

MALLESONS STEPHEN JAQUES

Company Announcements Platform
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000
By fax: 1300 135 638

9 May 2008

Dear Sir/Madam

BG Group plc (“BG”) proposal to acquire Origin Energy Limited (“Origin”).

We act for BG in relation to its proposal to Origin to acquire all of the shares in Origin, as notified to ASX by Origin in an announcement dated 30 April 2008 and to the London Stock Exchange by BG in a separate announcement also dated 30 April 2008.

In response to a request from the Australian Securities and Investments Commission for publication of further information in relation to the above announcements, we attach an announcement containing further information regarding the proposed acquisition for immediate release to the market.

Yours sincerely



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Market Update



9 May 2008

FOR IMMEDIATE RELEASE

Update on BG Group plc proposal to acquire Origin Energy Limited

Background

On 30 April, 2008 BG Group plc ("BG Group") made an announcement to the London Stock Exchange that it had approached Origin Energy Limited ("Origin") *"with a proposal to acquire all of the shares in Origin at a cash price of \$14.70 per share"*.

The announcement stated that:

"The proposal is subject to shareholder and regulatory approvals and other terms and conditions common to transactions of this type."

Origin has not yet considered the proposal. Discussions between the parties will take place and shareholders will be advised of the outcome."

That announcement followed an announcement made by Origin to ASX on 30 April 2008.

This announcement (9 May 2008) is made in response to a request from the Australian Securities and Investments Commission ("ASIC") for publication of further information in relation to BG Group's announcement on 30 April, 2008.

Further Information

Pursuant to the request from ASIC, BG Group notes as follows:

- The Proposal made to Origin of a cash price of \$14.70 per share was explicitly made on the basis that it was subject to contract, confidential and to be implemented co-operatively and expeditiously by way of a scheme of arrangement to provide a number of benefits to BG Group and Origin in terms of value, transaction certainty, structuring and timing.
- The Proposal contained no due diligence condition but required the confirmation of certain assumptions made in respect of possible third party rights, commitments, liabilities, litigation or financial exposures and set out an expedited timetable for reaching agreement on a merger implementation agreement.
- The Proposal was stated to be subject to certain regulatory and other approvals and specifically noted that the acquisition will be conditional on approval (or "no action" letters) from all relevant regulatory bodies, including:
 - The Australian Competition and Consumer Commission, Foreign Investment Review Board and, if necessary, the Australian Securities and Investments Commission; and
 - The New Zealand Minister of Energy, New Zealand Takeovers Panel ("NZ Panel") and New Zealand Overseas Investment Office.

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- The Proposal noted that it would likely require the approval of BG Group shareholders as a Class 1 transaction in the United Kingdom and it was intended that this approval would be secured prior to the scheme vote by Origin shareholders.
- The Proposal noted that BG Group had already secured the necessary in-principle funding commitments from a syndicate of banks. Since the date of the Proposal, BG Group has received signed commitments from these banks.
- The Proposal is subject to contract, is incomplete and may ultimately contain the conditions described above, as well as additional conditions. BG Group's proposal is to proceed by way of a scheme of arrangement, which requires Origin's agreement and co-operation, and therefore at this time BG Group is not able to describe the conditions of a scheme of arrangement with any certainty.
- BG Group has made a confidential submission to the NZ Panel. BG Group notes that it received yesterday a ruling from the NZ Panel concerning Contact Energy Limited which will be the subject of a separate announcement to be agreed with the NZ Panel.
- Since the date of the communication of the Proposal to Origin, discussions have been held between senior representatives of Origin and BG Group in relation to the Proposal. Those discussions are ongoing but currently inconclusive.
- A further announcement will be made by BG Group as appropriate at the earliest practicable date.

Ends

There are matters discussed in this media information 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 the forward looking statements, refer to the Company's annual report and accounts for the year ended 31 December 2007. The Company 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.

Notes for Editors

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 27 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.

BG Group is being advised by Goldman Sachs International and Gresham Advisory Partners.

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