

# MERGENT INDUSTRIAL

NEW LISTING

August 23, 2011



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## BG GROUP PLC

Company Website: [www.bg-group.com](http://www.bg-group.com)

**History:** Established in the United Kingdom as British Gas Corp. in 1973 as a statutory corporation under the Gas Act 1972. Incorporated as a public limited company on Apr. 1, 1986. Name changed to BG Plc on Feb. 18, 1997. Incorporated as a public limited company on Dec. 30, 1998. Present name adopted on Dec. 13, 1999.

On Mar. 11, 1988, Co. acquired a significant equity interest in Bow Valley, a Canadian oil and gas exploration and production company.  
On July 5, 1988, Co. acquired the entire share capital of Acre Oil plc for a consideration of £364,000,000, which included the costs of acquisition, comprised of £219,000,000 in cash and the issue of approx. 88,000,000 Co.'s ordinary shares valued at £145,000,000.

In Feb. 1989, Co. acquired from Tenneco Inc. certain subsidiary companies with oil and gas interests in the Bahamas, Ecuador, Egypt, Gabon, Malaysia, Trinidad, Tunisia and the United Kingdom. The consideration of £117,000,000, which included the costs of acquisition, were met from cash resources and short term U.S. borrowings.

On Sept. 7, 1989, Co. acquired a 63% interest in the net assets of Texas Eastern North Sea, Inc., a subsidiary of Texas Eastern International Energy, Inc. The consideration of £299,000,000, which included the costs of acquisition, was initially met for cash resources and short term U.S. borrowings. Texas Eastern North Sea, Inc. has since been renamed North Sea, Inc., and is indirectly jointly owned by Amerada Hess Ltd. The consideration of £299,000,000 comprises an initial payment of £295,000,000 and an estimated further amount of £4,000,000 payable under the terms of the purchase agreement.

In 1990, Co. acquired a minority interest in Catalana de Gas SA, a distributor of medium and low pressure piped gas in Spain.

In Dec. 1990, Co. acquired 99% of the common shares of The Consumers' Gas Co., Ltd. of Canada for £506,000,000, subsequently increased to 100% in Feb. 1991. Under the terms of acquisition, Co. is required to reduce its holding to 85% over a period of two years.

In 1992, Co. established British Gas Sudamerica to provide services to gas, water, telecommunications and electricity companies in South America.

On Mar. 11, 1992, Co. disposed of 15% of its interest in the Consumers' Gas Co., Ltd.

In Apr. 1992, Co. acquired Ballylumford Power Ltd. In May 1992, Co. acquired a 36% interest in Natural Gas Clearinghouse B.P., a United States company.

In Dec. 1992, Co., through its 41% interest company Gas Argentino S.A., acquired 70% of Distribidora de Gas Metropolitana (now renamed MetroGas) for US\$367,000,000, including costs of US\$5,000,000, as part of the privatization of the Argentine gas industry. The acquisition was partly financed by debt.

On Nov. 19, 1993, Co. sold its 85% shareholding in The Consumers' Gas Co. Ltd., of Toronto, Ontario, and certain of its other related utility interests to Interprovincial Pipe Line System Inc. for approximately C\$1,200,000,000 payable in cash on completion.

In Dec. 1993, Co. acquired a 45% equity stake in Central Dock Sud S.A., a power generation company in Argentina for £16,000,000.

On Jan. 26, 1994, Co. acquired a 20% interest in Genting Sanyen Power Sdn Bhd, Malaysia for £22,000,000.

On June 30, 1995, Co. sold of its 85% interest in The Consumers' Gas Company Ltd. for a profit of £85,000,000.

On Feb. 17, 1997, Centrica plc demerged from Co.

On Nov. 19, 1997, Co. sold its German assets to Verbundnetz Gas AG of Leipzig for a profit of £96,000,000.

On Feb. 20, 1998, Co. sold the Pipeline Intergity International business.

On Feb. 1, 2000, Co. disposed of its 25% holding in Dynegy Inc. for a total consideration of US\$712,000,000 (£444,000,000).

On Oct. 23, 2000, Co. demerged certain businesses (principally Transco) to Lattice Group plc. These businesses included Transco and Co.'s property, leasing, technology and energy services businesses. On demerger, Co.'s shareholders received one Lattice Group plc share for each of Co.'s shares held.

On Nov. 28, 2001, Co. disposed of BG Storage Limited to Dynegy Inc. for a consideration of £421,000,000. In 2002, Co. disposed of its 100% investment in Iqara EcoFuels Limited.

In 2002, Co. acquired BG Exploration and Production India Limited.

On Feb. 14, 2002, Co. acquired Enron Oil & Gas India Limited for a cash consideration of US\$350,000,000 (around £250,000,000).

In Dec. 2003, Co. disposed of 50% of its 100% investment in BG Brindisi LNG S.p.A.

In 2003, Co. disposed of Brindisi LNG S.p.A. for £5,000,000.

In 2003, Co. disposed of Phoenix Natural Gas Limited for £120,000,000, offset by cash disposed of £6,000,000.

In Dec. 2003, Co. sold its remaining 51% stake in Phoenix Natural Gas Limited for proceeds of £120,000,000.

On Dec. 31, 2003, Co. has joint ventures as follows: Premier Transmission Ltd., Mahanagar Gas Limited, Seabank Power Ltd, First Gas Holdings Corp.

In 2004, Co. disposed of its 1.21% holding of shares in GAIL (India) Limited (formerly Gas Authority of India Limited) for proceeds of £32,000,000.

In 2004, Co. disposed of its interest in the Muturi Production Sharing Contract in Indonesia.  
On Mar. 24, 2004, Co. acquired El Paso Oil & Gas Canada, Inc. from El Paso Corp. for an approx. cash of US\$352,000,000.

On Mar. 24, 2004, Co. acquired BG Canada Exploration and production, Inc. for a consideration of £189,000,000.

On Mar. 31, 2004, Co. acquired Mauritania Holdings BV.

On May 5, 2004, Co. acquired Aventura Energy, inc. In 2005, Co. disposed of its 100% interest in BG Telecom Holdings Limiteda.

In 2005, Co. disposed of its 50% interest in Premier Transmission Limited to Premier Transmission Financing plc for cash proceeds of £26,000,000.

In 2005, Co. disposed of its 100% interest in Iqara Telecom Limiteda.

In 2005, Co. disposed of its 100% interest in DirectNet Participacoes Limitada.

In 2005, Co. disposed of its 100% interest in DirectNet Prestacao de Servicos Limitada.

In 2005, Co. disposed of its 16.67% interest in the North Caspian Sea PSA and received net pre-tax proceeds of £936,000,000.

In 2005, Co. disposed of its 50% interest in Premier Transmission Limited to Premier Transmission Financing plc for cash proceeds of £26,000,000.

On June 21, 2005, Co. acquired the remaining 50% of the voting shares of Brindisi LNG SpA that Co. did not already own.

In June 2006, Co. disposed of its interest in Iqara HTS Conditional Access Services India Private Limited.

In June 2006, Co. disposed of its interest in BG India Telecom (Mauritius) Limited.

In June 2006, Co. disposed of its interest in BG Broadband Networks India Private Limited.

In June 2006, Co. disposed of its interest in Iqara Telecoms India Private Limited.

In Nov. 2006, Co. disposed of its 37.5% interest in Nile Valley Gas Company which resulted in a profit of £1,000,000 on disposal.

On Jan. 18, 2007, Co. sold of Mauritania Holdings B.V. for a total consideration of £65,000,000.

In June 2007, Co. sold its 25% equity interest in Interconnector (UK) Limited.

In 2008, Co. acquired Queensland Gas Company Limited.

On Apr. 11, 2008, Co. acquired 81,278,451 equity shares of Queensland Gas Company Limited for a total of £118,000,000.

On Aug. 14, 2009, Co., through its subsidiary BG US Production Company, LP, acquired an undivided 50% interest in certain oil and natural gas properties and related assets from EXCO Operating Company, LP and EXCO Production Company, LP, each a subsidiary of Exco Resources Inc., for \$727,000,000.

During 2010, Co. sold its power stations in the United States and in the United Kingdom.

During 2010, Co. sold its investment in Seabank Power Limited for cash proceeds of US\$327,000,000.

During 2010, Co. sold Premier Power Limited for cash proceed of US\$164,000,000.

**Business:** BG Group is engaged in the exploration, development, production, transmission, distribution and supply of natural gas and oil. Co. operates three segments: Exploration and Production; Liquefied Natural Gas and Transmission and Distribution.

As of Dec 31 2010, Co. had 11,685 billion cubic feet of estimated net proved reserves of natural gas and 945.8 million barrels of estimated net proved reserves of crude oil, condensate and natural gas liquids.

**Property:** Co. maintains its registered office in Reading, Berkshire, Co. also has operations in Alaska, Canada, the U.S.A., Trinidad and Tobago, Brazil, Bolivia, Chile, Uruguay, Argentina, Norway, U.K., Italy, Algeria, Tunisia, Libya, Egypt, Areas of Palestinian Authority, Nigeria, Oman, Madagascar, Kazakhstan, India, China, Thailand, Philippines, Singapore, Malaysia and Australia.

As of Dec. 31, 2010, Co. had 11,685 billion cubic feet of estimated net proved reserves of natural gas and 945.8 million barrels of estimated net proved reserves of crude oil, condensate and natural gas liquids. Total production for gas and oil & liquids were 1,033.6 billion cubic feet and 63,460,000 barrels, respectively.

### Subsidiaries

(Wholly owned unless otherwise indicated)

BG Energy Holdings Limited  
BG International (AUS) Limited Partnership (Australia)  
OGC Pty Limited (Australia)  
BG E&P Brasil Ltda. (Brazil)  
Companhia de Gas de Sao Paulo (Brazil) (72.7%)  
BG Bolivia Corporation (Cayman Islands)  
BG Egypt S.A. (Cayman Islands)  
BG Exploration and Production India Limited (Cayman Islands)  
BG Delta Limited  
BG Energy Capital plc  
BG Gas Marketing Limited  
BG Hasdrubal Limited  
BG International Limited  
BG International (CNS) Limited  
BG International (NSW) Limited  
BG Karachaganak Limited  
BG Norge Limited  
BG North Sea Holdings Limited  
BG Overseas Holdings Limited  
BG Rosetta Limited  
BG Trinidad and Tobago Limited  
BG Trinidad S(a) Limited  
BG Tunisia Limited  
Methane Services Limited  
Gujarat Gas Company Limited (India) (65.1%)  
BG Italia Power S.p.A. (Italy)  
BG Asia Pacific Pte Limited (Singapore)

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BG Trinidad Central Block Limited (Trinidad And Tobago)  
 BG Energy Finance, Inc. (United States)  
 BG Energy Merchants, LLC (United States)  
 BG LNG Services, LLC (United States)  
 BG LNG Trading, LLC (United States)  
 BG North America, LLC (United States)  
 BG Production Company, LLC (United States)  
 BG US Production Company, LLC (United States)

**Associated Companies & Joint Ventures**

(Wholly owned unless otherwise indicated)

BBPP Holdings Ltda. (Brazil) (33.3%)  
 GNL Quintero S.A. (Chile) (40%)  
 El Behera Natural Gas Liquefaction Company S.A.E. (Egypt) (35.5%)  
 Iduku Natural Gas Liquefaction Company S.A.E. (Egypt) (38%)  
 Genting Sanyen Power Sdn Bhd (Malaysia) (20%)  
 Guara B.V. (Netherlands) (30%)  
 Tupi B.V. (Netherlands) (25%)  
 Atlantic LNG Company of Trinidad and Tobago (Trinidad And Tobago) (26%)  
 Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited (Trinidad And Tobago) (32.5%)  
 Atlantic LNG 4 Company of Trinidad and Tobago Unlimited (Trinidad And Tobago) (28.9%)  
 Dragon LNG Group Limited (50%)  
 Mahanagar Gas Limited (India) (49.8%)  
 First Gas Holdings Corporation (Philippines) (40%)  
 TGGT Holdings, LLC (United States) (50%)

**Officers**

Robert Wilson, Chairman  
 Frank Chapman, Chief Executive Officer  
 Martin Houston, Executive Director; Executive Vice President; Region Officer  
 Fabio Barbosa, Chief Financial Officer  
 Steve Allen, Secretary  
 Alan McCulloch, Deputy Company Secretary  
 Carol Inman, Assistant Secretary  
 Rebecca Dunn, Assistant Secretary

**Directors**

Robert Wilson, Chairman  
 Frank Chapman  
 Fabio Barbosa  
 Peter Backhouse  
 Caio Koch-Weser  
 Mark Seligman  
 Philippe Varin  
 Martin Houston  
 Andrew F. Gould  
 Sarah Hogg  
 David Manning  
 Patrick Thomas  
 John Hood

**Auditors:** PricewaterhouseCoopers LLP

**Annual Meeting:** In May

**Shareholder Relations:** Chris Lloyd, Head of Investor Relations  
 Tel: 44 118 929 3018

**No. of Stockholders:** Dec. 31, 2010, 633,070

**No. of Employees:** Dec. 31, 2010, 6,172

**Address:** 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT, United Kingdom  
 Tel: 44 118 935 3222 Fax: 44 118 935 3484 Email: Box.Info@BG-Group.com Web: www.bg-group.com

**Consolidated Income Account, years ended Dec. 31**  
 (in millions of United States \$):

	2010	2009	2008
			(revised)
Group rev	17,166	10,213	12,566
Other oper inc	dr394	255	193
Group rev & other oper inc	16,772	10,468	12,759
Raw materials, consumables & finished goods		(2,496)	(4,057)
Invent adj to net realizable value		(13)	(17)
Empl costs		(457)	(397)
Amts written off other intang assets & prop, plant & equip		(1,131)	(880)
Other exploration expenditure		(251)	(206)
Oper lse rentals		(256)	(194)
Research & devel charges		(10)	(11)
Tariffs, royalties, liquefaction & re-gasification costs		(694)	(758)
Other costs		(796)	(774)
Oper costs	(10,874)	(6,482)	(7,496)
Profits & losses on disp of non-curr assets & impair	(336)	(213)	(24)
Oper profit (loss)	5,562	3,773	5,239
Int receiv		63	276
Net fair val gains & losses on int rate curr exch rate derivative		12	
Fair val hedge adj		(8)	
Fin inc	177	67	276
Int pay		(91)	(69)
Fin lse charges		(53)	(57)
Other int charges		(2)	(15)
Less: int cap		31	22
Unwinding of discount on provs & pens oblig		(45)	(31)
Exch losses		(22)	

Net fair val gains & losses on int rate & curr exch rate derivative			(34)
Fair val hedge adj			(21)
Fin costs	(284)	(182)	(205)
Sh of post-tax results fr jt ventures	275	204	158
Profit (loss) bef tax	5,730	3,862	5,468
Taxation	(2,198)	(1,598)	(2,318)
Profit (loss) for the yr fr contin opers	3,532		
Profit (loss) for the yr fr discount opers	(32)		
Profit (loss) for the yr	3,500	2,264	3,150
Profit (loss) attrib to shareholders (earnings)	3,351	2,168	3,127
Profit (loss) attrib to minor interests	149	96	23
Common shares millions:			
Weigh avg ordinary shares outstg - basic	3,381	3,363	3,349
Weigh avg ordinary shares outstg - diluted	3,402	3,389	3,382
Yr end ordinary shares outstg	3,387	3,373	3,582
Earnings (loss) per sh fr contin opers - basic	\$1.00		
Earnings (loss) per sh fr discount opers - basic	\$(0.01)		
Net earnings (loss) per sh - basic	\$0.99	\$0.65	\$0.93
Earnings (loss) per sh fr contin opers - diluted	\$0.99		
Earnings (loss) per sh fr discount opers - diluted	\$(0.01)		
Net earnings (loss) per sh - diluted	\$0.98	\$0.64	\$0.93
Total number of employees	6,172	6,079	5,395
Number of common stockholders	630,070	665,321	

Tot curr liabil	8,886	5,148
Bonds & other loans	1,529	
Bank loans	368	
Borrow	8,446	3,111
Other pays		32
Accruals & defer inc		7
Trade & other pays	72	39
Commodity contr & other derivative financial instruments	901	526
Defer tax liabil	3,134	1,949
Retir ben oblig	260	172
Provs for other liabil & charges	1,812	952
Tot non-curr liabil	14,625	6,749
Liabil assoc with assets classified as held for sale	104	
Tot liabil	23,615	11,897
Net assets	26,684	14,385
Ordinary shares	576	360
Sh premium	537	253
Hedging reserve	dr457	50
Transl reserve	2,877	1,985
Other res	2,710	1,702
Retain earn	20,085	9,836
Tot shlders eq	26,328	14,186
Non-controlling int in eq	356	199
Tot equity	26,684	14,385

2009 and prior periods are reported in Great Britain pounds.  
**Long Term Debt:** Dec. 31, 2010, US\$9,704,000,000 (including current portion of US\$1,258,000,000) comprised of:  
 (1) US\$996,000,000 commercial paper and bonds.  
 (2) US\$878,000,000 bank loans and overdrafts.  
 (3) US\$5,397,000,000 bonds and other loans.  
 (4) US\$2,433,000,000 obligations under finance leases.  
**Line of Credit:** As of Dec. 31, 2010, Co. had undrawn committed borrowing facilities of US\$3,710,000,000.  
 For details see below.  
**1. British Gas International Finance B.V. zero coupon gtd eurobonds, due 2021:**  
 AUTHORIZED -- US\$1,500,000,000.  
 DATED -- Nov. 11, 1991.  
 DUE -- Nov. 4, 2021.  
 INTEREST -- No periodic payments.  
 GUARANTEED -- By BG Group plc  
**2. BG Plc 9.50% eurobonds, due 2017:**  
 AUTHORIZED -- GBP300,000,000.  
 DATED -- Nov. 20, 1992.  
 DUE -- Nov. 24, 2017.  
 INTEREST -- Nov. 24.  
**3. BG Plc 8.75% eurobonds, due 2025:**  
 AUTHORIZED -- GBP200,000,000.  
 DATED -- June 14, 1995.  
 DUE -- June 27, 2025.  
 INTEREST -- June 27.  
**4. BG Plc 7.125% eurobonds, due 2044:**  
 AUTHORIZED -- GBP200,000,000.  
 DATED -- Jan. 18, 1994.  
 DUE -- Feb. 8, 2044.  
 INTEREST -- Feb. 8.

**Capital Stock: 1. BG Group Plc ordinary; par £0.1.**  
 OUTSTANDING — Dec. 31, 2010, 3,386,500,000 shs; par £0.1.  
 TREASURY — 219,500,000 shs.  
 VOTING RIGHTS — Entitled to one vote per share.  
 DIVIDENDS —  
 2000 ..... 0.11 2001 ..... 0.03 2002 ..... 0.03  
 2003 ..... 0.03 2004 ..... 0.04 2005 ..... 0.04  
 2006 ..... 0.07 2007 ..... 0.08 2008 ..... 0.10  
 2009 ..... 0.12 2010 ..... 0.17 2011 ..... 0.18  
 OPTIONS — Dec. 31, 2010, outstanding, 7,870,000.  
 REGISTRAR — Equiniti, Lancing, West Sussex, United Kingdom.  
 PRIMARY EXCHANGE — London (LON): BG  
 CAPITAL HISTORY — On Oct. 16, 2000, Co. increased its authorized share capital from £500,000,001 to £500,000,101 by the creation of 1,000 deferred shares of £0.10 each.  
 On Apr. 20, 2001, Co. decreased its authorized share capital from £500,000,101 to £500,000,001 by the cancellation of 1,000 deferred shares of £0.10 each.  
 RECAPITALIZATION — In 1997, Co. undertook capital reorganization, with approximately £1,300,000,000 of ordinary share capital being cancelled and replaced with B Shares.

**2. BG Group Plc American Depositary Receipts; no par.**  
 One American Depositary Receipt equals five Common shares.  
 DIVIDENDS —  
 2000 ..... 0.71 2001 ..... 0.21 2002 ..... 0.23  
 2003 ..... 0.25 2004 ..... 0.32 2005 ..... 0.36  
 2006 ..... 0.67 2007 ..... 0.78 2008 ..... 0.98  
 2009 ..... 0.98 2010 ..... 0.97 2011 ..... 1.13  
 DEPOSITARY — JPMorgan Chase Bank  
 PRIMARY EXCHANGE — National Bulletin Board (NBB): BRGYY  
 PRICE RANGE —  
 High ..... 2010 2009 2008 2007  
 Low ..... 106 96.60 138 115  
 69.75 58.47 49.60 60.90