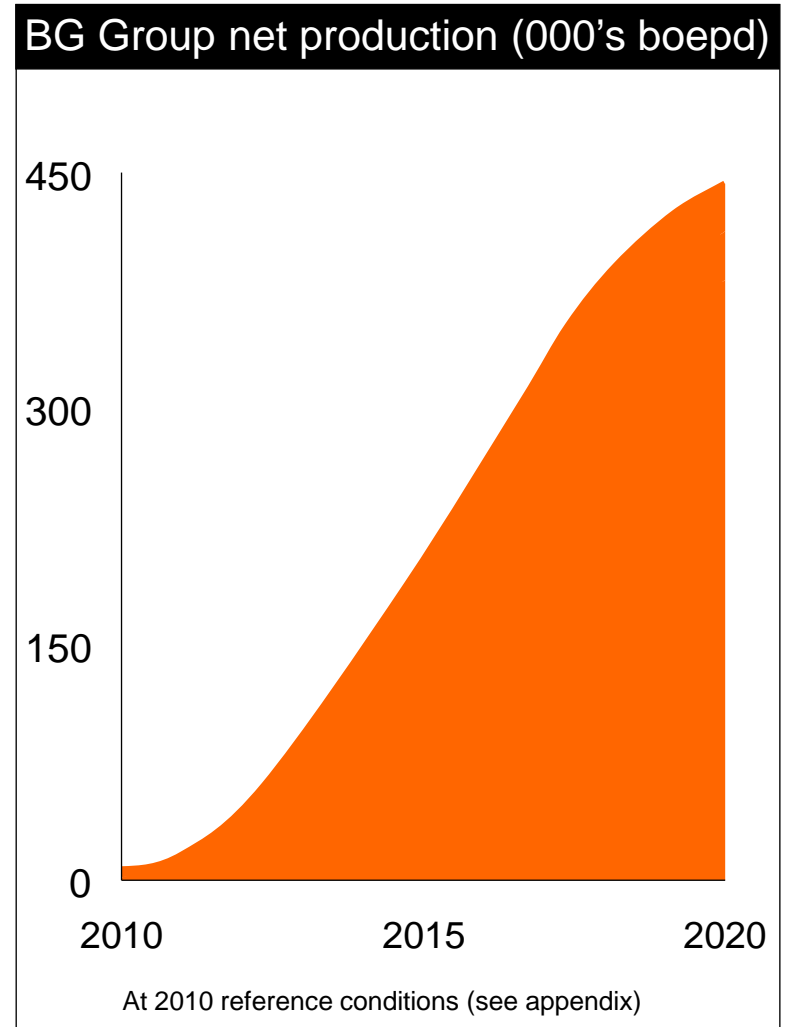
Brazil: Iara and Carioca

- Iara
 - Gross reserves & resources
3-4 bn boe
 - New well in 2010, DST in 2011
 - 3D seismic 2011 & 2012
 - EWT in 2013
- Carioca
 - Carioca NE appraisal Q4 2010
 - EWT in 2011



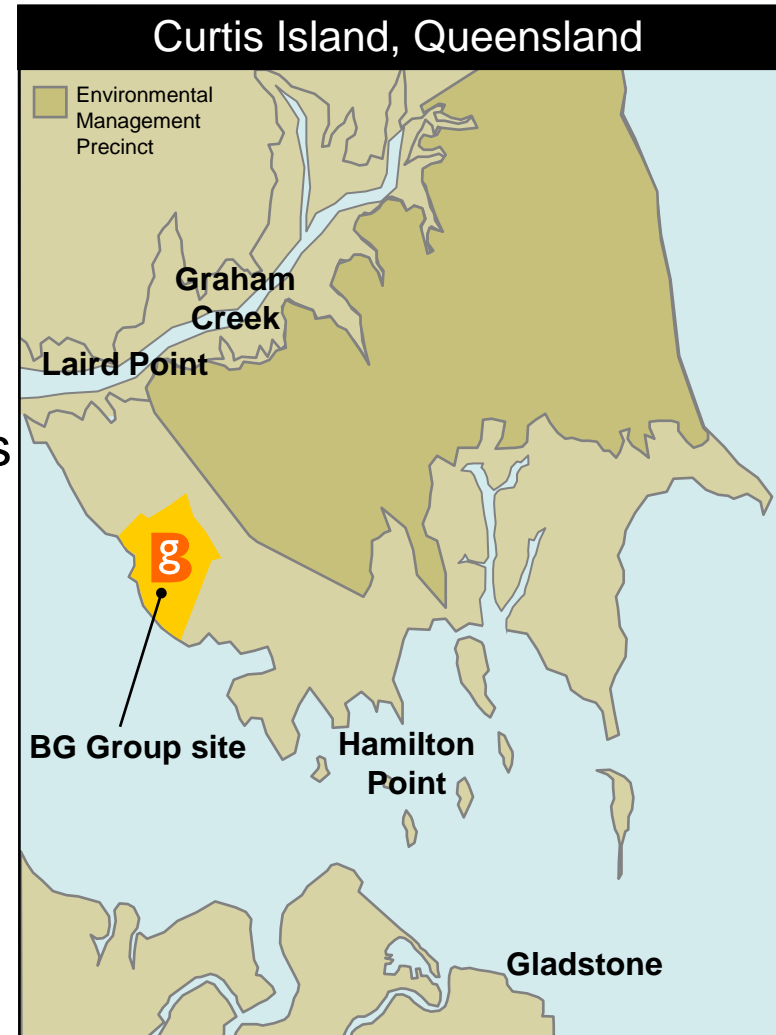
Brazil: Production

- Play rapidly de-risked
- Reserves base confidence
- Excellent productive reservoirs
- Production today
- Rising to > 400,000 boepd net by 2020



Australia: Overview

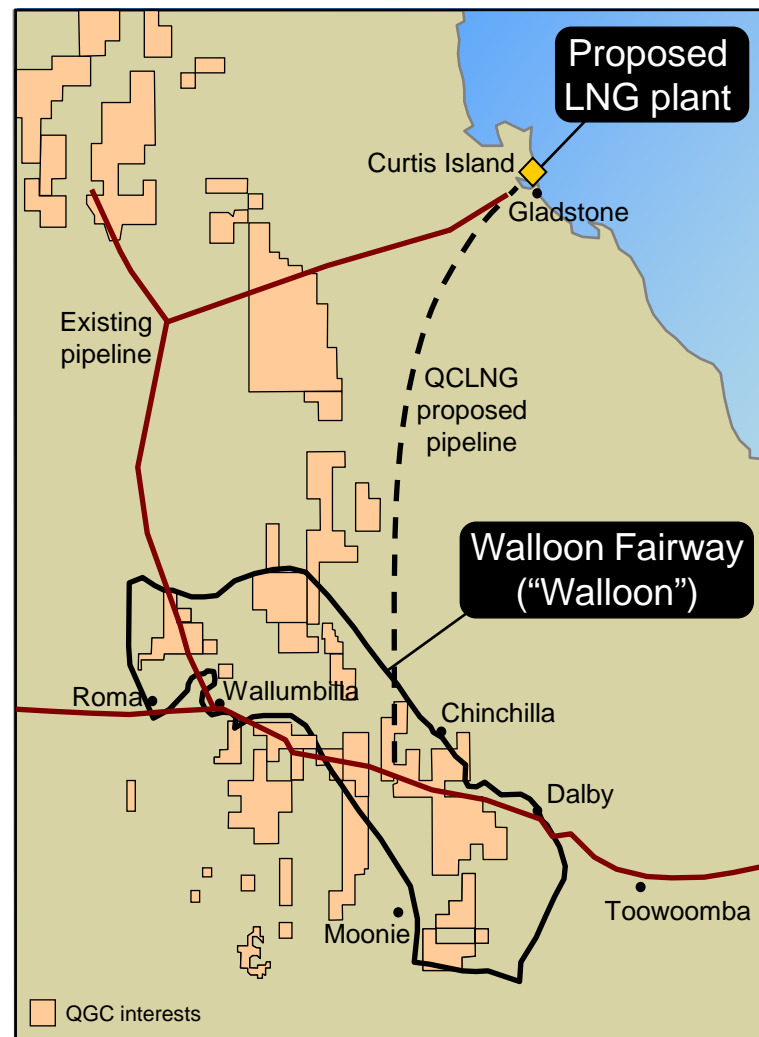
- QCLNG project sanctioned
- Attractive investment setting
- QCLNG two-train plant
 - 8.5 mtpa capacity
 - First LNG 2014
- Up to 9.5 mtpa LNG agreements
 - Chile, China, Japan, Singapore
- Capex US\$15 billion (2011-14)
- Actively pursuing 3rd train



Australia: QGC upstream

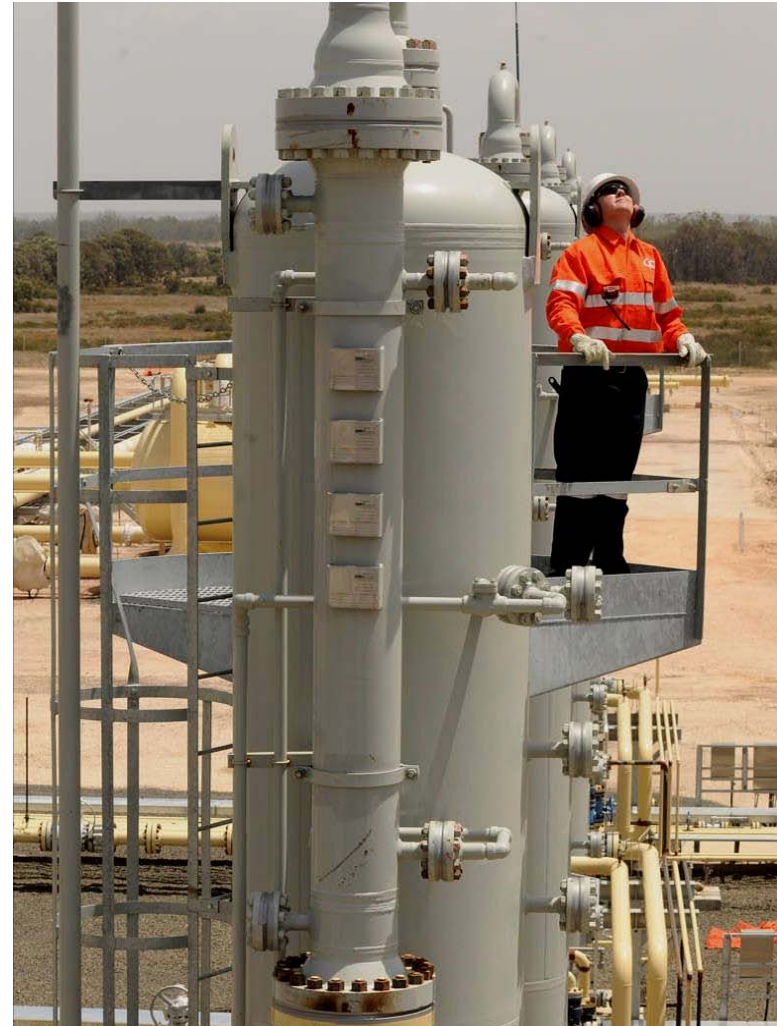
- QCLNG fed by low cost CSG resources
- Over 35,000 sq kms of licences
- BG discovered reserve/resource 17.3 tcf*
 - 2P reserves 7 tcf
- Surat Basin 12.6 tcf* to supply QCLNG
- Further 1.2 tcf* in Surat Basin supplies domestic

* BG Group net reserves and resources are as at end 2009, pre CNOOC farm-out (5%)



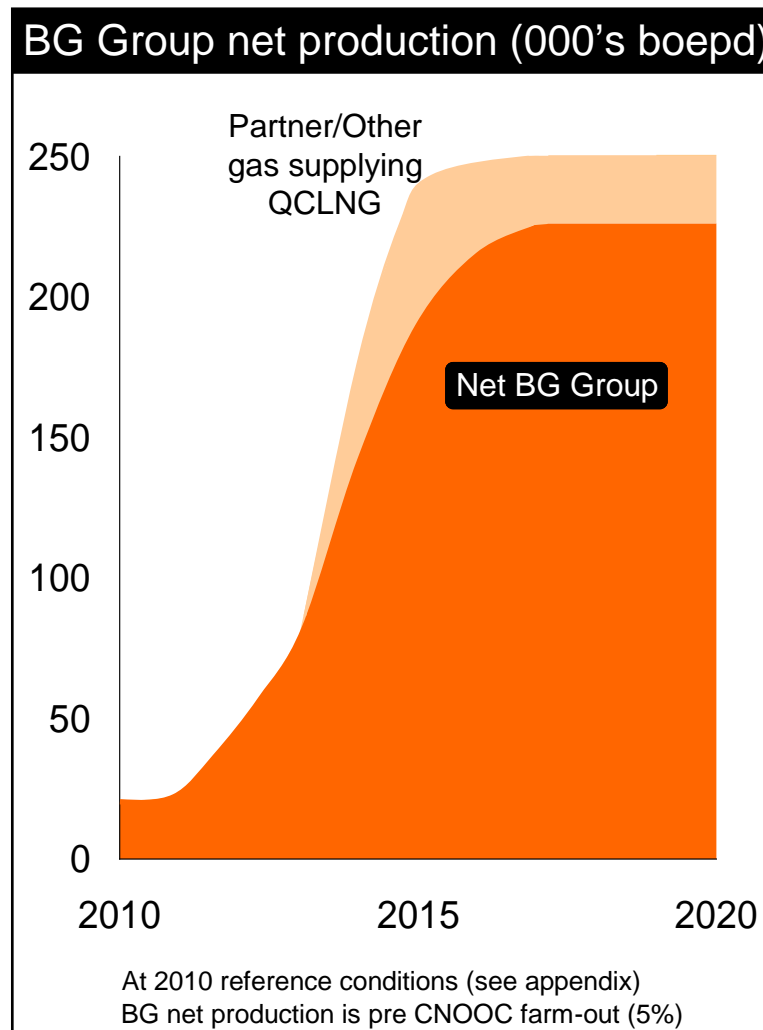
Australia: QGC progress

- Project sanctioned
 - Competitive unit costs
- Upstream
 - 2000 wells by end 2014
 - 300 wells drilled already
 - > 6000 wells over life of two-trains
- 340 km trunk-line
- Plant EPC contract with Bechtel
- Final notices to proceed issued to key contractors



Australia: Production

- Net plateau production of 225 kboepd*
 - Domestic production ca 28 kboepd
- Material upside:
 - Further Surat Basin potential
 - Resources in Bowen Basin
 - Potential QCLNG expansion

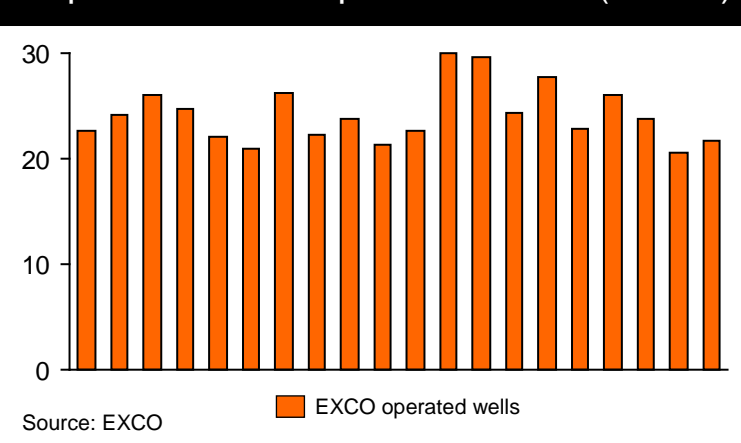


* BG Group net production is pre CNOOC farm-out (5%)

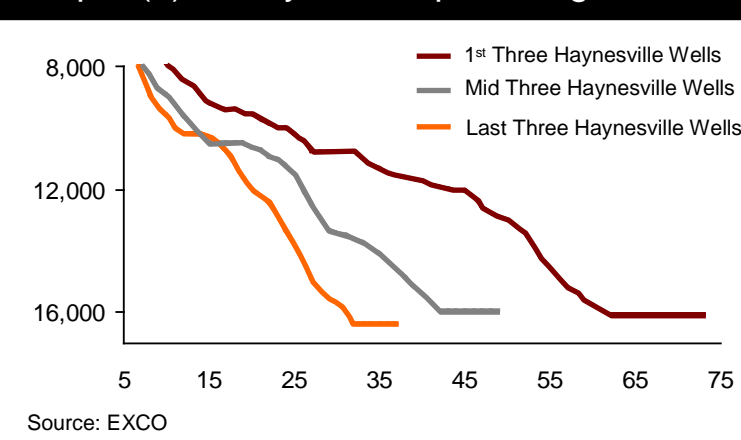
US E&P: BG Group-EXCO alliance

- Shale gas set to transform US supply
 - High quality assets
 - Competitive cost
 - Skilled & aligned partner
- Midstream interests
 - Access to markets
 - Complements BG US marketing
- Excellent IP* rates (20-30 mmcf/d)
- Currently operating 23 rigs
- Drilling times halved
- Further improvement potential

Top 20 wells initial production rate (mmcf/d)

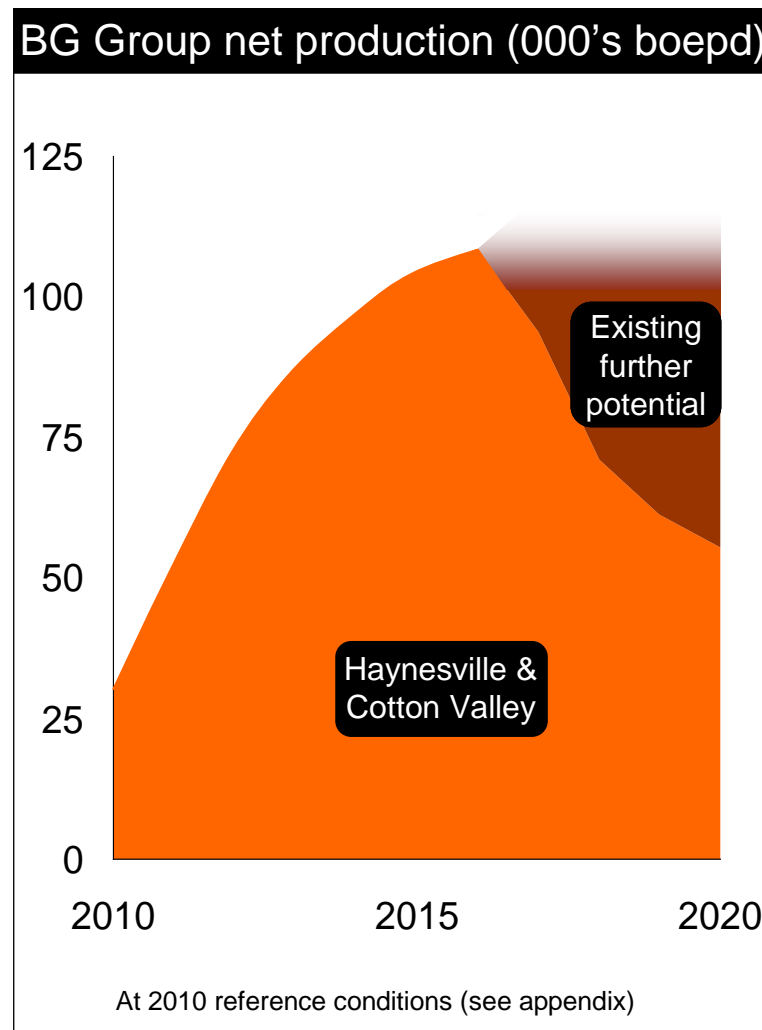


Depth (ft) vs days from spud to rig release



US E&P: BG Group-EXCO alliance growth

- Net BG Group reserves & resources over 1.4 bn boe
 - Acquisition cost <\$0.4/mcf
- Haynesville
 - Net production >100,000** boepd by 2015
 - Existing further potential in Bossier shale & horizontal wells in Cotton Valley
- 2010 additional acreage acquired
 - Common Resources/Southwestern
 - Marcellus JV



* This reserves figure includes BG Group's net share of all US assets

** The production profile does not include the impact of Common Resources, Southwestern and Marcellus JV acreage acquired during 2010

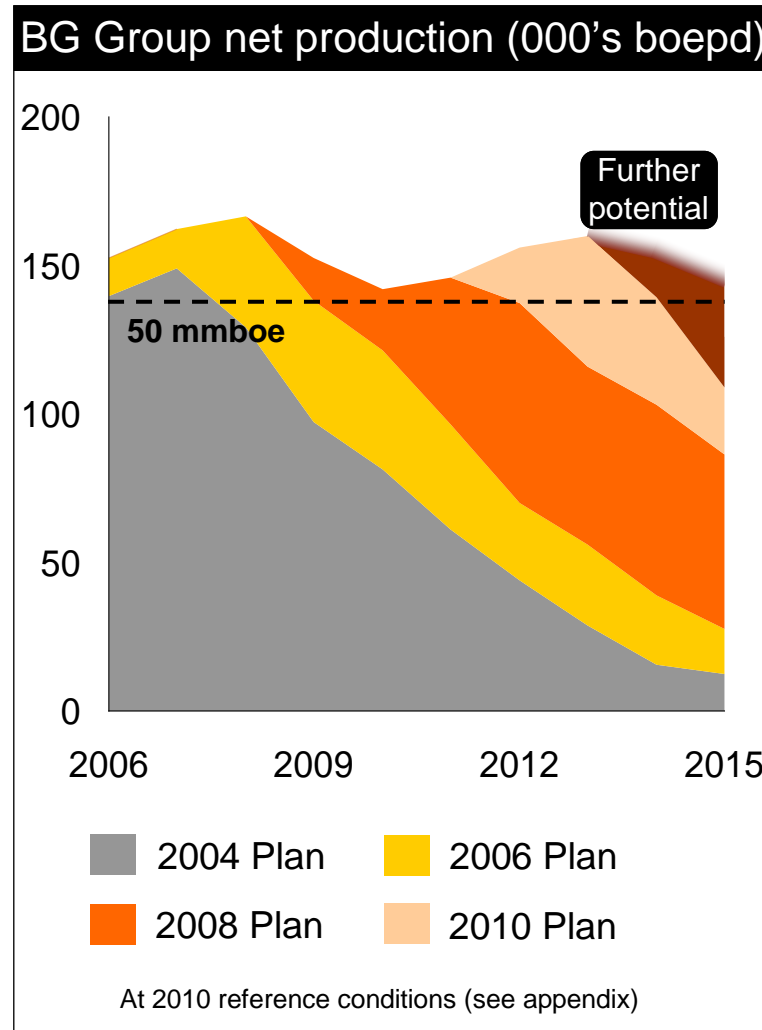
Kazakhstan: Karachaganak

- Only 7% of HIIP produced to date
- Fourth train due on stream 2011
 - Total of 10.3 mtpa export specification oil
- Phase III multi-stage approach:
 - Partners aligned
 - Cost, economic improvement
 - Government discussions



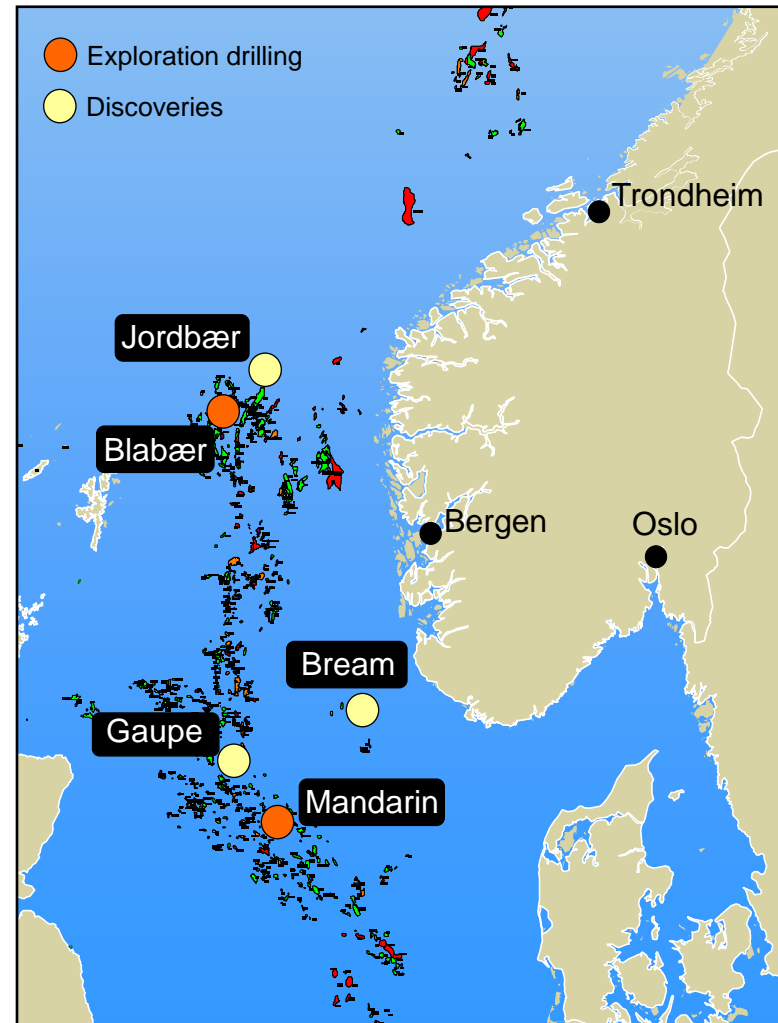
UK

- Everest & Lomond operatorship
- Consolidated UK upstream in Aberdeen
- Net production 56 mmboe in 2009
- Jasmine on stream 2012
- Jackdaw:
 - First production: 2016 provisional target
 - Appraisal well 2010
- Maintain UK production > 50 mmboe pa



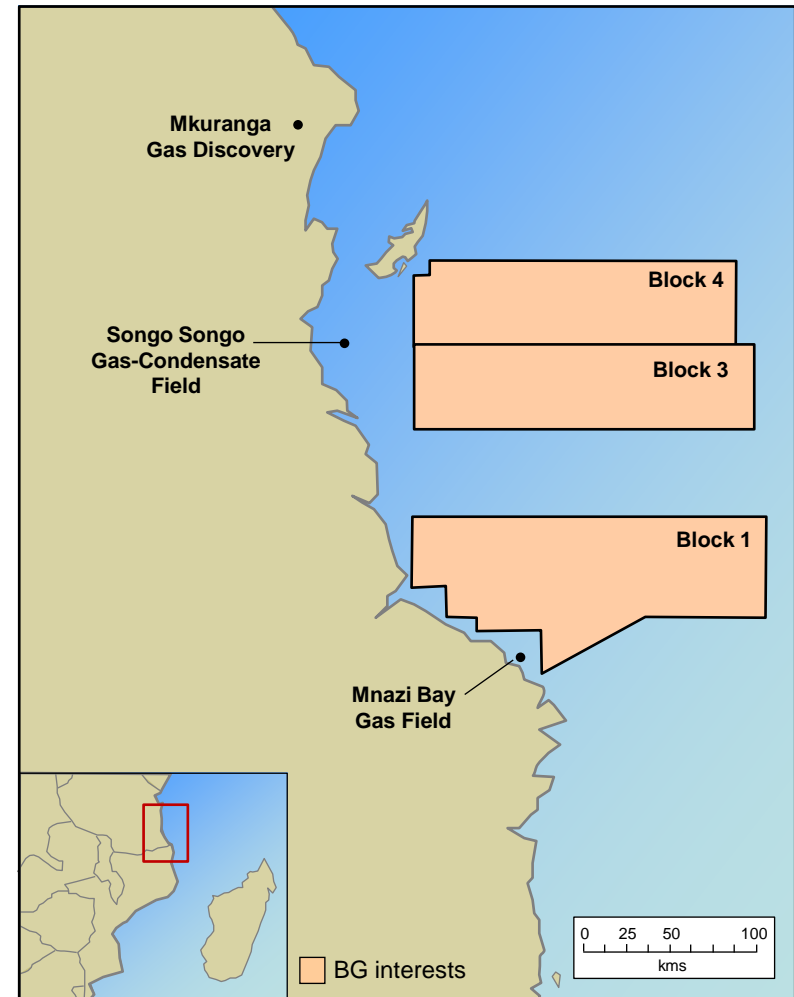
Norway

- Progressing discoveries
- Gaupe
 - PDO approved
 - Two-well subsea tieback to Armada
- Jordbær
 - New play concept
 - Blabær discovery
 - Further analogous prospects
- Bream
 - ITT issued to contractors

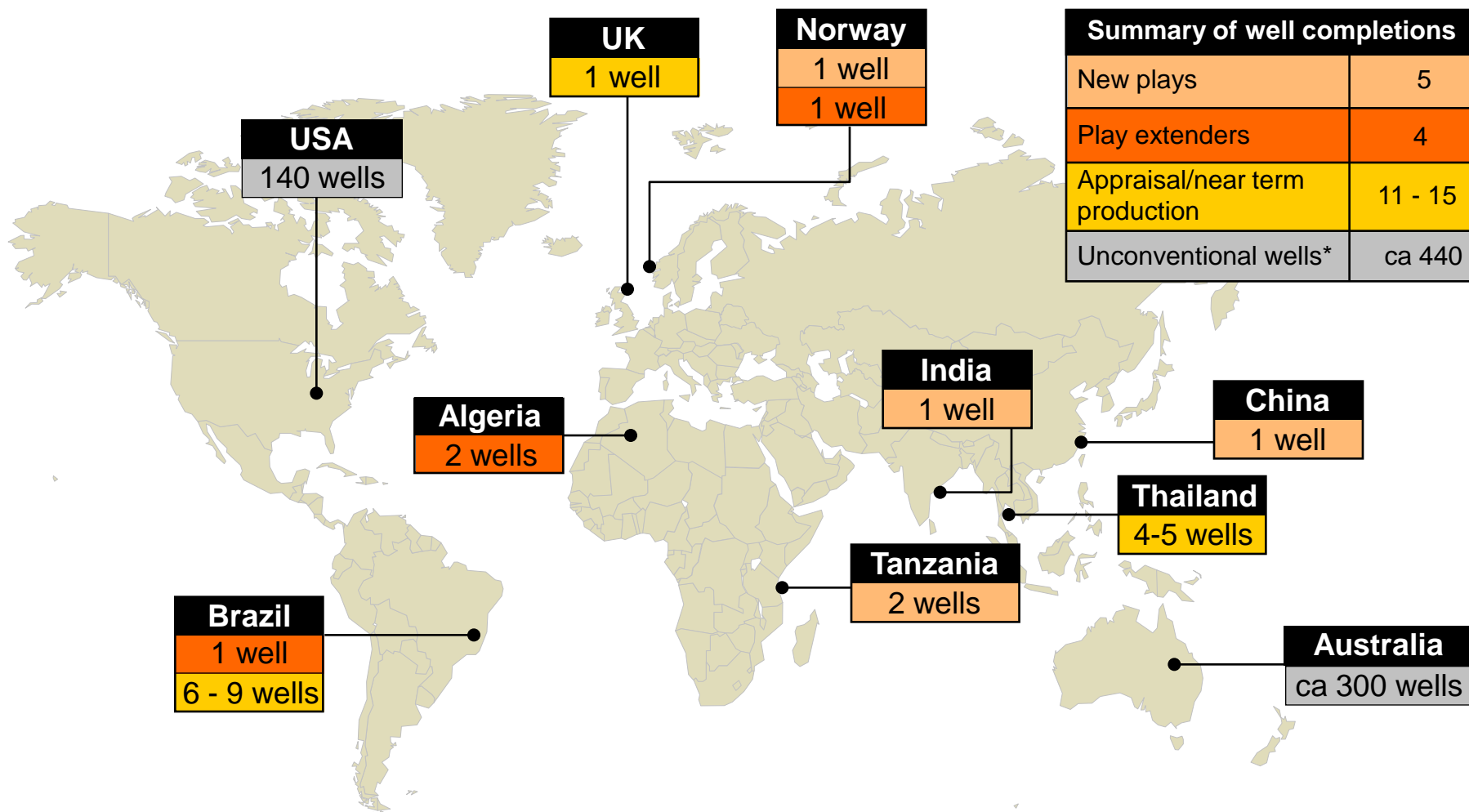


Tanzania

- BG Group 60%
- First well, Pweza-1, successful
 - Good quality reservoir
 - Demonstrated working hydrocarbon system
- Second well drilling
- Third well expected by year-end



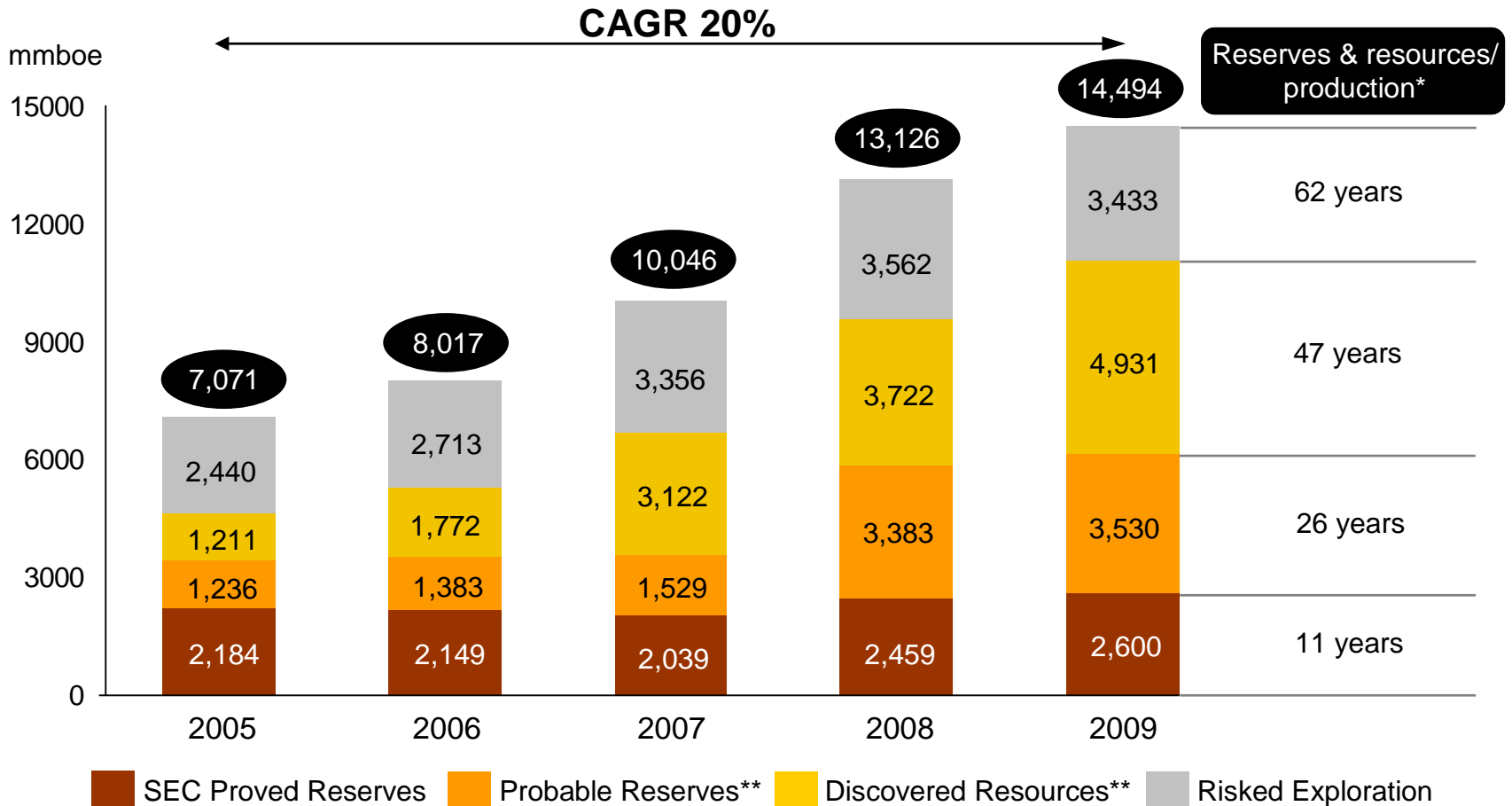
E&P: 2010 E&A activity



Summary of well completions	
New plays	5
Play extenders	4
Appraisal/near term production	11 - 15
Unconventional wells*	ca 440

* Unconventional includes both E&A and development wells

E&P: Reserves and resources

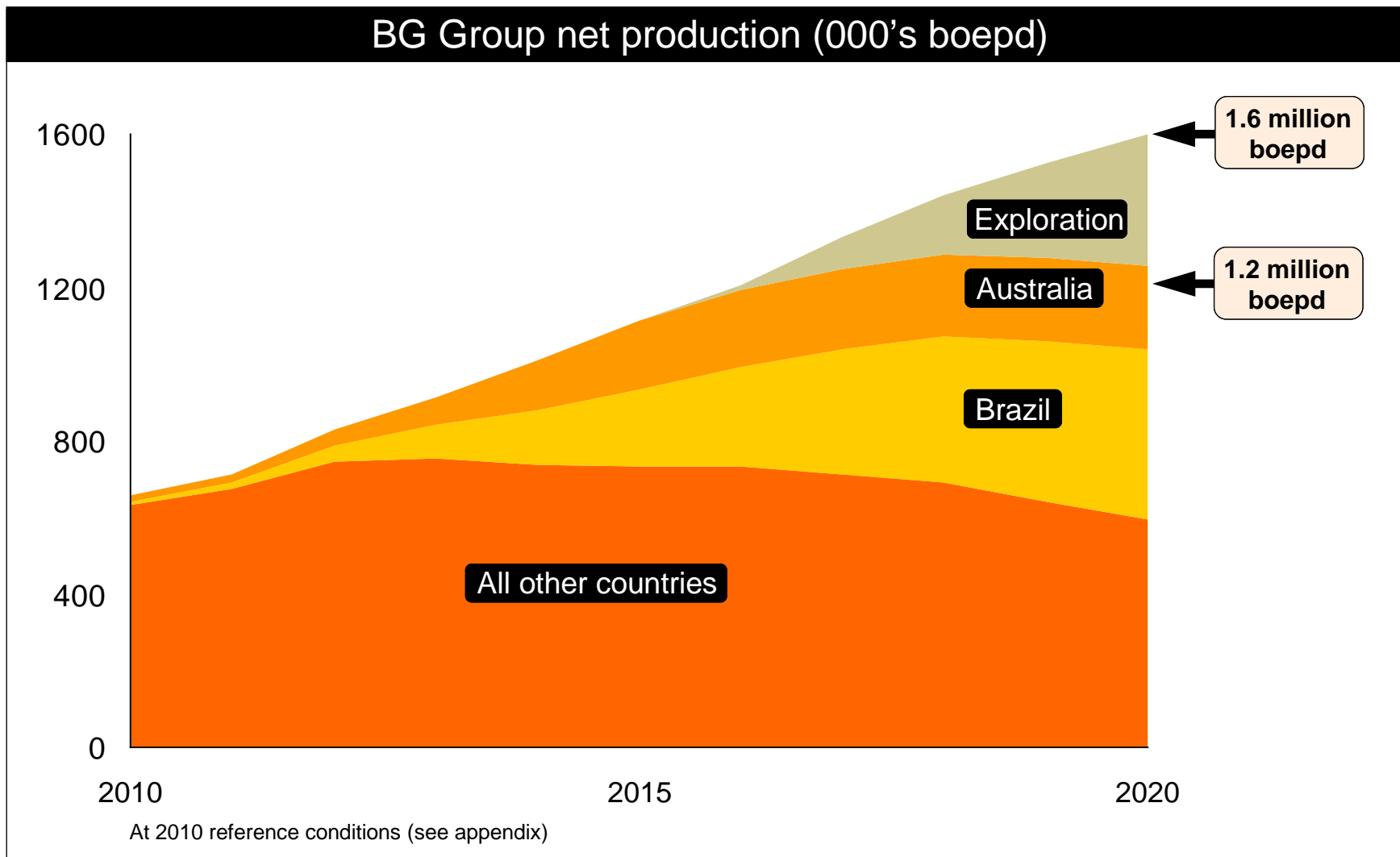


Reserves/Resources as at year end

* Based on 2009 production of 234.9 mmboe and cumulative reserves/resources

** Adopted SEC definition for Probable reserves in 2009; Discovered resources called Unbooked resources until 2009

E&P: Production



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Q3 2010 results



Q3 2010 results

- Earnings per share of 28.9 cents, up 27%
- Cash generated from operations of \$1 726 million
- Good progress in delivering growth plans

Q3 2010 results

	Q3 2010 \$ million	Q3 2009 \$ million	% yoy
Total operating profit	1 667	1 380	+21%
Earnings	978	768	+27%
EPS	28.9c	22.8c	+27%
Cash generated by operations	1 726	1 950	-11%

Results excluding disposals, certain re-measurements and impairments

Total operating profit includes pre-tax operating results of joint ventures and associates

2009 results have been restated: from GBP to USD; to reflect application of IFRIC 12; and, reclassification of Power Generation

Q3 2010 total operating profit

	Q3 2010 \$ million	Q3 2009 \$ million	% yoy
E&P	761	714	+7%
LNG	725	506	+43%
T&D	197	184	+7%
Other activities	-16	-24	-33%
Group total	1 667	1 380	+21%

Results excluding disposals, certain re-measurements and impairments

Total operating profit includes pre-tax operating results of joint ventures and associates

2009 results have been restated: from GBP to USD; to reflect application of IFRIC 12; and, reclassification of Power Generation

Q3 2010 total operating profit – E&P

	Q3 2010	Q3 2009	% yoy
Volume (mboe)	56.4	56.6	-
Total operating profit (pre-exploration charge) (\$m)	894	913	-2%
Exploration charge (\$m)	(133)	(199)	-33%
Total operating profit (\$m)	761	714	+7%

Results excluding disposals, certain re-measurements and impairments

Total operating profit includes pre-tax operating results of joint ventures and associates

2009 results have been restated: from GBP to USD; to reflect application of IFRIC 12; and, reclassification of Power Generation

Q3 2010 total operating profit - LNG

	Q3 2010 \$ million	Q3 2009 \$ million	% yoy
Shipping & marketing	674	476	+42%
Liquefaction	76	72	+6%
Business development & other	(25)	(42)	-40%
Total operating profit	725	506	+43%

Results excluding disposals, certain re-measurements and impairments

Total operating profit includes pre-tax operating results of joint ventures and associates

2009 results have been restated: from GBP to USD; to reflect application of IFRIC 12; and, reclassification of Power Generation

Q3 2010 total operating profit – T&D

	Q3 2010 \$ million	Q3 2009 \$ million	% yoy
Comgás	175	151	+16%
Other	22	33	-33%
Total operating profit	197	184	+7%

Results excluding disposals, certain re-measurements and impairments

Total operating profit includes pre-tax operating results of joint ventures and associates

2009 results have been restated: from GBP to USD; to reflect application of IFRIC 12; and, reclassification of Power Generation

Underlying profit in Comgás up 10%

Q3 2010 results

	Q3 2010
Cash generated by operations	\$1 726m
Capex	\$2 079m
Net debt	\$6 265m
Gearing	19%



Capital investment / capital structure and dividend

- Planned capital investment
 - \$9.1bn in 2010 (including acquisitions – US, Tanzania)
 - \$18.5bn 2011-12
 - Australia, Brazil, UK, US focus
- Disposals of c. \$1.7bn agreed
- Strongly funded
- Bond issue: €750m - 2019
- Gearing 19%
- Dividend growth in line with growth in long-term underlying \$ earnings

Conclusions

- Earnings per share of 28.9 cents, up 27%
- Cash generated from operations of \$1 726 million
- Good progress in delivering growth plans

Appendix



Key assumptions – reference conditions

- Brent Oil price US \$70/bbl
- US Henry Hub \$7/mmbtu
- US/UK exchange rates of \$1.7:£1
- US/AUD exchange rates of \$1: \$A1.35
- Prepared under International Financial Reporting Standards
- All production includes fuel gas

Key assumptions – principal risks

- Major recession or significant political upheaval in the major markets in which we operate
 - Failure to ensure the safe operation of our assets worldwide
 - Implementation risk, being the challenges associated with delivering capital intensive projects on time and on budget, including the need to retain and motivate staff
 - Commodity risk, being the risk of significant fluctuation in oil and/or gas prices from those assumed
 - Foreign exchange risk, in particular the US\$:UK£ exchange rates being significantly different to that assumed
 - Technical, commercial, economic, legal, regulatory and country risk
 - Interest rate, liquidity and credit risk
 - Risks associated with successful discoveries, appraisal and development of reserves
-
- For a detailed discussion of these and other risk factors, please refer to the Risk Factors included in BG Group's Annual Report and Accounts 2009.
 - Actual performance could differ materially from that shown. Accordingly, no assurances can be given that such performance will be achieved.

Definitions

Δ	Increase or (decrease)	IP	Initial Production
\$	United States dollar	kboepd	Thousand barrels of oil equivalent per day
£	UK pounds sterling	km	Kilometres
000's	Thousands	LNG	Liquefied Natural Gas
2D	Two dimensional seismic	LOI	Letter of Intent
3D	Three dimensional seismic	LPG	Liquid Petroleum Gas
bbbl	Barrel of oil	m	Million
billion or bn	One thousand million	mcf	Thousand cubic feet
boe	Barrels of oil equivalent	mcf/d	Thousand cubic feet per day
boepd	Barrels of oil equivalent per day	MGL	Mahanagar Gas Limited
bopd	Barrels of oil per day	mmboe	Million barrels of oil equivalent
ca	circa	mmbtu	Million British thermal units
CAGR	Compound Annual Growth Rate	mmcmd	Million cubic metres per day
Capex	Capital expenditure	mmscfd	Million standard cubic feet per day
CNOOC	China National Offshore Oil Corp	Mtpa	Million tonnes per annum
CSG	Coal Seam Gas	NCMA	North Coast Marine Area
DST	Drill Stem Test	NPV	Net Present Value
E&A	Exploration and Appraisal	Opex	Operating expenditure
E&P	Exploration and Production	pa	Per annum
ECMA	East Coast Marine Area	PV	Present Value
EG	Equatorial Guinea	QCLNG	Queensland Curtis LNG
EPC	Engineering Procurement Construction	QGC	Queensland Gas Company Ltd
EPS	Earnings per share	RDA	Reservoir Data Acquisition
EWT	Extended Well Test	RRR	Reserves Replacement Ratio
F&D	Finding and Development costs	SEC	US Securities and Exchange Commission
FEED	Front End Engineering and Design	sq km	Square kilometres
FPSO	Floating Production Storage and Offloading	T&D	Transmission and Distribution
ft	Feet	tcf	Trillion cubic feet
FX	Foreign Exchange	WDDM	West Delta Deep Marine
GGCL	Gujarat Gas Company Limited	WHP	Well Head Platform
HIIP	Hydrocarbons initially in place	YOY	Year on Year