BG GROUP

BG Group plc

2011 SECOND QUARTER & HALF YEAR RESULTS

Second Quarter Key Points

- Earnings up 27%; cash generated by operations up 11%
- Interim dividend of 10.8 cents per share, up 10%
- Reserves and resources doubled in Brazil since 2010; upside potential now 8 billion boe net
- Brazil reservoir performance significantly reduces unit costs; unit resource value increased
- Lifted first one million barrels of equity oil from Lula field
- Assumed operatorship offshore Tanzania; agreements to operate offshore Kenya

BG Group's Chief Executive, Sir Frank Chapman said:

"We made good progress in both our E&P and LNG businesses. In Brazil, we saw major increases in our reserves and resources; with the new resources delivering a higher unit value as their production is expected to require no additional surface facilities. We have invested $4.4bn in organic growth in the first half and made good progress across our major growth projects in Australia, Brazil and the USA; progress that continues to de-risk the delivery of our growth programme."

Second Quarter				Half Year		
2011 $m	2010[b] $m		**Business Performance[a]**	**2011 $m**	2010[b] $m	
2 152	1 501	+43%	Total operating profit including share of pre-tax operating results from joint ventures and associates	**4 117**	3 456	+19%
1 120	882	+27%	Earnings for the period before prior period taxation	**2 134**	1 979	+8%
–	–	–	Prior period taxation[c]	**(195)**	–	–
1 120	882	+27%	Earnings for the period after prior period taxation	**1 939**	1 979	-2%
33.1c	26.1c	+27%	Earnings per share	**57.2c**	58.6c	-2%
10.80c	9.82c	+10%	Interim dividend per share	**10.80c**	9.82c	+10%
			Total results for the period (including disposals, re-measurements and impairments)			
2 245	757	+197%	Operating profit before share of results from joint ventures and associates	**3 671**	2 695	+36%
2 365	871	+172%	Total operating profit including share of pre-tax operating results from joint ventures and associates	**3 917**	2 914	+34%
1 245	439	+184%	Earnings for the period continuing operations before prior period taxation	**1 988**	1 602	+24%
–	–	–	Prior period taxation[c]	**(148)**	–	–
1 245	439	+184%	Earnings for the period continuing operations after prior period taxation	**1 840**	1 602	+15%
36.8c	13.0c	+183%	Earnings per share continuing operations	**54.3c**	47.4c	+15%

a) 'Business Performance' excludes disposals, certain re-measurements and impairments as exclusion of these items provides a clear and consistent presentation of the underlying operating performance of the Group's ongoing business. For further information see Presentation of Non-GAAP measures (page 17) and notes 1 to 3 (pages 25 to 29). Unless otherwise stated, the results discussed in this release relate to BG Group's Business Performance.

b) 2010 results have been restated to reflect the presentation of the majority of the businesses that comprised the Power Generation segment as discontinued operations, see note 1 (page 25) and note 6 (page 31).

c) Prior period taxation represents the revision of deferred tax balances at 1 January 2011 due to changes in UK taxation rates.

Business Review – Group

Second Quarter 2011 $m	Second Quarter 2010 Restated[a] $m		Business Performance	Half Year 2011 $m	Half Year 2010 Restated[a] $m	
5 115	4 051	+26%	Revenue and other operating income	**9 918**	8 554	+16%
			Total operating profit including share of pre-tax results from joint ventures and associates			
1 420	746	+90%	Exploration and Production	**2 678**	1 938	+38%
553	541	+2%	Liquefied Natural Gas	**1 123**	1 174	-4%
167	184	-9%	Transmission and Distribution	**312**	324	-4%
12	30	-60%	Other activities	**4**	20	-80%
2 152	1 501	+43%		**4 117**	3 456	+19%
(59)	25	–	Net finance (costs)/income	**(138)**	15	–
(942)	(608)	+55%	Taxation for the period	**(1 791)**	(1 430)	+25%
1 120	882	+27%	Earnings for the period before prior period taxation	**2 134**	1 979	+8%
–	–	–	Prior period taxation	**(195)**	–	–
1 120	882	+27%	Earnings for the period after prior period taxation	**1 939**	1 979	-2%
33.1c	26.1c	+27%	Earnings per share (cents)	**57.2c**	58.6c	-2%
2 581	2 323	+11%	Cash generated by operations	**4 380**	4 831	-9%
2 537	2 770	-8%	Capital investment[b]	**4 833**	4 671	+3%

a) See note 1 (page 25).

b) Includes capital investment relating to discontinued operations for the quarter of $nil (2010 $25 million) and for the first half of $nil (2010 $27 million).

Second quarter

Revenue and other operating income increased by 26% to $5 115 million, reflecting the benefit of higher commodity prices and a 3% increase in E&P production, with solid operational performance across the Group's assets.

As a result of the above and a lower exploration charge in the quarter, total operating profit increased by 43% to $2 152 million.

Cash generated by operations increased by 11% to $2 581 million as a result of higher profits and, as anticipated, the partial reversal of prior period margin calls on the Group's hedged LNG contracts.

As of 30 June 2011, the Group's net debt was $9 468 million with an average maturity of around 8 years, and the gearing ratio was 24%. During the quarter, BG Group signed a cooperation agreement with Bank of China that allows for up to $1.5 billion of new funding alternatives to support the Group's major growth programme. The Group's undrawn committed facilities have been increased to $5.5 billion with maturities from 2012 to 2016.

Net finance costs amounted to $59 million for the quarter, against $25 million income in 2010, including foreign exchange gains of $7 million (2010 $71 million gain).

Capital investment (including acquisitions of $113 million) in the quarter was $2 537 million and comprised investment in E&P ($1 918 million), LNG ($537 million) and T&D ($82 million). This investment focused primarily on the Group's major growth projects in Australia, Brazil and the USA and represents a 58% increase in underlying organic capital investment compared with second quarter 2010. More details on project developments are provided in the relevant segmental business highlights.

Half year

Revenue and other operating income of $9 918 million was 16% higher than in the same period in 2010, reflecting 48% and 14% increases in realised oil and gas prices, respectively. This revenue performance, combined with a lower exploration charge, was the main contributor to the 19% increase in total operating profit from $3 456 million to $4 117 million.

Cash generated by operations of $4 380 million was 9% lower than last year, principally as a result of changes in working capital associated with margin calls on the Group's hedged LNG contracts. As already observed, the cash outflow associated with margin calls has reversed in the second quarter, a trend that is expected to continue in future periods when the underlying LNG contracts settle.

The $153 million increase in net finance costs was driven primarily by changes in foreign exchange (2011 foreign exchange losses of $15 million compared with a $122 million gain in 2010).

The Group's effective tax rate (including BG Group's share of joint venture and associates' tax but excluding prior period taxation) for the full year is expected to be 45% (2010 38.5%). The increase is primarily as a result of the change in UK North Sea taxation announced in March 2011. This led to an additional charge of $324 million consisting of a $121 million charge for the half year in addition to a one-off tax charge of $203 million in respect of the revision of opening deferred tax balances. The one-off charge was partially offset by an $8 million credit as a result of a reduction in the UK taxation rate applicable outside the UK North Sea (net $195 million). The Group's effective tax rate in future years is expected to be 43% to 44% in the near term and trend downwards thereafter as more of the Group's profits are generated from outside of the UK North Sea.

As previously announced, the Group is undertaking an extensive investment programme to deliver its growth. Capital investment in the half year (including acquisitions of $432 million) was $4 833 million and comprised investment in E&P ($3 744 million), LNG ($936 million) and T&D ($153 million). This investment focused primarily on the Group's major growth projects in Australia, Brazil and the USA and represents a 28% increase in underlying organic capital investment compared with 2010. This expenditure is in line with the Group's previous guidance of $10 billion for the full year at reference conditions.

In line with the Group's financial performance, the Board has approved the payment of an interim dividend of 10.80 cents per share. This is half of the 2010 total dividend, in accordance with the Board's established policy. The interim dividend has been converted to Sterling at the average of the closing exchange rate for the three business days preceding this announcement and will be paid on 8 September 2011 as 6.63 pence per share to shareholders on the register as at 5 August 2011.

Disposals, re-measurements and impairments – continuing operations

A post-tax gain of $123 million for the quarter (2010 $443 million charge) was recorded in respect of disposals, re-measurements and impairments. This comprised a post-tax gain of $121 million (2010 $302 million charge) in relation to mark-to-market movements on long-term commodity contracts and economic hedges, a $24 million post-tax gain in respect of disposals of non-current assets and impairments (2010 $135 million charge) and a $22 million post-tax charge (2010 $6 million charge) in respect of re-measurements of treasury financial instruments.

A post-tax charge of $100 million for the half year (2010 $377 million charge) was recorded in respect of disposals, re-measurements and impairments. For further information, see note 2 (page 26).

Exploration and Production (E&P)

Second Quarter 2011 $m	Second Quarter 2010 Restated[a] $m		Business Performance	Half Year 2011 $m	Half Year 2010 Restated[a] $m	
58.9	57.3	+3%	Production volumes (mmboe)	**117.1**	118.6	-1%
2 787	2 059	+35%	Revenue and other operating income	**5 297**	4 353	+22%
1 540	1 112	+38%	Total operating profit before exploration charge	**2 982**	2 408	+24%
(120)	(366)	-67%	Exploration charge	**(304)**	(470)	-35%
1 420	746	+90%	Total operating profit	**2 678**	1 938	+38%
1 918	2 434	-21%	Capital investment	**3 744**	3 477	+8%

a) See note 1 (page 25).

Additional operating and financial data is given on page 36.

Second quarter

Revenue and other operating income increased by 35% to $2 787 million, reflecting the benefit of higher realised prices and a 3% increase in production volumes. Total operating profit of $1 420 million was 90% higher as a result of the increase in revenue and other operating income and a lower exploration charge.

Higher production volumes in the quarter reflected continuing production build-up in the USA, Brazil and at Hasdrubal in Tunisia. In the UK North Sea, the Everest, Lomond and Erskine fields progressively returned to production following the shutdown in the first quarter. BG Group expects Buzzard to return to full capacity in the third quarter following a period of restricted production. Whilst there continued to be sporadic disruption from social unrest in Egypt and Tunisia, this had a relatively small impact on production in the second quarter.

BG Group continues to expect modest production growth in 2011, ahead of the strong ramp-up in production volumes which begins in 2012 and continues through the decade.

International gas price realisations were 17% higher at 39.02 cents per produced therm, reflecting changes in the production mix and the effects of higher oil prices. The average realised gas price in the UK increased by 48% to 44.43 pence per produced therm, as a result of higher contract and market prices.

The exploration charge of $120 million is $246 million lower than 2010 as a result of lower well write-off costs.

Unit operating expenditure increased to $8.93 per barrel of oil equivalent, reflecting the impact of higher commodity prices, adverse foreign exchange movements and changes in the production mix, including higher than portfolio average costs associated with the production start-up activities in Brazil. BG Group continues to expect unit operating costs to be between $8.50 and $9.00 per barrel of oil equivalent at an oil price of around $100 per barrel for the full year.

Capital investment of $1 918 million in the quarter comprised investment in the Americas ($673 million, including $113 million on acquisitions), Australia ($496 million), Europe and Central Asia ($443 million) and Africa, Middle East and Asia ($306 million).

Half year

Revenue and other operating income increased by 22% to $5 297 million, principally as a result of higher realised prices. Total operating profit increased by 38% to $2 678 million, reflecting the increase in revenue and other operating income and a lower exploration charge.

The Group's average realised gas price per produced therm increased by 14% to 41.12 cents, reflecting generally higher market prices and changes in the production mix.

Unit operating expenditure increased to $8.46 per barrel of oil equivalent, reflecting the impact of the UK North Sea shutdown during the first quarter, higher commodity prices and changes in the production mix.

Capital investment of $3 744 million in the half year comprised investment in the Americas ($1 450 million, including $376 million on acquisitions), Australia ($899 million), Europe and Central Asia ($798 million, including $56 million on acquisitions) and Africa, Middle East and Asia ($597 million).

Second quarter business highlights

Bolivia
In July, BG Group sanctioned Phase II of the Margarita project. This follows on from the sanction of Phase I in 2010, where construction is underway and early production facilities are onstream. Production from the two phases and the early production facilities is expected to reach over 40 thousand barrels of oil equivalent per day net to BG Group by 2014. Net investment in Phase I is estimated at $164 million and Phase II at $250 million.

Brazil
In June 2011, BG Group issued a material reserves and resources upgrade for its interests in the pre-salt Santos Basin, offshore Brazil. Mean total reserves and resources are now estimated to amount to some 6 billion barrels of oil equivalent (boe) net to BG Group, with an upside potential of 8 billion boe net.

The mean total reserves and resources represents a doubling of BG Group's previous best estimate of 3 billion boe prevailing at the time of the Group's February 2010 Strategy Presentation. The aggregate range of total reserves and resources net to BG Group is from 4 billion boe (P90) to 8 billion boe (P10).

The Lula, Guará, Cernambi, Iara and Carioca fields account for 95% of BG Group's total reserves and resources in the Santos Basin.

The recent increase in BG Group's estimate of its reserves and resources in Brazil was based upon a wealth of drilling, appraisal and other new data. Importantly, this includes dynamic data showing much higher well deliverability and greater connectivity within the reservoirs allowing increased recovery per well.

In addition to improved reservoir characteristics and resource estimates, there has been significant progress on the cost front. Experience with tendering, construction progress and operations experience with FPSOs has given confidence in the cost and schedule for surface facilities. Meanwhile a substantial improvement in drilling performance in the first half of 2011 has provided greater confidence that anticipated drilling cost reductions will be achieved over future phases.

In summary, as a consequence of the above BG Group now expects:

- Higher flow rates and recovery per well;
- Earlier achievement of plateau production from fewer wells;
- Lower unit costs and higher unit value.

Significantly, BG Group expects that virtually all of the additional resources announced in June, contained within the Lula, Guará, Cernambi, Iara and Carioca fields, will be recovered from the same surface facilities envisaged in BG Group's field development plan prior to the resources upgrade. The incremental volumes are thus of a substantially higher value and result in significant unit cost reductions and higher unit value for the now increased total resources base.

Finally, during the quarter, BG Group took delivery of the oil tanker *Windsor Knutsen* which will be used to transport BG Group's equity oil from Brazil. The *Windsor Knutsen* was converted from a conventional Suezmax tanker into the world's largest shuttle tanker, with the capacity to hold 1.1 million barrels of crude oil. First crude oil from the Lula FPSO has been lifted and is in transit to be delivered in August. BG Group has also committed to charter four further Suezmax shuttle tankers which are expected to be delivered in the period 2013 to 2014.

Egypt
In May, BG Group and its partner sanctioned Phase 8b, the next phase of investment in the West Delta Deep Marine Concession (WDDM) offshore the Nile Delta. This is one of a series of investments to maintain production from this concession that supplies gas for domestic and export needs. Phase 8b will bring seven additional wells onstream, allowing BG Group to meet its contracted gas commitments.

In 2011, BG Group, with its partners, also invested in WDDM development Phases 7 and 8a. The Phase 7 third pipeline came onstream in January with the compression project due onstream later this year. Phase 8a will bring onstream nine additional sub-sea wells. The first stage of drilling for Phase 8a has been completed with first gas expected in late 2011.

Kazakhstan
In June 2011, a fourth liquid stabilisation train at the Karachaganak Processing Complex was successfully put into operation. The start-up of the new oil processing facility raises the stabilisation and export capacity of the plant to 10.3 million tonnes of condensate per year.

Kenya
In May, BG Group announced it had signed Production Sharing Contracts with the Government of Kenya for two offshore exploration blocks - L10A and L10B. BG Group will be the operator of both blocks and will hold a 40% equity interest in block L10A and a 45% interest in block L10B. These blocks together cover an area of more than 10 400 square kilometres in the southern portion of the Lamu Basin. The initial work programme consists of a commitment to acquire seismic data during an initial two-year exploration period.

Norway
In June, the plan for development and operation of the Knarr field (previously known as Jordbær) was approved by the Norwegian Parliament. Production is scheduled to start in 2014. Knarr is an oil field in a water depth of 410 metres, situated in the Tampen North area in the Norwegian North Sea. Also in June, the lease and operate contract for the FPSO for the Knarr field was signed.

Tanzania
BG Group received approval from the Government of Tanzania to assume the role of Operator of Blocks 1, 3 and 4, offshore Tanzania, effective from 1 July 2011. To date, three successful exploration wells have been drilled. As part of the operatorship transition arrangements, BG Group has led a number of project activities over recent months in preparation for the next stage of the exploration and appraisal programme, scheduled to commence in late 2011.

USA
Progress in BG Group's shale gas operations continued to gather pace with production continuing to build-up and the 200th EXCO-operated Haynesville horizontal well being brought into production. During the quarter, 38 wells were spudded and 22 rigs were operating in the Haynesville, while 8 wells were drilled in the Marcellus shale.

Liquefied Natural Gas (LNG)

Second Quarter 2011 $m	Second Quarter 2010 Restated[a] $m		Business Performance	Half Year 2011 $m	Half Year 2010 Restated[a] $m	
1 808	1 472	+23%	Revenue and other operating income	**3 541**	3 155	+12%
			Total operating profit			
494	478	+3%	Shipping and marketing	**995**	1 063	-6%
81	81	–	Liquefaction	**168**	164	+2%
(22)	(18)	+22%	Business development and other	**(40)**	(53)	-25%
553	541	+2%		**1 123**	1 174	-4%
537	254	+111%	Capital investment	**936**	1 058	-12%

a) See note 1 (page 25).

Additional operating and financial data is given on page 36.

Second quarter

LNG total operating profit for the quarter increased by 2% to $553 million. The second quarter result was ahead of expectations due to a change in the phasing of trade for the year.

Shipping and marketing total operating profit of $494 million was 3% higher, reflecting an increased number of global diversions. During the quarter, BG Group diverted 84% of cargoes (2010 60%) to global markets outside the USA including 20 to Asia, 13 to South America and 8 to Europe.

BG Group's share of operating profit from liquefaction activities of $81 million was in line with 2010.

Capital investment of $537 million in the quarter included $509 million in Australia associated with the development of the Queensland Curtis LNG (QCLNG) project.

Half year

LNG total operating profit was $1 123 million. Shipping and marketing total operating profit of $995 million was 6% lower than last year as first quarter 2010 results benefitted from strong weather-related gas demand. During the half year, BG Group diverted 84% of cargoes (2010 68%) to global markets outside the USA including 41 to Asia, 23 to South America and 19 to Europe.

The Group's share of total operating profit from liquefaction activities was in line with 2010 at $168 million.

BG Group continues to expect the LNG segment operating profit for 2011 to be towards the upper end of the previously published guidance range of $1.9 billion to $2.2 billion.

Capital investment of $936 million in the half year included $875 million in Australia.

Second quarter business highlights

Australia

In Australia, the QCLNG project continues to gather momentum with QGC now directly and indirectly employing close to 3 600 people across its Queensland business. In the first half of 2011, BG Group has invested a total of $1.8 billion in Australia across the E&P and LNG segments. At the LNG site, the first concrete has been poured and the contract for dredging the access route in Gladstone harbour has been let. All of the 540 km of 42 inch pipeline is now in Australia and is being delivered to holding sites along the pipeline route. In the upstream, the first water treatment plant at Windibri is mechanically complete and work has commenced on a second larger plant at Kenya. The extensive flooding experienced earlier in the year has delayed progress on the drilling programme. A recovery plan is in place. The 2014 first LNG date is unchanged.

USA

BG Group and the owner of the Lake Charles import terminal have filed a formal application to the US Department of Energy to export LNG from the terminal. The application requests approval to export up to 15 mtpa of LNG.
BG Group is examining the feasibility of modifying the import terminal for an LNG export project and no formal investment decision has been made.

Transmission and Distribution (T&D)

Second Quarter 2011 $m	Second Quarter 2010 Restated[a] $m		Business Performance	Half Year 2011 $m	Half Year 2010 Restated[a] $m	
			Revenue and other operating income			
625	561	+11%	Comgás	**1 172**	1 080	+9%
243	177	+37%	Other	**481**	368	+31%
868	738	+18%		**1 653**	1 448	+14%
			Total operating profit			
106	144	-26%	Comgás	**186**	244	-24%
61	40	+53%	Other	**126**	80	+58%
167	184	-9%		**312**	324	-4%
82	57	+44%	Capital investment	**153**	109	+40%

a) See note 1 (page 25).

Second quarter

Revenue and other operating income increased by 18% to $868 million, principally reflecting a 3% increase in volumes and favourable foreign exchange movements at Comgás in Brazil and higher prices at Gujarat Gas in India.

T&D total operating profit for the quarter of $167 million was 9% lower, largely as a result of the timing effect of gas cost recovery at Comgás.

At Comgás, excluding the timing effect of gas cost recovery, total operating profit was 29% higher, principally reflecting higher volumes and favourable sales mix and foreign exchange movements. The increase in volumes at Comgás was driven by higher demand from the industrial segment. In the quarter, $44 million was passed back to customers compared with a $28 million net recovery of gas costs in 2010. At the end of the quarter, $78 million remained due to be passed back to customers in future periods. The Group expects substantially all of this to be passed back by the end of 2011.

Other T&D activities operating profit increased by $21 million principally as a result of higher profits at Gujarat Gas and the phasing of profits at BG Italia Power.

Half year

Revenue and other operating income increased by 14% to $1 653 million, reflecting a 5% increase in volumes and favourable foreign exchange movements at Comgás and higher prices at Gujarat Gas.

T&D total operating profit for the half year of $312 million was 4% lower, as the increase in revenue and other operating income was more than offset by the timing effect of gas cost recovery at Comgás.

At Comgás, excluding the timing effect of gas cost recovery, total operating profit was 22% higher, principally reflecting higher volumes and favourable sales mix and foreign exchange movements. The increase in volumes at Comgás reflects the higher demand from the industrial and cogeneration segments. In the first half of the year, $65 million was passed back to customers compared with a $39 million net recovery of gas costs in 2010.

Other T&D activities operating profit increased by $46 million to $126 million, principally reflecting higher profits at Gujarat Gas and the phasing of profits at BG Italia Power.

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

Principal Risks and Uncertainties

This section forms part of the interim management review for the purposes of the Disclosure and Transparency rules made by the UK Financial Services Authority.

BG Group's business, results and financial condition could be affected by a broad range of risks and uncertainties. BG Group's risk profile continually evolves over time as a result of changes in both the external environment and the continued growth and development of the Group's portfolio. The principal risks and uncertainties for the remaining six months of the financial year are unchanged from those stated on pages 35 to 39 of the BG Group 2010 Annual Report and Accounts (ARA). These are summarised below. This summary is not intended, and should not be used, as a substitute for reading the appropriate pages of the ARA which include further commentary on the risks and the Group's management of them.

The risks shown below are in alphabetical order and no order of relative magnitude of the risks, or current level of Group exposure to them, is implied.

Asset Integrity, Safety, Health and Security

Oil and gas exploration and production activities carry significant inherent risks, especially deep-water drilling and operations in high pressure/high temperature wells. Major accidents or incidents and/or the failure to manage these risks could result in injury or loss of life, damage to the environment, and/or loss of certain facilities, with an associated loss or deferment of exploration, production and revenues, as well as costs associated with mitigation, recovery and compensation.

BG Group is also subject to health and safety laws in numerous jurisdictions around the world. Failure to comply with such laws could significantly impact the Group's reputation, which could have a subsequent effect upon the willingness of stakeholders to work with the Group. Any new laws and regulations may result in BG Group having to curtail or cease certain operations or implement temporary shutdowns of facilities, which could diminish its productivity and materially and adversely impact the results of operations, including the Group's profits.

BG Group also faces security threats. Acts of terrorism or civil unrest which may affect BG Group's plants and offices, pipelines, transportation or computer systems could severely disrupt its business and could cause harm to people. Information security breaches may also result in the loss of BG Group's commercially sensitive data.

Capital requirements, liquidity and interest rates

BG Group has substantial capital expenditure requirements in its business and operations. The Group's capital requirements depend on a broad range of factors (including, for example, commodity prices, currency exchange rates, acquisitions and proceeds realised from disposals), some of which are outside the Group's control and may cause capital requirements to vary materially from planned levels. Increases in BG Group's capital requirements could adversely affect the Group's business and financial performance, and BG Group's ability to access finance on attractive terms may be limited. A credit crisis affecting banks, financial markets and/or the economy more generally could affect the Group's ability to raise capital.

BG Group is also exposed to liquidity risks, including risks associated with refinancing borrowings as they mature and the risk that financial assets cannot readily be converted to cash without loss of value. BG Group's financing costs may be significantly affected by interest rate volatility.

Climate change

Policies and initiatives at national and international level to address climate change are likely to affect business conditions and demand for various types of energy sources in the medium to long term. Worldwide policy and regulatory actions are driving targeted reductions in greenhouse gas emissions which will in turn influence the future of the energy industry. Policy approaches that promote the use of alternative energy sources (such as renewable and nuclear power) may affect the Group's ability to maintain its position in key markets. New regulatory regimes intended to establish emissions trading schemes could alter hydrocarbon production economics.

Commodity prices

BG Group's cash flows and profitability are sensitive to commodity prices for natural gas, crude oil, liquefied natural gas (LNG) and other hydrocarbons. The Group's exposure to commodity prices varies according to a number of factors, including the mix of production and sales. While industry costs tend to rise or fall with commodity prices in the long term, there is no guarantee that movements in sales prices and costs would align in any year. This can put pressure on investment and project economics, which depend in part upon the degree and timing of commitments to particular cost structures.

The Group does not as a matter of course hedge all commodity prices, but may hedge certain LNG contracts and other revenue streams from time to time. In marketing its energy portfolio, BG Group undertakes commodity hedging and trading activities, including the use of futures contracts, financial and physical, forward-based contracts and swap contracts. The stand-alone value of hedges can move significantly, potentially increasing the volatility of cash required for margin calls and the accounting profit recognised within a particular quarter.

Demand for LNG, both domestic and international, is dependent upon a number of macro-economic factors, and LNG prices can vary significantly depending upon the supply and demand balance in the market.

Credit

BG Group's exposure to credit risk takes the form of a loss that would be recognised if counterparties (including sovereign entities) failed, or were unable, to meet their payment or performance obligations. These risks may arise in all forms of commercial agreements and in certain agreements relating to amounts owed for physical product sales, the use of derivative instruments, and the investment of surplus cash balances. The Group is also exposed to political and economic risk events that exacerbate country risk and which may cause non-payment of foreign currency obligations to BG Group by governments or government-owned entities, or which may otherwise impact successful project delivery and implementation. The impact of credit issues could also lead to the failure of companies in the sector, potentially including partners, contractors and suppliers.

Delivery of projects

Delivery of projects (including in the pre-sanction phase) may be subject to: sub-surface uncertainties; cost and time overruns; HSSE risks; technical (mechanical and engineering), commercial, legal or regulatory compliance failures; equipment shortages; insufficient availability or capability of employees or contractors; unscheduled outages; stakeholder risks; a deterioration of macro-economic conditions; and gas pipeline system constraints.

Drilling and completing or operating wells is often uncertain and may be subject to delays, curtailment or cancellation due to a variety of factors including unexpected drilling conditions, pressure or irregularities in geological formations; equipment failures; accidents; adverse weather conditions; and compliance with governmental or regulatory requirements. These events could result in a failure to successfully deliver sanctioned projects in line with final investment decisions.

Failure to select the most suitable development concept based on full-lifecycle understanding of the project can expose projects to additional cost and risks and may contribute to lower than estimated production in future.

In many cases, the cause of delay or cost overrun in project implementation can be the misalignment of partner objectives. BG Group has a number of partner-operated joint ventures in which it participates. The Group's ability to influence the operations of those joint ventures may be limited. The Group faces the risk that actions or omissions on the part of the operators of those joint ventures expose the Group to reputational or legal risk, as well as liabilities.

Political factors can also often be a significant risk to project delivery. Unconventional gas, operating in deep water carbonate reservoirs and the inherent complexity of some projects, given their scale and the number and range of stakeholders, all present further challenges to successful project delivery.

Environment

BG Group's activities may affect the environment. The potential environmental consequences of the Group's activities include the impact of wells, pipelines and other infrastructure on onshore or marine ecological habitats, with a resulting effect on biodiversity. Measures undertaken to tackle loss of biodiversity, together with policies intended to protect local habitats, may limit access to gas and oil in areas deemed to be biologically sensitive.

Following BG Group's investments in the USA and Australia, water-related issues are more prominent for the Group. In particular, the Group is required to manage numerous issues related to both the disposal of water produced from coal seam gas production and securing and disposing of water related to the fracing process required in the extraction of shale gas.

Other potential environmental consequences of BG Group's operations include, for example, the release of hydrocarbons or chemicals onto land or into water; noise pollution; the visual impact of gas and oil infrastructure; and the emission of pollutants that affect air quality.

Exchange rates

The Group reports its financial results in US Dollars. Although a large percentage of the Group's business activity is conducted in US Dollars, a significant portion of the Group's operating cashflows, capital expenditure, operating expenses and income taxes accrue in (and asset and liability positions are held in) other currencies, including the Australian Dollar, Brazilian Real and Pound Sterling. Consequently, the Group's results and financial position may be significantly affected by exchange rate fluctuations.

Insurance

Risks associated with the energy industry include: exposure to personal injury and loss of life; asset failures; loss of containment of hydrocarbons; environmental issues; and natural disasters together with associated consequential losses, any of which may have an adverse effect on business performance.

The transfer of risks to the insurance market may be affected and influenced by constraints on the availability of cover, market appetite and capacity, pricing and the decisions of regulatory authorities. Some of the major risks associated with BG Group's activities cannot or may not be reasonably or economically insured. BG Group may incur losses from different types of risks that are not covered by insurance.

Operational Performance

BG Group's production volumes (and therefore revenues) are dependent on the continued operational performance of its producing assets. The Group's producing assets are subject to a number of operational risks including: reduced availability of those assets due to planned activities such as maintenance or shutdowns; unplanned outages which may, for example, be due to equipment or human failure; asset integrity and HSSE incidents; adverse reserves recovery; the performance of joint venture partners; the performance of the Group's contractors; and exposure to natural hazards, such as extreme weather events. Each of these factors could adversely affect the Group's ability to deliver operational business and financial performance.

Organisational capacity

BG Group's performance, operating results and future growth depend to a large extent on its continued ability to attract, retain, motivate and organise appropriately qualified personnel with the level of expertise and knowledge necessary to conduct BG Group's operations. Competition for talented, suitably experienced and qualified management and employees is intense for specialists in oil and gas.

Political context and stakeholder relationships

BG Group faces a range of political risks. For instance, governments may alter fiscal or other terms governing oil and gas industry operations, especially where they face financial pressures, or may act (or fail to act) in a way which delays project schedules or increases costs, thus eroding value. In addition, BG Group needs to work with governments and national oil companies in order to secure access to new resources and ensure the successful monetisation of existing resources. In such cases, political considerations can influence decision making. In recent years, some governments and state-owned enterprises have exercised greater authority and imposed more stringent conditions on companies pursuing exploration and production activities in host countries, thereby increasing the costs and uncertainties of business operations. This trend may continue.

BG Group also faces increased risk if it does not recognise, and take account of, the interests of the communities in the areas where it operates, or if it operates in an unethical manner in its relationships with those communities. BG Group's operations will only be sustainable and successful over the long-term if its local stakeholders see benefit from them and support the Group's presence.

Regulation and legislation

BG Group's business activities are conducted in many different countries and are therefore subject to a broad range of legislation and regulations. Any non-compliance by the Group with applicable laws and/or regulations could lead to legal or regulatory sanctions, as well as reputational damage. The need to comply with any new or revised laws or regulations (or new or changed interpretations or enforcement of existing laws or regulations) may have a material impact on the Group's business and financial position. Compliance with such laws and regulations may impose additional costs on the Group's business and could potentially limit its flexibility with respect to its business practices. In addition, in some countries Governments are facing greater pressure on public finances, leading to a risk of increased taxation.

If BG Group employees, or anyone working on its behalf, violate laws and regulations in jurisdictions in which the Group operates (including US or UK laws and regulations with extraterritorial application), the Group may face reputational damage and be subject to significant penalties, including fines or loss of operating licences.

Resources discovery, estimation and development

Delivery of production growth depends upon a number of factors, including: successful discovery and development of hydrocarbon resources; the acquisition of sufficient new resource opportunities; sufficient field appraisal; reservoir quality and performance; accurate interpretation of received data; drilling conditions or costs; rig availability; and the availability of adequate human or technical resources.

Competition for exploration and development rights, and accessing gas and oil resources, is intense. A failure to secure appropriate new resources could impact upon the Group's production growth prospects beyond the next decade.

Gas and oil reserves and resources cannot be measured exactly since estimation of reserves and resources involves subjective judgments, may not align with the estimates of total reserves and resources of BG Group's joint venture partners (including operators), and may be subject to downward revision.

Factors which may lead to such revisions include: a decline in the price of oil or gas which may make reserves and/or resources uneconomic to develop and therefore not classifiable under current reporting requirements; changes in gas and oil prices in fields subject to Production Sharing Contracts which may result in changes to entitlements, and therefore reserves; the quality and quantity of the Group's geological, technical and economic data may prove to be inaccurate; and the Group's ability to interpret that data appropriately may be limited. In addition actual production performance from reservoirs may be lower than estimated. Changes in tax rules and other government regulations may result in reserves or resources becoming uneconomic.

First Quarter Business Highlights

This results announcement also represents BG Group's half-yearly financial report for the purposes of the Disclosure and Transparency Rules (DTR) made by the UK Financial Services Authority. In order to comply with the requirements of the DTR, included in this section (which forms part of the interim management report for the purpose of the DTR) are the first half business highlights which are not included earlier in this results announcement.

Exploration and Production – first quarter business highlights

Brazil
There were significant advances in the quarter with the growth programme in Brazil. Production at the first permanent module on Lula Sul increased to some 25 000 barrels of oil per day (bopd), and construction of the next two Floating Production, Storage and Offloading (FPSO) modules advanced to around 50% complete, in line with plans. Tenders for the fourth and fifth FPSOs are expected in this quarter, and work to construct the hulls for eight further modules is also progressing to plan.

In April, the Extended Well Test on Lula North East commenced utilising the *BW Cidade de São Vicente* FPSO. Current gross production has reached 18 000 bopd, constrained by facilities.

In April, BG Group announced the conclusion of a Drill Stem Test (DST) on the Guará Norte well (3-SPS-69) in Block BM-S-9 in the Santos Basin. The DST confirmed high productivity of some 6 000 bopd of light oil (approx 30° API) with flow rates constrained by test facility capacity. Production potential from this well is estimated at around 50 000 bopd. The Guará Norte well was drilled at a water depth of 2 118 metres, approximately 305 kilometres (kms) off the coast of São Paulo state and around 15 kms northeast of the original discovery well.

In March, BG Group announced the successful completion of drilling on the Iara Horst well in the BM-S-11 concession in the Santos Basin. The well encountered good quality oil (28° API) in a thick reservoir section. Initial results from Iara Horst have demonstrated superior reservoir characteristics to the discovery well located around eight kms away. A DST, completed in April, confirmed reservoir quality and well productivity. Further evaluation activity continues.

In February, BG Group announced a new discovery of oil (approximately 26° API) in Block BM-S-10 in the Santos Basin. The discovery well, known as Macunaíma, is located in a water depth of 2 134 metres, approximately 244 kms off the coast of Rio de Janeiro state. Further evaluation of the discovery continues.

USA
BG Group's shale gas operations continued to gather momentum, with 46 wells spudded and 22 drilling rigs operating in the Haynesville shale during the quarter. Seven wells were drilled in the Marcellus shale.

Tanzania
In April, BG Group announced its third Tanzanian gas discovery. The Chaza-1 well is located in Block 1 approximately 18 kms offshore southern Tanzania in a water depth of around 950 metres. The discovery is some 200 kms south of BG Group's Pweza and Chewa discoveries. To date, approximately 5 000 square kilometres (sq kms) of new 3D seismic data has been acquired in Blocks 1, 3 and 4. It is intended that a second drilling campaign will commence in late 2011.

Kenya
In March, BG Group signed a Heads of Agreement with the Kenyan government to acquire a 40% equity interest in the exploration block L10A and a 45% interest in block L10B, subject to negotiation of Production Sharing Contracts. BG Group would operate both blocks.

India
In April, following India's New Exploration Licensing Policy (NELP) IX licensing round, a consortium led by BG Group (50% and operator), was identified as the qualifying bidder for an exploration block (MB-DWN-2010/1) offshore the west coast of India. The block is approximately 350 kms from the coast, covering an area of 7 963 sq kms and in water depths in excess of 2 000 metres. The award of the contract will be subject to final confirmation from the government of India and regulatory approvals.

Norway
In the 21st licensing round held in April, the Norwegian government awarded BG Group a 40% interest in and operatorship of licence PL599, located in the Norwegian Sea.

Liquefied Natural Gas – first quarter business highlights

Australia

In March, BG Group signed a sales agreement with Tokyo Gas Co. Ltd. (Tokyo Gas), concluding negotiations announced in March 2010 for the supply of 1.2 million tonnes of LNG a year for 20 years from 2015. Tokyo Gas will be supplied with LNG from the Queensland Curtis LNG (QCLNG) facility in Australia, and from the Group's global LNG portfolio. Tokyo Gas has acquired a 1.25% equity interest in the reserves and resources of certain BG Group tenements in the Walloons Fairway of the Surat Basin in Queensland. Tokyo Gas has also become a 2.5% equity investor in QCLNG Train 2, the second of two liquefaction trains which will form the first phase of the QCLNG development, which is planned to come onstream in 2014.

BG Group has signed a sales agreement with Chubu Electric Power Co. Inc, (Chubu Electric) concluding negotiations announced in October 2010 for the long-term supply of LNG. Under the agreement, Chubu Electric will purchase up to 122 cargoes over 21 years, starting in 2014. This will be supplied from BG Group's global LNG portfolio, including the QCLNG facility in Australia.

Progress continued with the QCLNG project during the quarter. Mitigation of the effects of the severe flooding, which has primarily impacted the drilling programme, is in hand with the 2014 first LNG date unchanged.

Transmission and Distribution – first quarter business highlights

In April, BG Group signed and completed a Sale and Purchase Agreement (SPA) with its partners in Genting Sanyen Power in Malaysia for them to acquire the Group's 20% interest in the power plant for approximately $80 million.

In April, the SPA for the sale of BG Group's 40% interests in both the Santa Rita and San Lorenzo power stations in the Philippines was terminated as certain consents and waivers were not received. BG Group's holding in these assets will continue to be classified as held for sale and treated as discontinued operations.

Statement of Directors' responsibilities

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Statements' as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7 and 4.2.8.

The Directors of BG Group plc are listed in the 2010 Annual Report and Accounts. Since the publication of the 2010 Annual Report and Accounts on 30 March 2011 the following changes have taken place:

Ashley Almanza stood down as Chief Financial Officer and Executive Director of BG Group plc on 31 March 2011.

Fabio Barbosa was appointed as Chief Financial Officer and Executive Director of BG Group plc on 31 March 2011.

Lord Sharman retired as a Non-Executive Director of BG Group plc at the conclusion of the Annual General Meeting held on 12 May 2011.

Andrew Gould was appointed as a Non-Executive Director of BG Group plc on 1 June 2011.

By order of the Board

Sir Frank Chapman
Chief Executive

Fabio Barbosa
Chief Financial Officer

Legal Notice

Certain statements included in these results contain forward-looking information concerning BG Group's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the countries, sectors or markets in which BG Group operates. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within BG Group's control or can be predicted by BG Group. Although BG Group 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. Actual results could differ materially from those set out in the forward-looking statements. For a detailed analysis of the factors that may affect our business, financial performance or results of operations, we urge you to look at the 'Risk Factors' included in BG Group plc's Annual Report and Accounts 2010. 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. BG Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Going Concern

The Directors are satisfied that the Group's activities are sustainable for the foreseeable future, and that the business is a going concern and the financial statements have therefore been prepared on this basis.

Related Parties

Information on related party transactions is provided in note 12, page 34.

Presentation of Non-GAAP measures

Business Performance
'Business Performance' excludes disposals, certain re-measurements and impairments (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 USA. 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, certain re-measurements and impairments
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 and are disclosed separately as 'disposals, re-measurements and impairments'.

BG Group also uses commodity instruments to manage certain price exposures in respect of optimising the timing and location of its physical gas and LNG sales commitments. These instruments are also required to be measured at fair value at the balance sheet date under IAS 39 and where practical have been designated as formal hedges. However, IAS 39 does not always allow the matching of fair values to the economically hedged value of the related commodity, resulting in unrealised movements in fair value being recorded in the income statement. These movements in fair value, together with any unrealised gains and losses associated with discontinued hedge accounting relationships that continue to represent economic hedges, are disclosed separately as 'disposals, re-measurements and impairments'.

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 and disclosed separately as 'disposals, re-measurements and impairments'.

Realised gains and losses relating to the instruments referred to above 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, and impairments of non-current assets as they 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, re-measurements and impairments, see the consolidated income statements (pages 19 and 20), note 2 (page 26) and note 3 (page 27).

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 (page 27).

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.

Independent review report to BG Group plc

Introduction
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2011, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP

Chartered Accountants
26 July 2011
London

a) The maintenance and integrity of the BG Group plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial report since it was initially presented on the web site.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Consolidated Income Statement

Second Quarter

		2011			2010 Restated[a]		
	Notes	**Business Perform-ance[b] $m**	Disposals, re-measure-ments and impairments (Note 2)[b] $m	**Total Result $m**	Business Perform-ance[b] $m	Disposals, re-measure-ments and impairments (Note 2)[b] $m	Total Result $m
Group revenue		**5 116**	**–**	**5 116**	4 084	–	4 084
Other operating income	2	**(1)**	**189**	**188**	(33)	(443)	(476)
Group revenue and other operating income	3	**5 115**	**189**	**5 304**	4 051	(443)	3 608
Operating costs		**(3 083)**	**–**	**(3 083)**	(2 664)	–	(2 664)
Profits and losses on disposal of non-current assets and impairments	2	**–**	**24**	**24**	–	(187)	(187)
Operating profit/(loss)[c]	3	**2 032**	**213**	**2 245**	1 387	(630)	757
Finance income	2, 4	**20**	**(4)**	**16**	94	84	178
Finance costs	2, 4	**(63)**	**(26)**	**(89)**	(59)	(94)	(153)
Share of post-tax results from joint ventures and associates	3	**75**	**–**	**75**	80	–	80
Profit/(loss) before tax		**2 064**	**183**	**2 247**	1 502	(640)	862
Taxation	2, 5	**(913)**	**(60)**	**(973)**	(584)	197	(387)
Profit/(loss) for the period from continuing operations	3	**1 151**	**123**	**1 274**	918	(443)	475
Profit/(loss) for the period from discontinued operations	6	**–**	**(2)**	**(2)**	–	163	163
Profit/(loss) for the period		**1 151**	**121**	**1 272**	918	(280)	638
Attributable to:							
BG Group shareholders (earnings)		**1 120**	**123**	**1 243[d]**	882	(280)	602[d]
Non-controlling interest		**31**	**(2)**	**29**	36	–	36
		1 151	**121**	**1 272**	918	(280)	638
Earnings per share continuing operations – basic	7	**33.1c**	**3.7c**	**36.8c**	26.1c	(13.1c)	13.0c
Earnings per share discontinued operations – basic		**–**	**(0.1c)**	**(0.1c)**	–	4.8c	4.8c
Earnings per share continuing operations – diluted	7	**32.8c**	**3.7c**	**36.5c**	25.9c	(13.0c)	12.9c
Earnings per share discontinued operations – diluted		**–**	**(0.1c)**	**(0.1c)**	–	4.8c	4.8c
Total operating profit/(loss) including share of pre-tax operating results from joint ventures and associates[e]	3	**2 152**	**213**	**2 365**	1 501	(630)	871

a) See note 1 (page 25).

b) See Presentation of Non-GAAP measures (page 17) for an explanation of results excluding disposals, certain re-measurements and impairments and presentation of the results of joint ventures and associates.

c) Operating profit/(loss) is before share of results from joint ventures and associates.

d) Comprises earnings from continuing operations of $1 245 million (2010 $439 million) and from discontinued operations of $(2) million (2010 $163 million).

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

The notes on pages 25 to 35 form an integral part of these condensed financial statements.

Consolidated Income Statement

Half Year

	Notes	2011 Business Performance[b] $m	2011 Disposals, re-measurements and impairments (Note 2)[b] $m	2011 Total Result $m	2010 Restated[a] Business Performance[b] $m	2010 Restated[a] Disposals, re-measurements and impairments (Note 2)[b] $m	2010 Restated[a] Total Result $m
Group revenue		**9 909**	**–**	**9 909**	8 442	–	8 442
Other operating income	2	**9**	**(219)**	**(210)**	112	(303)	(191)
Group revenue and other operating income	3	**9 918**	**(219)**	**9 699**	8 554	(303)	8 251
Operating costs		**(6 047)**	**–**	**(6 047)**	(5 317)	–	(5 317)
Profits and losses on disposal of non-current assets and impairments	2	**–**	**19**	**19**	–	(239)	(239)
Operating profit/(loss)[c]	3	**3 871**	**(200)**	**3 671**	3 237	(542)	2 695
Finance income	2, 4	**39**	**70**	**109**	159	103	262
Finance costs	2, 4	**(147)**	**(95)**	**(242)**	(121)	(94)	(215)
Share of post-tax results from joint ventures and associates	3	**154**	**–**	**154**	146	–	146
Profit/(loss) before tax		**3 917**	**(225)**	**3 692**	3 421	(533)	2 888
Taxation	2, 5	**(1 924)**	**125**	**(1 799)**	(1 380)	156	(1 224)
Profit/(loss) for the period from continuing operations	3	**1 993**	**(100)**	**1 893**	2 041	(377)	1 664
Profit/(loss) for the period from discontinued operations	6	**–**	**–**	**–**	–	(40)	(40)
Profit/(loss) for the period		**1 993**	**(100)**	**1 893**	2 041	(417)	1 624
Attributable to:							
BG Group shareholders (earnings)		**1 939**	**(99)**	**1 840[d]**	1 979	(417)	1 562[d]
Non-controlling interest		**54**	**(1)**	**53**	62	–	62
		1 993	**(100)**	**1 893**	2 041	(417)	1 624
Earnings per share continuing operations – basic	7	**57.2c**	**(2.9c)**	**54.3c**	58.6c	(11.2c)	47.4c
Earnings per share discontinued operations – basic		**–**	**–**	**–**	–	(1.2c)	(1.2c)
Earnings per share continuing operations – diluted	7	**56.9c**	**(2.9c)**	**54.0c**	58.2c	(11.1c)	47.1c
Earnings per share discontinued operations – diluted		**–**	**–**	**–**	–	(1.2c)	(1.2c)
Total operating profit/(loss) including share of pre-tax operating results from joint ventures and associates[e]	3	**4 117**	**(200)**	**3 917**	3 456	(542)	2 914

a) See note 1 (page 25).

b) See Presentation of Non-GAAP measures (page 17) for an explanation of results excluding disposals, certain re-measurements and impairments and presentation of the results of joint ventures and associates.

c) Operating profit/(loss) is before share of results from joint ventures and associates.

d) Comprises earnings from continuing operations of $1 840 million (2010 $1 602 million) and from discontinued operations of $nil (2010 $(40) million).

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

The notes on pages 25 to 35 form an integral part of these condensed financial statements.

For information on dividends paid in the period, see note 9 (page 33).

Consolidated Statement of Comprehensive Income

Second Quarter 2011 $m	Second Quarter 2010 $m		Half Year 2011 $m	Half Year 2010 $m
1 272	638	Profit for the period	**1 893**	1 624
96	5	Hedge adjustments net of tax[a]	**(248)**	(160)
(2)	1	Fair value movements on 'available-for-sale' assets net of tax[b]	**(3)**	1
308	(331)	Currency translation adjustments	**269**	(401)
402	(325)	Other comprehensive income/(expense), net of tax	**18**	(560)
1 674	313	Total comprehensive income for the period	**1 911**	1 064
		Attributable to:		
1 637	284	BG Group shareholders	**1 849**	1 008
37	29	Non-controlling interest	**62**	56
1 674	313		**1 911**	1 064

a) Income tax relating to hedge adjustments is a $36 million charge for the quarter (2010 $23 million charge) and a $77 million credit for the half year (2010 $50 million credit).

b) Income tax relating to fair value movements on 'available-for-sale' assets is a $1 million credit for the quarter (2010 $1 million credit) and a $2 million credit for the half year (2010 $1 million credit).

The notes on pages 25 to 35 form an integral part of these condensed financial statements.

Consolidated Balance Sheet

	As at 30 Jun 2011 $m	As at 31 Dec 2010 $m	As at 30 Jun 2010 $m
Assets			
Non-current assets			
Goodwill	**879**	820	739
Other intangible assets	**7 934**	7 193	8 578
Property, plant and equipment	**31 269**	28 263	21 947
Investments	**2 914**	2 824	3 086
Deferred tax assets	**612**	518	204
Trade and other receivables	**254**	206	203
Commodity contracts and other derivative financial instruments	**401**	283	388
	44 263	40 107	35 145
Current assets			
Inventories	**724**	655	712
Trade and other receivables	**8 136**	5 994	4 335
Current tax receivable	**296**	233	371
Commodity contracts and other derivative financial instruments	**441**	550	997
Cash and cash equivalents	**2 203**	2 533	1 779
	11 800	9 965	8 194
Assets classified as held for sale	**193**	227	228
Total assets	**56 256**	50 299	43 567
Liabilities			
Current liabilities			
Borrowings	**(3 247)**	(1 258)	(1 907)
Trade and other payables	**(5 605)**	(4 388)	(3 607)
Current tax liabilities	**(1 848)**	(1 814)	(1 837)
Commodity contracts and other derivative financial instruments	**(1 671)**	(1 426)	(1 303)
	(12 371)	(8 886)	(8 654)
Non-current liabilities			
Borrowings	**(8 805)**	(8 446)	(5 308)
Trade and other payables	**(80)**	(72)	(66)
Commodity contracts and other derivative financial instruments	**(924)**	(901)	(571)
Deferred income tax liabilities	**(3 645)**	(3 134)	(3 118)
Retirement benefit obligations	**(278)**	(260)	(282)
Provisions for other liabilities and charges	**(1 876)**	(1 812)	(1 523)
	(15 608)	(14 625)	(10 868)
Liabilities associated with assets classified as held for sale	**(101)**	(104)	(105)
Total liabilities	**(28 080)**	(23 615)	(19 627)
Net assets	**28 176**	26 684	23 940
Equity			
Total shareholders' equity	**27 855**	26 328	23 653
Non-controlling interest in equity	**321**	356	287
Total equity	**28 176**	26 684	23 940

The notes on pages 25 to 35 form an integral part of these condensed financial statements.

Consolidated Statement of Changes in Equity

	Called up share capital $m	Share premium account $m	Hedging reserve $m	Translation reserve $m	Other reserves $m	Retained earnings $m	Total $m	Non-con-trolling interest $m	Total $m
Equity as at 31 December 2010	**576**	**537**	**(457)**	**2 877**	**2 710**	**20 085**	**26 328**	**356**	**26 684**
Total comprehensive income for the period	–	–	(312)	324	–	1 837	**1 849**	62	**1 911**
Issue of shares	1	26	–	–	–	–	**27**	–	**27**
Purchase of own shares	–	–	–	–	–	(25)	**(25)**	–	**(25)**
Adjustment in respect of employee share schemes	–	–	–	–	–	77	**77**	–	**77**
Dividends on ordinary shares	–	–	–	–	–	(401)	**(401)**	–	**(401)**
Dividends to non-controlling interest	–	–	–	–	–	–	**–**	(97)	**(97)**
Equity as at 30 June 2011	**577**	**563**	**(769)**	**3 201**	**2 710**	**21 573**	**27 855**	**321**	**28 176**

	Called up share capital $m	Share premium account $m	Hedging reserve $m	Translation reserve $m	Other reserves $m	Retained earnings $m	Total $m	Non-con-trolling interest $m	Total $m
Equity as at 31 December 2009	**574**	**444**	**150**	**1 697**	**2 710**	**17 334**	**22 909**	**321**	**23 230**
Total comprehensive income for the period	–	–	(115)	(440)	–	1 563	**1 008**	56	**1 064**
Issue of shares	1	52	–	–	–	–	**53**	–	**53**
Purchase of own shares	–	–	–	–	–	(2)	**(2)**	–	**(2)**
Adjustment in respect of employee share schemes	–	–	–	–	–	37	**37**	–	**37**
Dividends on ordinary shares	–	–	–	–	–	(352)	**(352)**	–	**(352)**
Dividends to non-controlling interest	–	–	–	–	–	–	**–**	(90)	**(90)**
Equity as at 30 June 2010	**575**	**496**	**35**	**1 257**	**2 710**	**18 580**	**23 653**	**287**	**23 940**

The notes on pages 25 to 35 form an integral part of these condensed financial statements.

Consolidated Cash Flow Statement

Second Quarter 2011 $m	Second Quarter 2010 $m		Half Year 2011 $m	Half Year 2010 $m
		Cash flows from operating activities		
2 245	1 028	Profit before tax[a]	**3 693**	2 755
(75)	(92)	Share of post-tax results from joint ventures and associates	**(154)**	(171)
593	513	Depreciation of property, plant and equipment and amortisation of intangible assets	**1 133**	1 039
(141)	496	Fair value movements in commodity based contracts	**253**	375
(23)	41	Profits and losses on disposal of non-current assets and impairments	**(19)**	418
40	274	Unsuccessful exploration expenditure written off	**123**	284
(28)	(23)	Decrease in provisions	**(66)**	(19)
(15)	(178)	Finance income	**(110)**	(262)
89	156	Finance costs	**242**	219
19	9	Share-based payments	**40**	25
(123)	99	(Increase)/decrease in working capital	**(755)**	168
2 581	2 323	**Cash generated by operations**	**4 380**	4 831
(550)	(459)	Income taxes paid	**(1 367)**	(1 009)
2 031	1 864	**Net cash inflow from operating activities**	**3 013**	3 822
		Cash flows from investing activities		
84	26	Dividends received from joint ventures and associates	**95**	37
97	813	Proceeds from disposal of property, plant and equipment, intangible assets and investments	**195**	813
(2 696)	(2 726)	Purchase of property, plant and equipment and intangible assets	**(4 956)**	(4 103)
(31)	(6)	Loans to joint ventures and associates	**(38)**	(4)
(17)	(247)	Business combinations and investments in subsidiaries, joint ventures and associates	**(113)**	(294)
(2 563)	(2 140)	**Net cash outflow from investing activities**	**(4 817)**	(3 551)
		Cash flows from financing activities		
(72)	(42)	Net interest paid[b]	**(128)**	(89)
(405)	(344)	Dividends paid	**(406)**	(345)
(35)	(31)	Dividends paid to non-controlling interest	**(37)**	(32)
2 044	1 675	Net proceeds from issue and repayment of borrowings	**2 052**	838
9	11	Issue of shares	**27**	53
1	–	Purchase of own shares	**(25)**	(2)
1 542	1 269	**Net cash inflow from financing activities**	**1 483**	423
1 010	993	**Net increase/(decrease) in cash and cash equivalents[c]**	**(321)**	694
1 159	811	Cash and cash equivalents at beginning of period[d]	**2 551**	1 119
35	(25)	Effect of foreign exchange rate changes	**(26)**	(34)
2 204	1 779	**Cash and cash equivalents at end of period[d]**	**2 204**	1 779

a) Includes profit/(loss) before tax from discontinued operations for the quarter of $(2) million (2010 $166 million) and for the half year of $1 million (2010 $(133) million).

b) Includes capitalised interest for the quarter of $38 million (2010 $13 million) and for the half year of $67 million (2010 $27 million).

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

d) The balance at 30 June 2011 includes cash and cash equivalents of $2 203 million (31 December 2010 $2 533 million) and cash included within assets held for sale of $1 million (31 December 2010 $18 million).

The notes on pages 25 to 35 form an integral part of these condensed financial statements.

Notes

1. Basis of preparation

These primary statements are the condensed financial statements ('the financial statements') of BG Group plc for the quarter ended and the half year ended 30 June 2011. The financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006, and should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2010 which have been prepared in accordance with IFRS as adopted by the EU, as they provide an update of previously reported information. The latest statutory accounts delivered to the registrar were for the year ended 31 December 2010 which were audited by BG Group's statutory auditors PricewaterhouseCoopers LLP and on which the Auditors' Report was unqualified and did not contain statements under Sections 498(2) or 498(3) of the UK Companies Act 2006. These financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, the requirements of the Disclosure and Transparency Rules issued by the Financial Services Authority and the accounting policies, methods of computation and presentation as set out in the 2010 Annual Report and Accounts. These financial statements have been reviewed, not audited, by PricewaterhouseCoopers LLP.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement 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.

From September 2010, following the decision to dispose of the majority of the Group's Power Generation segment, these operations have been treated as discontinued operations. Power businesses that remain with BG Group have been allocated to other business segments based on their activity and location. A single amount is presented on the income statement for discontinued operations, comprising the post-tax results of these businesses and the post-tax profit or loss recognised on re-measurement to fair value less costs to sell and on disposal of the businesses. Comparative information has also been restated to reflect the presentation of discontinued operations as a separate line item.

Presentation of results

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

- The re-measurement of certain financial instruments; and
- Profits and losses on the disposal and impairment of non-current assets and businesses.

These items, which are detailed in note 2 to the financial statements (page 26) 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.

New accounting standards and interpretations

A number of amendments to accounting standards issued by the IASB are applicable from 1 January 2011. They have not had a material impact on the Group's financial statements for the half year ended 30 June 2011.

2. Disposals, re-measurements and impairments

Second Quarter 2011 $m	Second Quarter 2010 $m		Half Year 2011 $m	Half Year 2010 $m
189	(443)	Revenue and other operating income – re-measurements of commodity based contracts	**(219)**	(303)
24	(187)	Profits and losses on disposal of non-current assets and impairments	**19**	(239)
(30)	(10)	Net finance (costs)/income – re-measurements of financial instruments	**(25)**	9
(60)	197	Taxation on disposals, re-measurements and impairments	**125**	156
123	(443)		**(100)**	(377)
2	–	Non-controlling interest	**1**	–
125	(443)	Impact on earnings – continuing operations	**(99)**	(377)

Second quarter and half year: Revenue and other operating income

Re-measurements included within revenue and other operating income amount to a credit of $189 million for the quarter (2010 $443 million charge), of which a credit of $48 million (2010 $65 million charge) represents non-cash mark-to-market movements on certain long-term UK gas contracts. For the half year, a charge of $219 million in respect of re-measurements is included within revenue and other operating income (2010 $303 million charge), of which a charge of $3 million represents non-cash mark-to-market movements on certain long-term UK gas contracts (2010 $23 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. In addition, re-measurements include a $141 million credit for the quarter (2010 $378 million charge) and a $216 million charge for the half year (2010 $280 million charge) representing unrealised mark-to-market movements associated with economic hedges.

Second quarter and half year: Disposals and impairments of non-current assets

In April, BG Group signed and completed a Sale and Purchase Agreement (SPA) with its partners in Genting Sanyen Power in Malaysia for them to acquire the Group's 20% interest in the power plant. This resulted in a pre and post-tax profit of $28 million in the quarter. Other disposals and write-offs resulted in a pre and post-tax charge of $4 million in the quarter and a pre-tax charge of $9 million in the half year (post-tax $4 million credit).

During the first quarter of 2010, BG Group committed to sell its Canadian E&P assets. Accordingly, these assets were reclassified as held for sale and revalued to the lower of their carrying amount and fair value less costs to sell. This resulted in a pre-tax impairment charge of $52 million (post-tax charge $37 million) against these assets.

During the second quarter of 2010, BG Group completed the disposal of its Canadian E&P assets. This resulted in a pre-tax profit on disposal of $12 million (post-tax $7 million) in the quarter. Also during the second quarter of 2010, a pre-tax impairment charge of $191 million (post-tax charge $138 million) was recognised against certain assets in the E&P segment.

Second quarter and half year: Net finance costs

Re-measurements presented in net finance costs include certain derivatives used to hedge foreign exchange and interest rate risk, partly offset by foreign exchange movements on certain borrowings.

Second quarter and half year: Taxation

During the first quarter of 2011, taxation includes a $47 million credit which primarily relates to the impact of the increase in UK North Sea taxation on re-measurement balances.

3. Segmental analysis

Profit for the period Analysed by operating segment	Business Performance		Disposals, re-measurements and impairments		Total Result	
Second Quarter	**2011 $m**	2010 $m	**2011 $m**	2010 $m	**2011 $m**	2010 $m
Group revenue						
Exploration and Production	**2 785**	2 072	–	–	**2 785**	2 072
Liquefied Natural Gas	**1 811**	1 492	–	–	**1 811**	1 492
Transmission and Distribution	**868**	738	–	–	**868**	738
Less: intra-group sales	**(348)**	(218)	–	–	**(348)**	(218)
Group revenue	**5 116**	4 084	–	–	**5 116**	4 084
Other operating income[(a)]	**(1)**	(33)	**189**	(443)	**188**	(476)
Group revenue and other operating income	**5 115**	4 051	**189**	(443)	**5 304**	3 608
Operating profit/(loss) before share of results from joint ventures and associates						
Exploration and Production	**1 413**	738	**68**	(247)	**1 481**	491
Liquefied Natural Gas	**458**	454	**117**	(383)	**575**	71
Transmission and Distribution	**149**	165	**28**	–	**177**	165
Other activities	**12**	30	**–**	–	**12**	30
	2 032	1 387	**213**	(630)	**2 245**	757
Pre-tax share of operating results of joint ventures and associates						
Exploration and Production	**7**	8	–	–	**7**	8
Liquefied Natural Gas	**95**	87	–	–	**95**	87
Transmission and Distribution	**18**	19	–	–	**18**	19
	120	114	–	–	**120**	114
Total operating profit/(loss)						
Exploration and Production	**1 420**	746	**68**	(247)	**1 488**	499
Liquefied Natural Gas	**553**	541	**117**	(383)	**670**	158
Transmission and Distribution	**167**	184	**28**	–	**195**	184
Other activities	**12**	30	**–**	–	**12**	30
	2 152	1 501	**213**	(630)	**2 365**	871
Net finance (costs)/income						
Finance income	**20**	94	**(4)**	84	**16**	178
Finance costs	**(63)**	(59)	**(26)**	(94)	**(89)**	(153)
Share of joint ventures and associates	**(16)**	(10)	**–**	–	**(16)**	(10)
	(59)	25	**(30)**	(10)	**(89)**	15
Taxation						
Taxation	**(913)**	(584)	**(60)**	197	**(973)**	(387)
Share of joint ventures and associates	**(29)**	(24)	**–**	–	**(29)**	(24)
	(942)	(608)	**(60)**	197	**(1 002)**	(411)
Profit/(loss) for the period from continuing operations	**1 151**	918	**123**	(443)	**1 274**	475
Attributable to:						
BG Group shareholders (earnings)	**1 120**	882	**125**	(443)	**1 245**	439
Non-controlling interest	**31**	36	**(2)**	–	**29**	36
	1 151	918	**123**	(443)	**1 274**	475

a) Business Performance Other operating income is attributable to segments as follows: E&P $2 million (2010 $(13) million) and LNG $(3) million (2010 $(20) million).

3. Segmental analysis continued

Half Year	Business Performance 2011 $m	Business Performance 2010 $m	Disposals, re-measurements and impairments 2011 $m	Disposals, re-measurements and impairments 2010 $m	Total Result 2011 $m	Total Result 2010 $m
Group revenue[a]						
Exploration and Production	**5 303**	4 325	–	–	**5 303**	4 325
Liquefied Natural Gas	**3 526**	3 071	–	–	**3 526**	3 071
Transmission and Distribution	**1 653**	1 448	–	–	**1 653**	1 448
Less: intra-group sales	**(573)**	(402)	–	–	**(573)**	(402)
Group revenue	**9 909**	8 442	–	–	**9 909**	8 442
Other operating income[b]	**9**	112	**(219)**	(303)	**(210)**	(191)
Group revenue and other operating income	**9 918**	8 554	**(219)**	(303)	**9 699**	8 251
Operating profit/(loss) before share of results from joint ventures and associates						
Exploration and Production	**2 664**	1 931	**(2)**	(277)	**2 662**	1 654
Liquefied Natural Gas	**926**	998	**(226)**	(265)	**700**	733
Transmission and Distribution	**277**	288	**28**	–	**305**	288
Other activities	**4**	20	**–**	–	**4**	20
	3 871	3 237	**(200)**	(542)	**3 671**	2 695
Pre-tax share of operating results of joint ventures and associates						
Exploration and Production	**14**	7	–	–	**14**	7
Liquefied Natural Gas	**197**	176	–	–	**197**	176
Transmission and Distribution	**35**	36	–	–	**35**	36
	246	219	–	–	**246**	219
Total operating profit/(loss)						
Exploration and Production	**2 678**	1 938	**(2)**	(277)	**2 676**	1 661
Liquefied Natural Gas	**1 123**	1 174	**(226)**	(265)	**897**	909
Transmission and Distribution	**312**	324	**28**	–	**340**	324
Other activities	**4**	20	**–**	–	**4**	20
	4 117	3 456	**(200)**	(542)	**3 917**	2 914
Net finance (costs)/income						
Finance income	**39**	159	**70**	103	**109**	262
Finance costs	**(147)**	(121)	**(95)**	(94)	**(242)**	(215)
Share of joint ventures and associates	**(30)**	(23)	**–**	–	**(30)**	(23)
	(138)	15	**(25)**	9	**(163)**	24
Taxation						
Taxation	**(1 924)**	(1 380)	**125**	156	**(1 799)**	(1 224)
Share of joint ventures and associates	**(62)**	(50)	**–**	–	**(62)**	(50)
	(1 986)	(1 430)	**125**	156	**(1 861)**	(1 274)
Profit/(loss) for the period from continuing operations	**1 993**	2 041	**(100)**	(377)	**1 893**	1 664
Attributable to:						
BG Group shareholders (earnings)	**1 939**	1 979	**(99)**	(377)	**1 840**	1 602
Non-controlling interest	**54**	62	**(1)**	–	**53**	62
	1 993	2 041	**(100)**	(377)	**1 893**	1 664

a) External sales are attributable to segments as follows: E&P $4 730 million (2010 $3 968 million), LNG $3 526 million (2010 $3 026 million) and T&D $1 653 million (2010 $1 448 million). Intra-group sales are attributable to segments as follows: E&P $573 million (2010 $357 million) and LNG $nil (2010 $45 million).

b) Business Performance Other operating income is attributable to segments as follows: E&P $(6) million (2010 $28 million) and LNG $15 million (2010 $84 million).

3. Segmental analysis continued

Second Quarter	Business Performance 2011 $m	Business Performance 2010 $m	Disposals, re-measurements and impairments 2011 $m	Disposals, re-measurements and impairments 2010 $m	Total Result 2011 $m	Total Result 2010 $m
Total operating profit/(loss)						
Exploration and Production	**1 420**	746	**68**	(247)	**1 488**	499
Liquefied Natural Gas	**553**	541	**117**	(383)	**670**	158
Transmission and Distribution	**167**	184	**28**	–	**195**	184
	2 140	1 471	**213**	(630)	**2 353**	841
Other activities	**12**	30	**–**	–	**12**	30
	2 152	1 501	**213**	(630)	**2 365**	871
Less: Pre-tax share of operating results of joint ventures and associates					**(120)**	(114)
Add: Share of post-tax results from joint ventures and associates					**75**	80
Net finance (costs)/income					**(73)**	25
Profit before tax					**2 247**	862
Taxation					**(973)**	(387)
Profit for the period from continuing operations					**1 274**	475

Half Year	Business Performance 2011 $m	Business Performance 2010 $m	Disposals, re-measurements and impairments 2011 $m	Disposals, re-measurements and impairments 2010 $m	Total Result 2011 $m	Total Result 2010 $m
Total operating profit/(loss)						
Exploration and Production	**2 678**	1 938	**(2)**	(277)	**2 676**	1 661
Liquefied Natural Gas	**1 123**	1 174	**(226)**	(265)	**897**	909
Transmission and Distribution	**312**	324	**28**	–	**340**	324
	4 113	3 436	**(200)**	(542)	**3 913**	2 894
Other activities	**4**	20	**–**	–	**4**	20
	4 117	3 456	**(200)**	(542)	**3 917**	2 914
Less: Pre-tax share of operating results of joint ventures and associates					**(246)**	(219)
Add: Share of post-tax results from joint ventures and associates					**154**	146
Net finance (costs)/income					**(133)**	47
Profit before tax					**3 692**	2 888
Taxation					**(1 799)**	(1 224)
Profit for the period from continuing operations					**1 893**	1 664

4. Net finance (costs)/income

Second Quarter 2011 $m	Second Quarter 2010 $m		Half Year 2011 $m	Half Year 2010 $m
(55)	(28)	Interest payable[a]	**(128)**	(61)
(27)	(27)	Interest on obligations under finance leases	**(53)**	(53)
38	13	Interest capitalised	**67**	27
(19)	(17)	Unwinding of discount on provisions[b]	**(33)**	(34)
(26)	(94)	Disposals, re-measurements and impairments[c]	**(95)**	(94)
(89)	(153)	Finance costs	**(242)**	(215)
20	94	Interest receivable[a]	**39**	159
(4)	84	Disposals, re-measurements and impairments[c]	**70**	103
16	178	Finance income	**109**	262
(73)	25	Net finance (costs)/income[d]	**(133)**	47

a) In 2011, interest payable includes foreign exchange gains of $7 million for the quarter and foreign exchange losses of $15 million for the half year. In 2010, interest receivable includes foreign exchange gains of $71 million for the quarter and $122 million for the half year.

b) Relates to the unwinding of the discount on provisions and amounts in respect of pension obligations which represent the unwinding of discount on the plans' liabilities offset by the expected return on the plans' assets.

c) Net finance (costs)/income on disposals, re-measurements and impairments for the quarter of $(30) million (2010 $(10) million) and for the half year of $(25) million (2010 $9 million) is included in note 2 (page 26) and principally reflects mark-to-market movements on certain derivatives used to hedge foreign exchange and interest rate risk, partly offset by foreign exchange movements on certain borrowings.

d) Excludes Group share of net finance costs from joint ventures and associates for the quarter of $16 million (2010 $10 million) and for the half year of $30 million (2010 $23 million).

5. Taxation

The tax charge for the second quarter was as follows:

Second Quarter	Business Performance 2011 $m	Business Performance 2010 $m	Disposals, re-measurements and impairments 2011 $m	Disposals, re-measurements and impairments 2010 $m	Total Result 2011 $m	Total Result 2010 $m
Tax charge/(credit) for the period excluding share of taxation from joint ventures and associates	**913**	584	**60**	(197)	**973**	387
Share of taxation from joint ventures and associates	**29**	24	–	–	**29**	24
Total including share of taxation from joint ventures and associates	**942**	608	**60**	(197)	**1 002**	411

5. Taxation continued

The tax charge for the half year was as follows:

Half Year	Business Performance 2011 $m	Business Performance 2010 $m	Disposals, re-measurements and impairments 2011 $m	Disposals, re-measurements and impairments 2010 $m	Total Result 2011 $m	Total Result 2010 $m
Tax charge/(credit) for the period	**1 729**	1 380	**(78)**	(156)	**1 651**	1 224
Prior period taxation[(a)]	**195**	–	**(47)**	–	**148**	–
Total excluding share of taxation from joint ventures and associates	**1 924**	1 380	**(125)**	(156)	**1 799**	1 224
Share of taxation from joint ventures and associates	**62**	50	–	–	**62**	50
Total including share of taxation from joint ventures and associates	**1 986**	1 430	**(125)**	(156)	**1 861**	1 274

a) Prior period taxation relates to the revision of deferred tax balances at 1 January 2011, primarily as a result of the increase in UK North Sea taxation announced in March 2011.

Business Performance taxation for the half year, excluding prior period taxation but including share of taxation from joint ventures and associates, was $1 791 million (2010 $1 430 million).The effective tax rate for the half year is based on the best estimate of the weighted average annual income tax rate expected for the full year.

6. Discontinued operations

The post-tax profit/loss of the businesses comprising discontinued operations for the second quarter, including profits and losses on disposals and impairments, was a $2 million loss (2010 $163 million profit) and for the half year was $nil (2010 $40 million loss).

During the first quarter of 2010, BG Group signed a Sale and Purchase Agreement for the sale of its power plants in the USA and its investment in the Seabank power plant in the UK. Accordingly, these assets were reclassified as held for sale and revalued to the lower of their carrying amount and fair value less costs to sell. This resulted in a pre-tax impairment charge of $325 million (post-tax charge $226 million) against the Group's US power plants.

During the second quarter of 2010, BG Group completed the disposal of its power plants in the USA. This resulted in a pre and post-tax profit on disposal of $4 million. The Group also completed the sale of its investment in the Seabank power plant in the UK, which resulted in a pre and post-tax profit on disposal of $142 million.

7. Earnings per ordinary share – continuing operations

Second Quarter 2011 $m	Second Quarter 2011 cents per share	Second Quarter 2010 $m	Second Quarter 2010 cents per share		Half Year 2011 $m	Half Year 2011 cents per share	Half Year 2010 $m	Half Year 2010 cents per share
1 120	**33.1**	882	26.1	Earnings – continuing operations excluding disposals, re-measurements and impairments	**1 939**	**57.2**	1 979	58.6
125	**3.7**	(443)	(13.1)	Disposals, re-measurements and impairments (after tax and non-controlling interest)	**(99)**	**(2.9)**	(377)	(11.2)
1 245	**36.8**	439	13.0	Earnings – continuing operations	**1 840**	**54.3**	1 602	47.4

Basic earnings per share calculations in 2011 are based on the weighted average number of shares in issue of 3 388 million for the quarter and 3 388 million for the half 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 3 410 million for the quarter and 3 410 million for the half year, being the weighted average number of ordinary shares in issue during the period as adjusted for dilutive equity instruments.

8. Reconciliation of net borrowings[a] – Half Year

	$m
Net borrowings as at 31 December 2010	**(6 973)**
Net decrease in cash and cash equivalents[b]	**(304)**
Cash inflow from changes in borrowings[c]	**(2 054)**
Inception of finance lease assets	**52**
Foreign exchange and other re-measurements	**(189)**
Net borrowings as at 30 June 2011[d]	**(9 468)**

Net borrowings attributable to Comgás were $957 million (31 December 2010 $798 million).

As at 30 June 2011, BG Group's share of the net borrowings in joint ventures and associates amounted to approximately $1.8 billion, including BG Group shareholder loans of approximately $1.5 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.

a) Net borrowings/funds are defined on page 41.

b) Excludes $17 million relating to a decrease in cash and cash equivalents classified as held for sale.

c) Excludes $2 million relating to a decrease in borrowings classified as held for sale.

d) Net borrowings comprise:

	As at 30 Jun 2011 $m	As at 31 Dec 2010 $m
Amounts receivable/(due) within one year		
Cash and cash equivalents	**2 203**	2 533
Overdrafts, loans and finance leases	**(3 247)**	(1 258)
Derivative financial instruments[e]	**(41)**	37
	(1 085)	1 312
Amounts receivable/(due) after more than one year		
Loans and finance leases[f]	**(8 618)**	(8 312)
Derivative financial instruments[e]	**235**	27
	(8 383)	(8 285)
Net borrowings	**(9 468)**	(6 973)

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

f) Includes finance lease receivable of $187 million (2010 $134 million) included within non-current assets on the balance sheet.

8. Reconciliation of net borrowings – Half Year continued

Liquidity and Capital Resources

All the information below is as at 30 June 2011 unless otherwise stated

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 Comgás and Gujarat Gas which conduct their borrowing activities on a stand-alone basis.

BGEH had a $4.0 billion US Commercial Paper Programme, of which $1 796 million was unutilised, and a $2.0 billion Eurocommercial Paper Programme, of which $1 189 million was unutilised. BGEH also had a $7.5 billion Euro Medium Term Note Programme, of which $3.1 billion was unutilised.

BGEH had aggregate committed multicurrency revolving borrowing facilities of $4.4 billion, of which $2.32 billion expires in 2013 and $2.08 billion in 2016. There are no restrictions on the application of funds under these facilities, which were undrawn as at 30 June 2011.

In July, BGEH signed an additional $100 million committed facility expiring in 2016 and a further $1 billion committed facility expiring in 2012.

In addition, BGEH had uncommitted borrowing facilities including multicurrency lines, overdraft facilities of £45 million and credit facilities of $20 million, all of which were unutilised.

Comgás had committed borrowing facilities of Brazilian Real (BRL) 1 697.6 million, of which BRL 203.8 million was unutilised, and uncommitted borrowing facilities of BRL 130 million, of which BRL 100 million was unutilised.

9. Dividends

	Half Year			
	2011		2010	
	$m	**cents per share**	$m	cents per share
Prior year final dividend, paid in the period	**401**	**11.78**	352	10.43

The final dividend of 11.78c ($401 million) in respect of the year ended 31 December 2010 was paid on 20 May 2011 to shareholders on the register at the close of business on 15 April 2011. The interim dividend of 10.80c ($366 million) in respect of the year ending 31 December 2011 is payable on 8 September 2011 to shareholders on the register as at 5 August 2011.

10. Quarterly information: earnings and earnings per share

	2011 $m	2010 $m	**2011 cents**	2010 cents
First quarter				
Total Result – continuing operations	**595**	1 163	**17.5**	34.4
Total Result – discontinued operations	**2**	(203)	**0.1**	(6.0)
Business Performance	**819**	1 097	**24.2**	32.5
Second quarter				
Total Result – continuing operations	**1 245**	439	**36.8**	13.0
Total Result – discontinued operations	**(2)**	163	**(0.1)**	4.8
Business Performance	**1 120**	882	**33.1**	26.1
Third quarter				
Total Result – continuing operations		876		25.9
Total Result – discontinued operations		(27)		(0.8)
Business Performance		978		28.9
Fourth quarter				
Total Result – continuing operations		905		26.7
Total Result – discontinued operations		35		1.1
Business Performance		1 056		31.2
Full year				
Total Result – continuing operations		3 383		100.1
Total Result – discontinued operations		(32)		(1.0)
Business Performance		4 013		118.7

11. Commitments and contingencies

Details of the Group's commitments and contingent liabilities as at 31 December 2010 can be found in note 25, page 122 of the 2010 Annual Report and Accounts.

The Group's capital commitments have increased by $2.0 billion in the six month period to 30 June 2011 reflecting the ongoing development of the Group's major growth projects. There have been no material changes to the Group's other commitments and contingent liabilities in the six month period to 30 June 2011.

12. Related party transactions

The Group provides goods and services to, and receives goods and services from, its joint ventures and associates. In addition, the Group provides financing to some of these parties by way of loans. Details of related party transactions for the year ended 31 December 2010 can be found in note 26, page 124 of the 2010 Annual Report and Accounts. There have been no material changes in these relationships in the period ending 30 June 2011. No related party transactions have taken place in the first six months of the current financial year that have materially affected the financial position or the performance of the Group during that period.

13. Business combinations

On 1 February 2011, the Group exercised pre-emption rights to increase its equity stakes in the Everest and Lomond fields in the UK to 99.13% and 100% respectively and, as a result, obtained control of these fields.

The cash consideration was $56 million. The fair value of the Group's interest in the Everest and Lomond fields before the business combination was $260 million and the $7 million pre-tax loss on re-measuring this pre-existing interest to fair value is included in 'Profits and losses on disposal of non-current assets and impairments' in the 'Disposals, re-measurements and impairments' column in the consolidated income statement.

Goodwill of $24 million arose following the recognition of a deferred tax liability on the assets acquired. None of the goodwill is expected to be deductible for tax purposes.

Details of the acquisition balance sheet and fair value consideration are as follows:

	$m
Non-current assets	
Property, plant and equipment	**574**
	574
Non-current liabilities	
Deferred income tax liabilities	**(24)**
Provisions for other liabilities and charges	**(258)**
	(282)
Total identifiable net assets	**292**
Cash consideration	**56**
Fair value of the Group's pre-existing interest	**260**
Total consideration	**316**
Less: total identifiable net assets	**(292)**
Goodwill	**24**

Since 1 February 2011, revenue of $113 million and an operating profit of $26 million attributable to the Everest and Lomond fields were included in the consolidated income statement. Had the business combination occurred on 1 January 2011, the revenue and operating profit of the Group would not have been materially different.

Supplementary information: Operating and financial data

Second Quarter 2011	Second Quarter 2010	First Quarter 2011		Half Year 2011	Half Year 2010
			Production volumes (mmboe)		
6.2	7.1	6.6	Oil	**12.8**	15.0
8.8	8.8	8.7	Liquids	**17.5**	17.8
43.9	41.4	42.9	Gas	**86.8**	85.8
58.9	57.3	58.2	Total	**117.1**	118.6
			Production volumes (boed in thousands)		
68	78	73	Oil	**71**	83
97	97	97	Liquids	**97**	98
482	455	477	Gas	**479**	474
647	630	647	Total	**647**	655
$117.95	$75.86	$108.58	Average realised oil price per barrel	**$113.08**	$76.17
$98.32	$66.43	$83.32	Average realised liquids price per barrel	**$90.88**	$64.52
72.46c (44.43p)	45.16c (29.97p)	67.32c (42.37p)	Average realised UK gas price per produced therm	**69.94c (43.42p)**	56.38c (36.15p)
39.02c	33.35c	36.00c	Average realised International gas price per produced therm	**37.53c**	32.99c
42.75c	34.80c	39.45c	Average realised gas price per produced therm	**41.12c**	36.13c
$5.83	$4.91	$5.24	Lifting costs per boe	**$5.54**	$4.69
$8.93	$7.77	$7.99	Operating expenditure per boe	**$8.46**	$7.35
1 541	1 006	1 195	Development expenditure (including acquisitions) ($m)	**2 736**	1 613
			Gross exploration expenditure ($m)		
238	1 126	514	Capitalised expenditure (including acquisitions)	**752**	1 467
80	92	101	Other expenditure	**181**	186
318	1 218	615	Total	**933**	1 653
			Exploration expenditure charge ($m)		
40	274	83	Capitalised expenditure written off	**123**	284
80	92	101	Other expenditure	**181**	186
120	366	184	Total	**304**	470
			Total capital investment ($m)[a]		
443	318	356	Europe and Central Asia	**799**	596
776	1 830	875	Americas and Global LNG	**1 651**	2 961
313	304	296	Africa, Middle East and Asia	**609**	554
1 005	318	769	Australia	**1 774**	560
2 537	2 770	2 296	Total	**4 833**	4 671

a) Total capital investment includes acquisitions for the second quarter 2011 of $113 million (second quarter 2010 $1 233 million; first quarter 2011 $319 million) and for the half year 2011 of $432 million (2010 $1 233 million).

Supplementary information: Operating and financial data continued

Second Quarter 2011	Second Quarter 2010	First Quarter 2011		Half Year 2011	Half Year 2010
			E&P capital investment ($m)[a]		
443	293	355	Europe and Central Asia	**798**	564
673	1 669	777	Americas	**1 450**	2 070
306	297	291	Africa, Middle East and Asia	**597**	540
496	175	403	Australia	**899**	303
1 918	2 434	1 826	Total	**3 744**	3 477

a) E&P capital investment includes acquisitions for the second quarter 2011 of $113 million (second quarter 2010 $1 233 million; first quarter 2011 $319 million) and for the half year 2011 of $432 million (2010 $1 233 million).

			LNG capital investment ($m)		
–	**–**	–	Europe and Central Asia	**–**	5
27	111	33	Americas and Global LNG	**60**	796
1	**–**	–	Africa, Middle East and Asia	**1**	**–**
509	143	366	Australia	**875**	257
537	254	399	Total	**936**	1 058

			T&D and other capital investment ($m)[b]		
–	–	1	Europe and Central Asia	**1**	–
76	50	65	Americas	**141**	95
6	7	5	Africa, Middle East and Asia	**11**	14
82	57	71	Total	**153**	109

b) Excludes capital investment relating to discontinued operations for the second quarter 2011 of $nil (second quarter 2010 $25 million; first quarter 2011 $nil) and for the half year 2011 of $nil (2010 $27 million).

			Depreciation and amortisation ($m)		
504	430	454	Exploration and Production	**958**	867
89	83	86	Other	**175**	172
593	513	540	Total	**1 133**	1 039

			LNG cargoes		
8	21	8	USA	**16**	35
20	14	21	Asia	**41**	38
8	7	11	Europe	**19**	13
13	9	10	South America	**23**	15
1	2	–	Other	**1**	7
50	53	50	Total	**100**	108
158.2	159.0	160.5	**LNG managed volumes (Tbtu)**	**318.7**	332.6

Supplementary information: Operating and financial data continued

Historical information

Note that from third quarter 2011 onwards the historical supplementary information shown below will not be included in the results statement but will instead be available on the BG Group plc website: www.bg-group.com

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter
	2010				2011	
Production volumes (mmboe)						
Oil	7.9	7.1	6.5	7.6	6.6	6.2
Liquids	9.0	8.8	7.7	8.9	8.7	8.8
Gas	44.4	41.4	42.2	44.2	42.9	43.9
Total	61.3	57.3	56.4	60.7	58.2	58.9
Production volumes (boed in thousands)						
Oil	88	78	71	83	73	68
Liquids	100	97	84	97	97	97
Gas	493	455	458	480	477	482
Total	681	630	613	660	647	647
Average realised oil price per barrel	$76.45	$75.86	$74.88	$82.69	$108.58	$117.95
Average realised liquids price per barrel	$62.81	$66.43	$66.88	$67.52	$83.32	$98.32
Average realised UK gas price per produced therm	65.22c (41.00p)	45.16c (29.97p)	46.58c (30.43p)	69.25c (43.78p)	67.32c (42.37p)	72.46c (44.43p)
Average realised International gas price per produced therm	32.64c	33.35c	32.45c	32.81c	36.00c	39.02c
Average realised gas price per produced therm	37.37c	34.80c	34.12c	37.61c	39.45c	42.75c
Lifting costs per boe	$4.48	$4.91	$4.88	$4.89	$5.24	$5.83
Operating expenditure per boe	$6.95	$7.77	$7.08	$7.32	$7.99	$8.93
Development expenditure (including acquisitions) ($m)	607	1 006	1 314	1 432	1 195	1 541
Gross exploration expenditure ($m)						
Capitalised expenditure (including acquisitions)	341	1 126	132	360	514	238
Other expenditure	94	92	98	99	101	80
Total	435	1 218	230	459	615	318
Exploration expenditure charge ($m)						
Capitalised expenditure written off	10	274	35	63	83	40
Other expenditure	94	92	98	99	101	80
Total	104	366	133	162	184	120

Supplementary information: Operating and financial data continued

Historical information continued

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter
	2010				2011	
Total capital investment ($m)[a]						
Europe and Central Asia	278	318	291	227	356	443
Americas and Global LNG	1 131	1 830	753	954	875	776
Africa, Middle East and Asia	250	304	329	535	296	313
Australia	242	318	706	781	769	1 005
Total	1 901	2 770	2 079	2 497	2 296	2 537

a) Includes acquisitions for the first quarter 2011 of $319 million and for the second quarter 2011 of $113 million (2010: first quarter $nil; second quarter $1 233 million; third quarter $nil; and fourth quarter $nil).

E&P capital investment ($m)[b]						
Europe and Central Asia	271	293	288	225	355	443
Americas	401	1 669	611	844	777	673
Africa, Middle East and Asia	243	297	326	521	291	306
Australia	128	175	319	481	403	496
Total	1 043	2 434	1 544	2 071	1 826	1 918

b) Includes acquisitions for the first quarter 2011 of $319 million and for the second quarter 2011 of $113 million (2010: first quarter $nil; second quarter $1 233 million; third quarter $nil; and fourth quarter $nil).

LNG capital investment ($m)						
Europe and Central Asia	5	–	2	–	–	–
Americas and Global LNG	685	111	84	33	33	27
Africa, Middle East and Asia	–	–	–	4	–	1
Australia	114	143	387	300	366	509
Total	804	254	473	337	399	537

T&D and other capital investment ($m)[c]						
Europe and Central Asia	–	–	1	2	1	–
Americas	45	50	58	77	65	76
Africa, Middle East and Asia	7	7	2	10	5	6
Total	52	57	61	89	71	82

c) Excludes capital investment relating to discontinued operations for the first quarter 2011 of $nil and for the second quarter 2011 of $nil (2010: first quarter $2 million; second quarter $25 million; third quarter $1 million; and fourth quarter $nil).

Depreciation and amortisation ($m)						
Exploration and Production	437	430	476	483	454	504
Other	89	83	76	81	86	89
Total	526	513	552	564	540	593

Supplementary information: Operating and financial data continued

Historical information continued

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter
	2010				2011	
LNG cargoes						
USA	14	21	13	7	8	8
Asia	24	14	20	18	21	20
Europe	6	7	9	7	11	8
South America	6	9	14	16	10	13
Other	5	2	3	–	–	1
Total	55	53	59	48	50	50
LNG managed volumes (Tbtu)	173.6	159.0	182.9	157.1	160.5	158.2

Glossary

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

bcf	billion cubic feet
bcfd	billion cubic feet per day
boe	barrels of oil equivalent
boed	barrels of oil equivalent per day
bopd	barrels of oil per day
Capital investment	Comprises expenditure on property, plant and equipment, other intangible assets and investments, including business combinations
E&P	Exploration and Production
FPSO	Floating Production Storage and Offloading system
Gearing ratio	net borrowings as a percentage of total shareholders' funds (excluding the re-measurement of commodity financial instruments and associated deferred tax) plus net borrowings
IAS	International Accounting Standard issued by the IASB
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
kboed	thousand barrels of oil equivalent per day
LNG	Liquefied Natural Gas
Managed volumes	Comprises all LNG volumes contracted for purchase and having related revenue and other operating income recognised in the applicable period
m	million
mmboe	million barrels of oil equivalent
mmbtu	million british thermal units
mmcfd	million cubic feet per day
mmcmd	million cubic metres per day
mmscfd	million standard cubic feet per day
mmscm	million standard cubic metres
mmscmd	million standard cubic metres per day
mtpa	million tonnes per annum
Net borrowings/ funds	Comprise cash, current asset investments, finance lease liabilities/assets, currency and interest rate derivative financial instruments and short and long-term borrowings
P10	at least a 10% probability that the quantities actually recovered will equal or exceed the high estimate
P90	at least a 90% probability that the quantities actually recovered will equal or exceed the low estimate
PSC	production sharing contract
SEC	US Securities and Exchange Commission
T&D	Transmission and Distribution
Tbtu	trillion british thermal units
tcf	trillion cubic feet
Total operating profit	Operating profit plus share of pre-tax operating results of joint ventures and associates
UKCS	United Kingdom Continental Shelf
Unit operating expenditure per boe	Production costs and royalties incurred over the period divided by the net production 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 lifting costs per boe	'Unit operating expenditure' as defined above, excluding royalty, tariff and insurance costs incurred over the period divided by the net production for the period.

Enquiries

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

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High resolution images are available at www.vismedia.co.uk

BG Group is listed on the US over-the-counter market known as the International OTCQX. Enquiries should be made to:

OTC Markets Group Inc.
304 Hudson Street
2nd Floor
New York, NY 10013
USA

email: info@otcmarkets.com

Financial Calendar

Ex-dividend for 2011 interim dividend	3 August 2011
Record date for 2011 interim dividend	5 August 2011
Payment of 2011 interim dividend	8 September 2011
Announcement of 2011 third quarter results	25 October 2011

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

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