

May 6, 2011

BG Group and Chubu Electric sign 21-year LNG sales contract

BG Group has signed a sales and purchase agreement with Chubu Electric Power Co. Inc, concluding negotiations announced in October 2010 for the long-term supply of liquefied natural gas (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 Queensland Curtis LNG (QCLNG) Project under development by BG Group's wholly owned Australian subsidiary, QGC Pty Limited (QGC).

BG Group Executive Director Martin Houston said, "We are very pleased to have a long-term partnership with Chubu Electric, one of the most experienced and innovative LNG buyers globally, and proud that we can assist in meeting the long-term energy needs of Japan."

Executive Vice President of BG Group's Australian region and Managing Director of QGC Catherine Tanna said the agreement built on the already close and productive relationship between Chubu Electric and BG Group.

"We welcome Chubu Electric as a foundation customer of QCLNG," Ms Tanna said.

QCLNG will be a major source of employment during construction and a major source of revenue for the Australian economy throughout its operating life.

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Notes to Editors

BG Group

BG Group plc (LSE: BG.L) is a world leader in natural gas, with a strategy focused on connecting competitively priced resources to specific, high-value markets. Active in more than 25 countries on five continents, BG Group has a broad portfolio of exploration and production, Liquefied Natural Gas (LNG), transmission and distribution and power generation business interests. It combines a deep understanding of gas markets with a proven track record in finding and commercialising reserves. For further information, visit: www.bg-group.com

QGC

QGC Pty Limited is the Australian subsidiary of BG Group that is developing the Queensland Curtis LNG Project. QGC is a leading Australian coal seam gas explorer and producer focused on supplying gas to domestic and international markets. Queensland Curtis LNG, a priority project for QGC, involves expanding exploration and development in southern and central Queensland and transporting gas through a 540km underground pipeline network to Curtis Island near Gladstone where it will be liquefied. For further information, visit: www.qgc.com.au

Chubu Electric

Chubu Electric Power is Japan's third largest electric power company in terms of power generation capacity, electric energy sold, operating revenues and total assets. In addition to its electric utility business, it is active in a variety of other fields including: energy businesses such as supplying gas and on-site energy; high value-added IT and telecommunication services; construction and maintenance of electric utilities-related facilities; and the manufacture of materials and machinery.

Picture Desks

For images of the signing contact Steve Manchee by email below

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There are matters set out within this announcement that are forward-looking statements. Such statements are only predictions, and actual events or results may differ materially. For a discussion of important factors which could cause actual results to differ from these forward-looking statements, refer to BG Group's Annual Report and Accounts for the year ended 31 December 2010. BG Group does not undertake any obligation to update publicly, or revise, forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.