

BG Group



BG in Egypt

Developing Egypt's gas industry

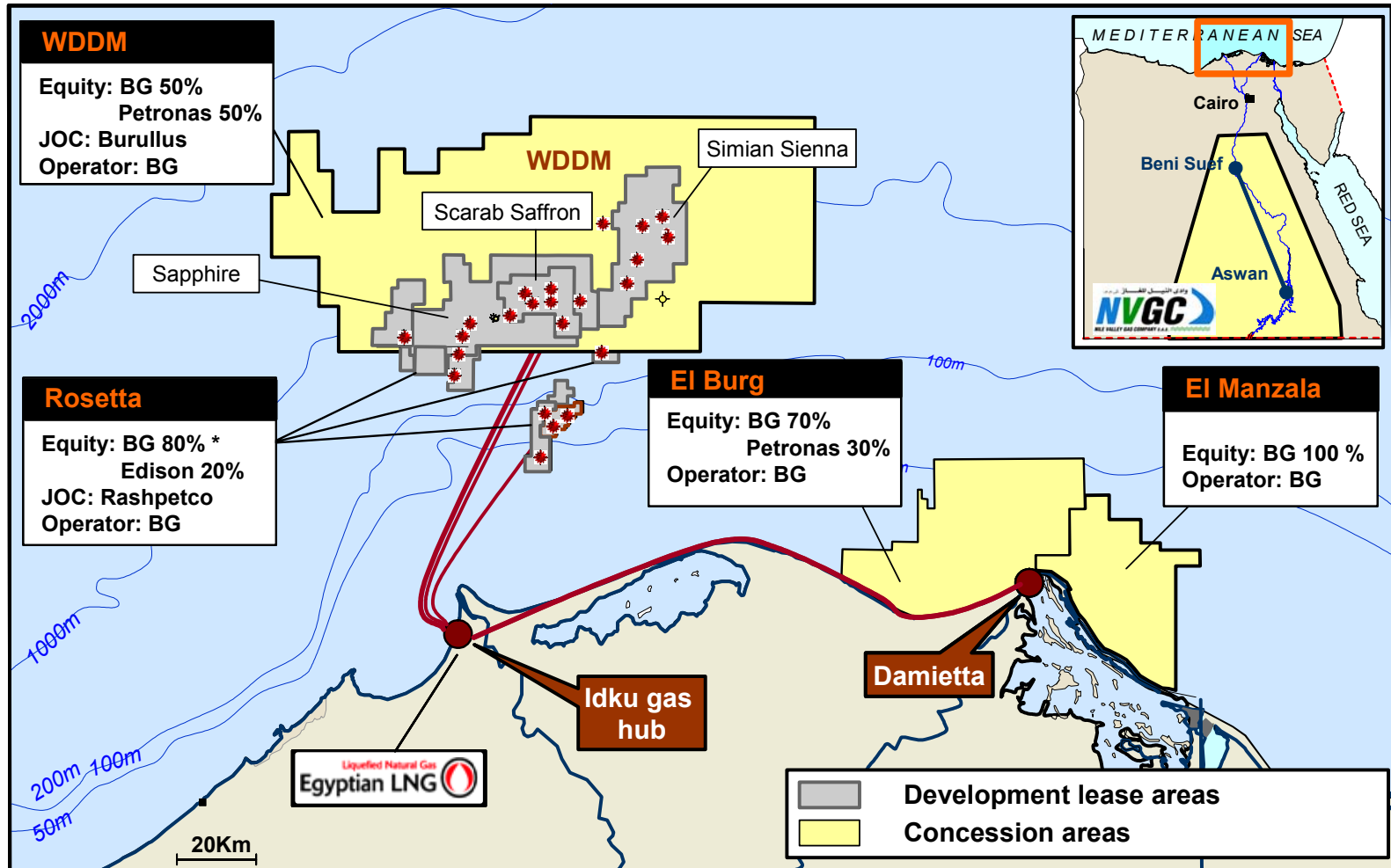


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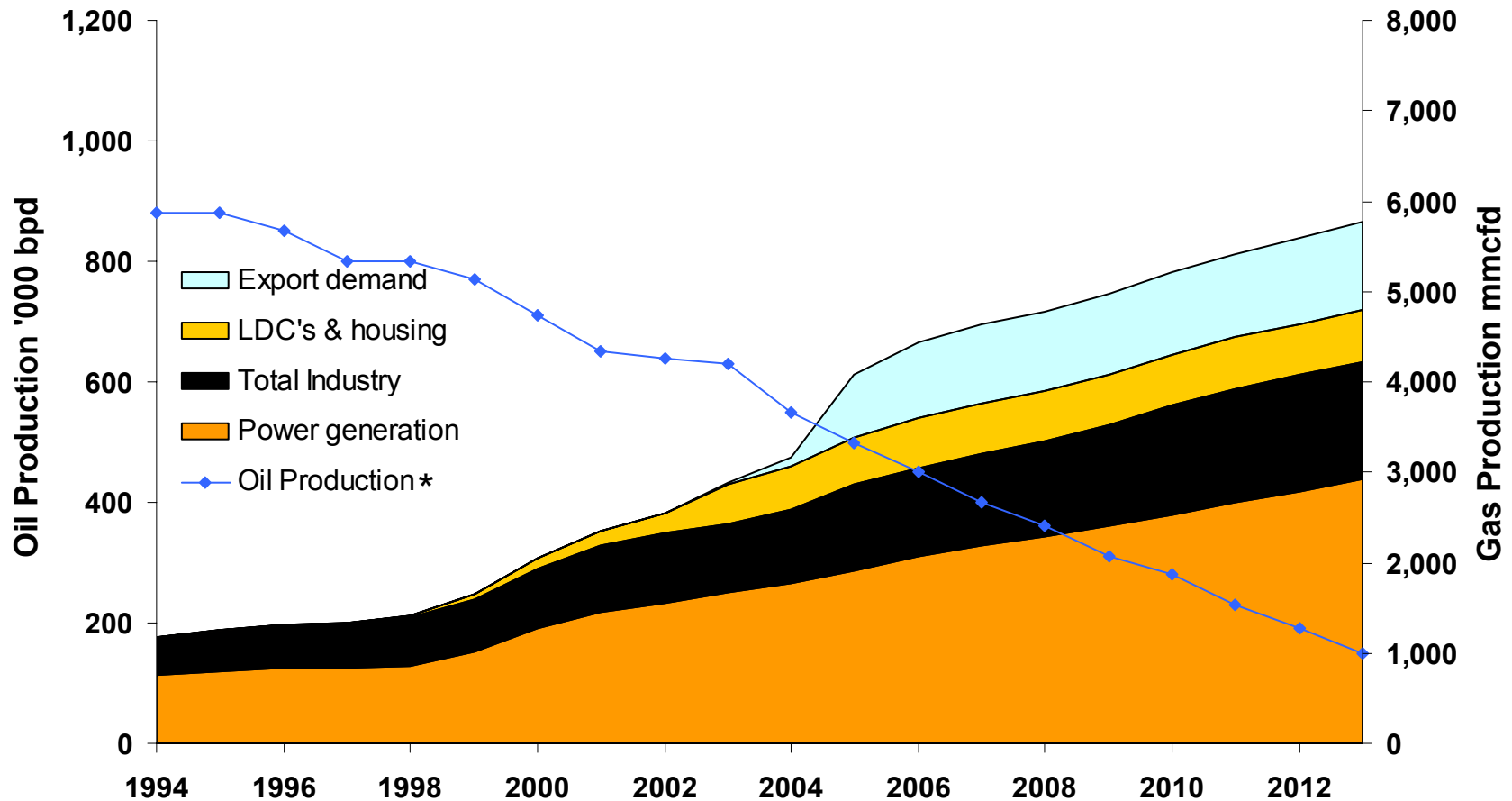
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BG in Egypt today



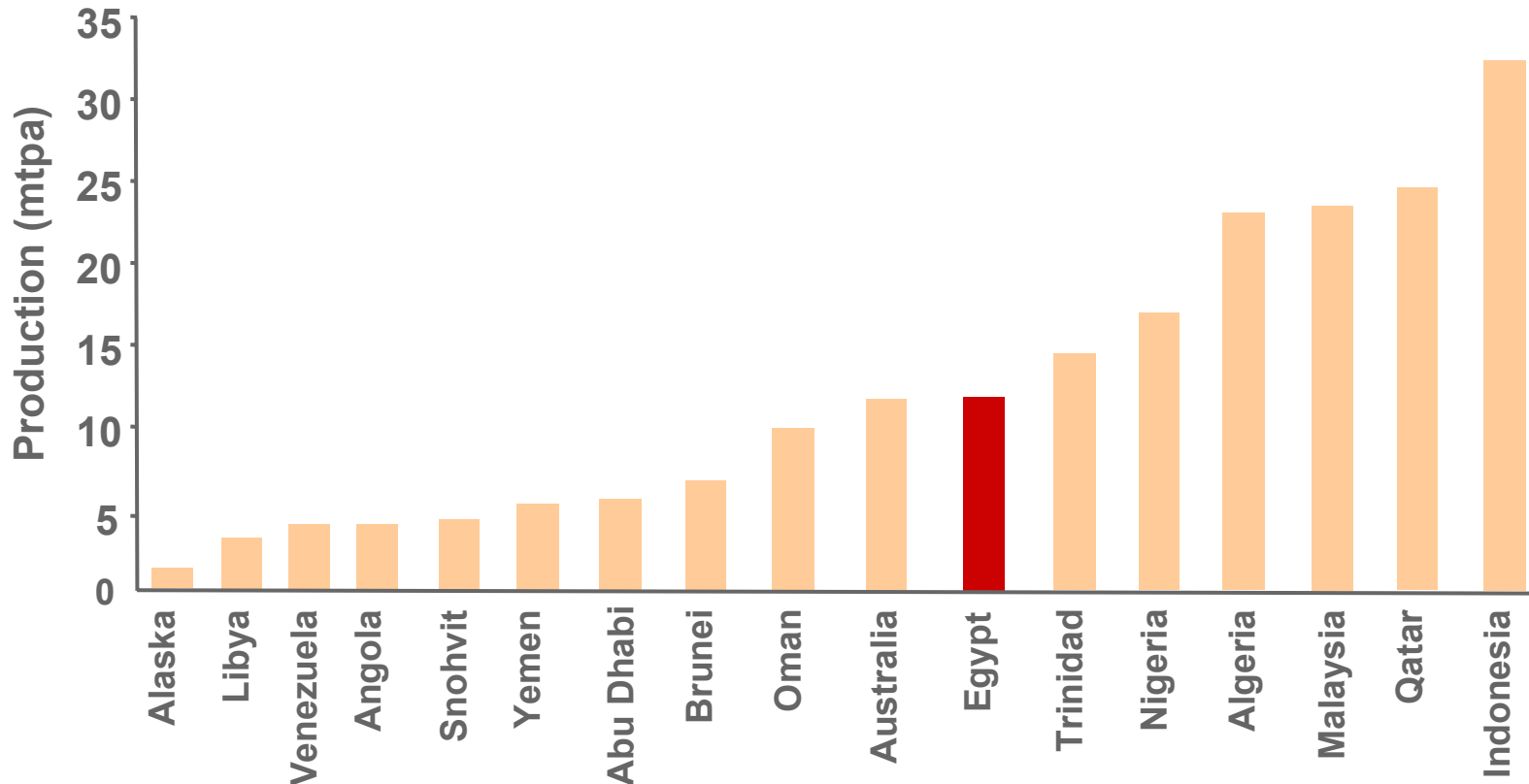
Delivering more than \$4 billion of projects in Egypt

Demand history and outlook



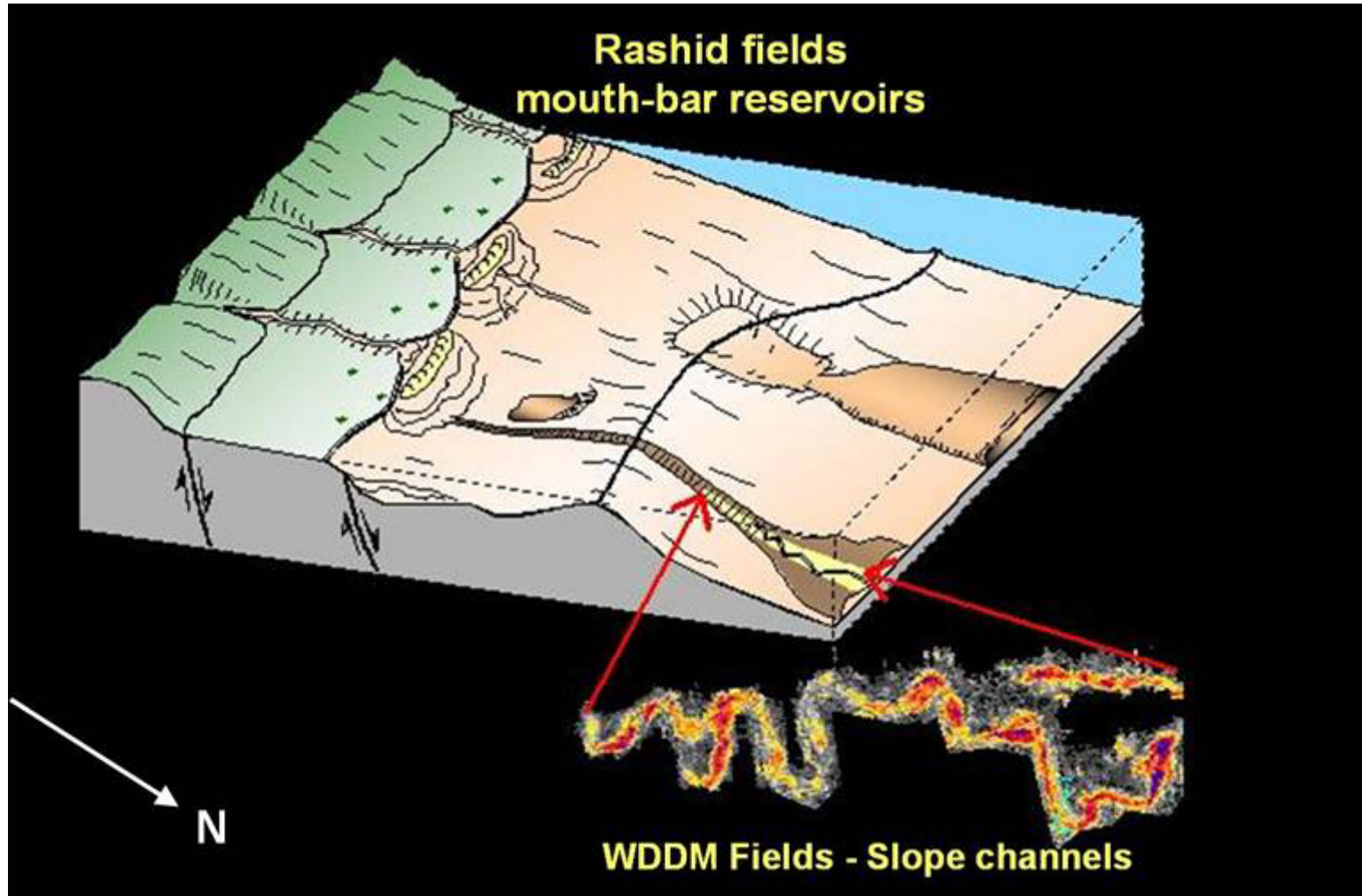
*Actual production 1994-2004; Wood Mackenzie forecast of oil production beyond 2005

Forecast LNG export volumes 2006



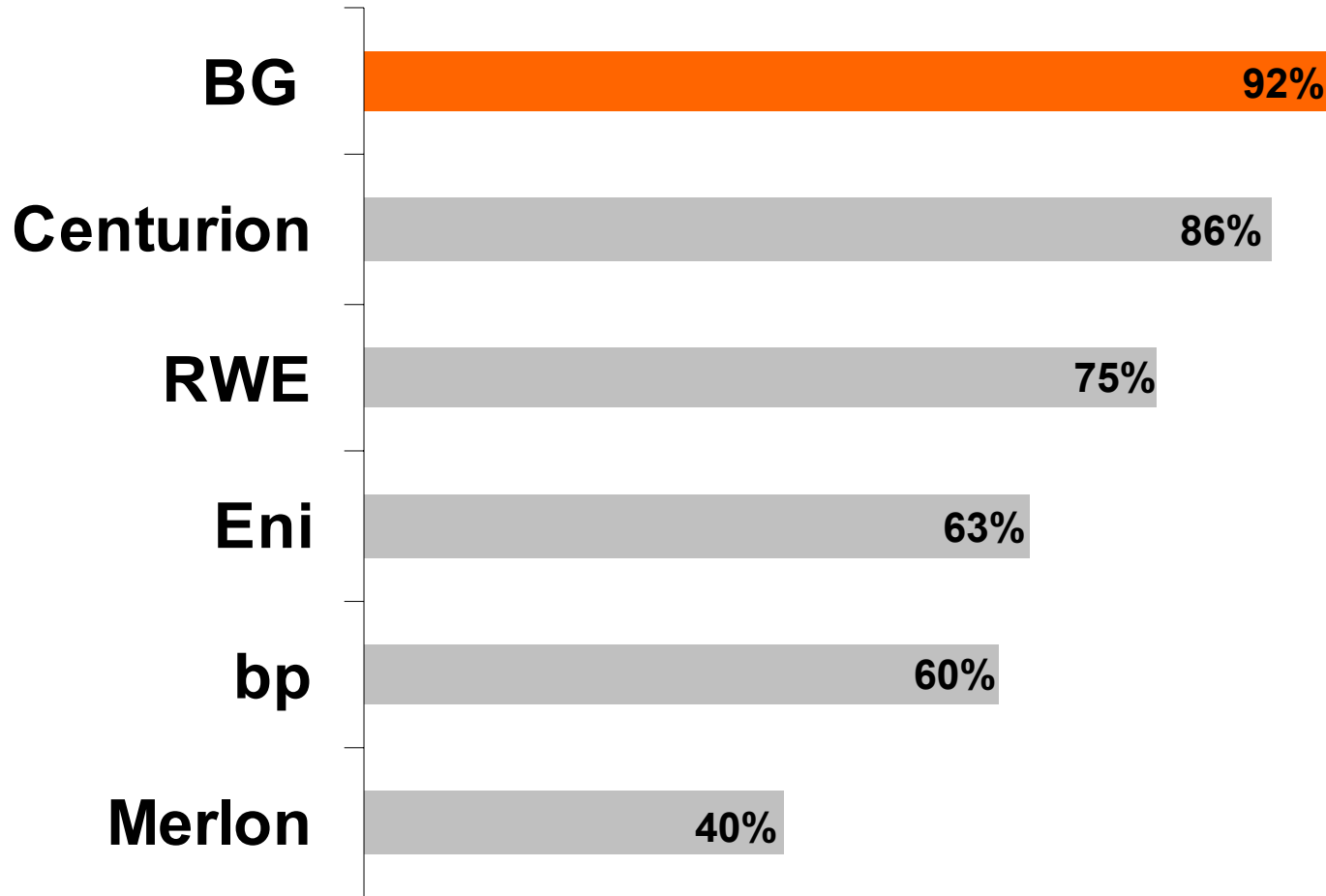
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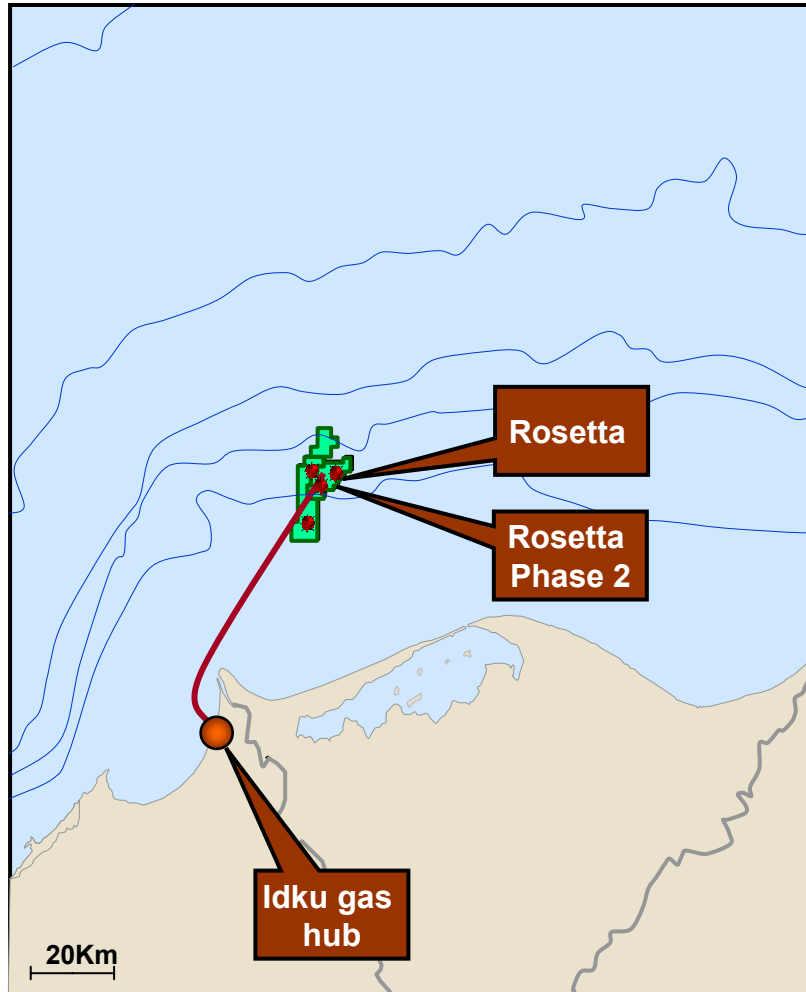
Nile Basin offshore geological model



Large reservoirs created by the Nile

Exploration success 1997-2002





Asset configuration

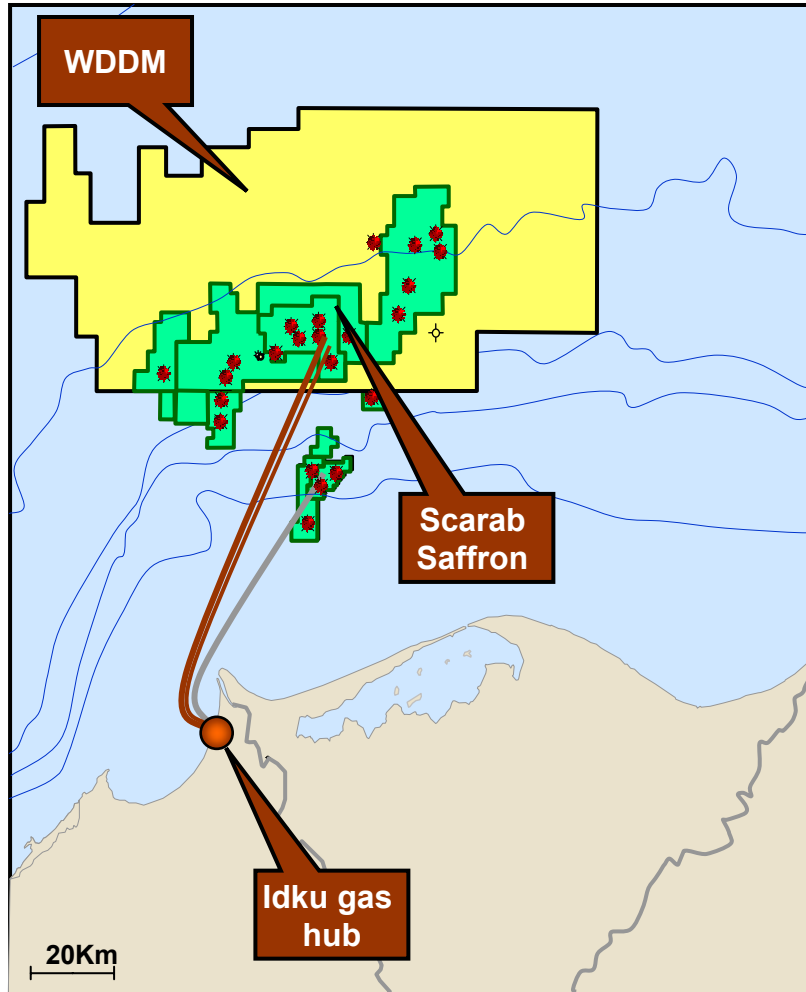
- Phase 1 on production 2001
- Unmanned platform in 60m water
- 24" pipeline to Idku terminal

Status today

- DCQ 275 mmcf/d
- Domestic sales
- 25 year contract
- Maximum delivery of 356 mmcf/d

Building the business

Scarab Saffron



Asset configuration

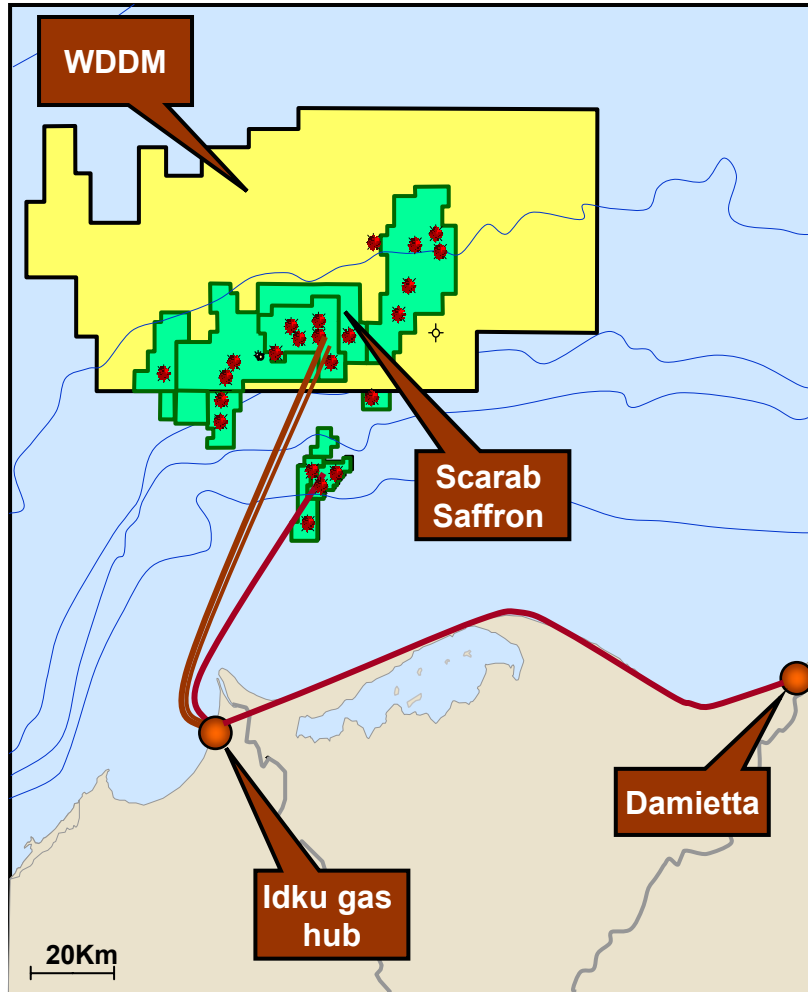
- On production Q1, 2003
- Sub-sea development
- 8 high rate gas producers
- 2 pipelines (36", 24") to Idku terminal

Status today

- DCQ 626 mmcfd
- Debottlenecked to produce above 800 mmcfd
- Domestic sales
- Highly reliable
- 25 year contract

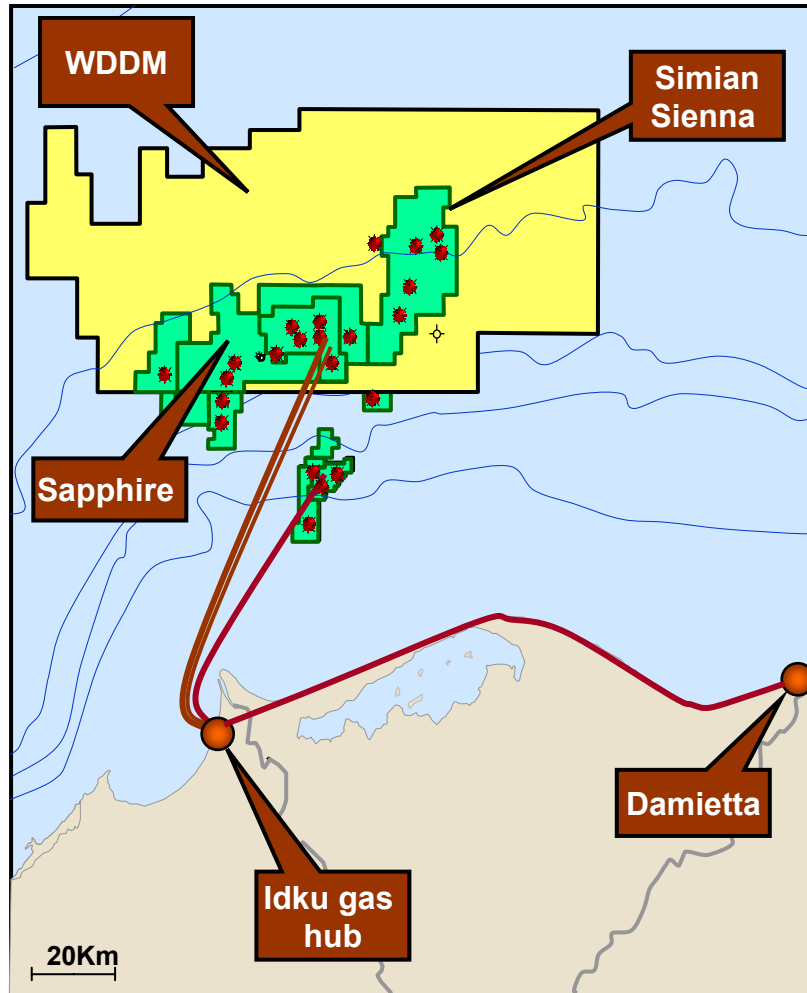
Reliable supply for the domestic market

Scarab Saffron and Damietta tolling



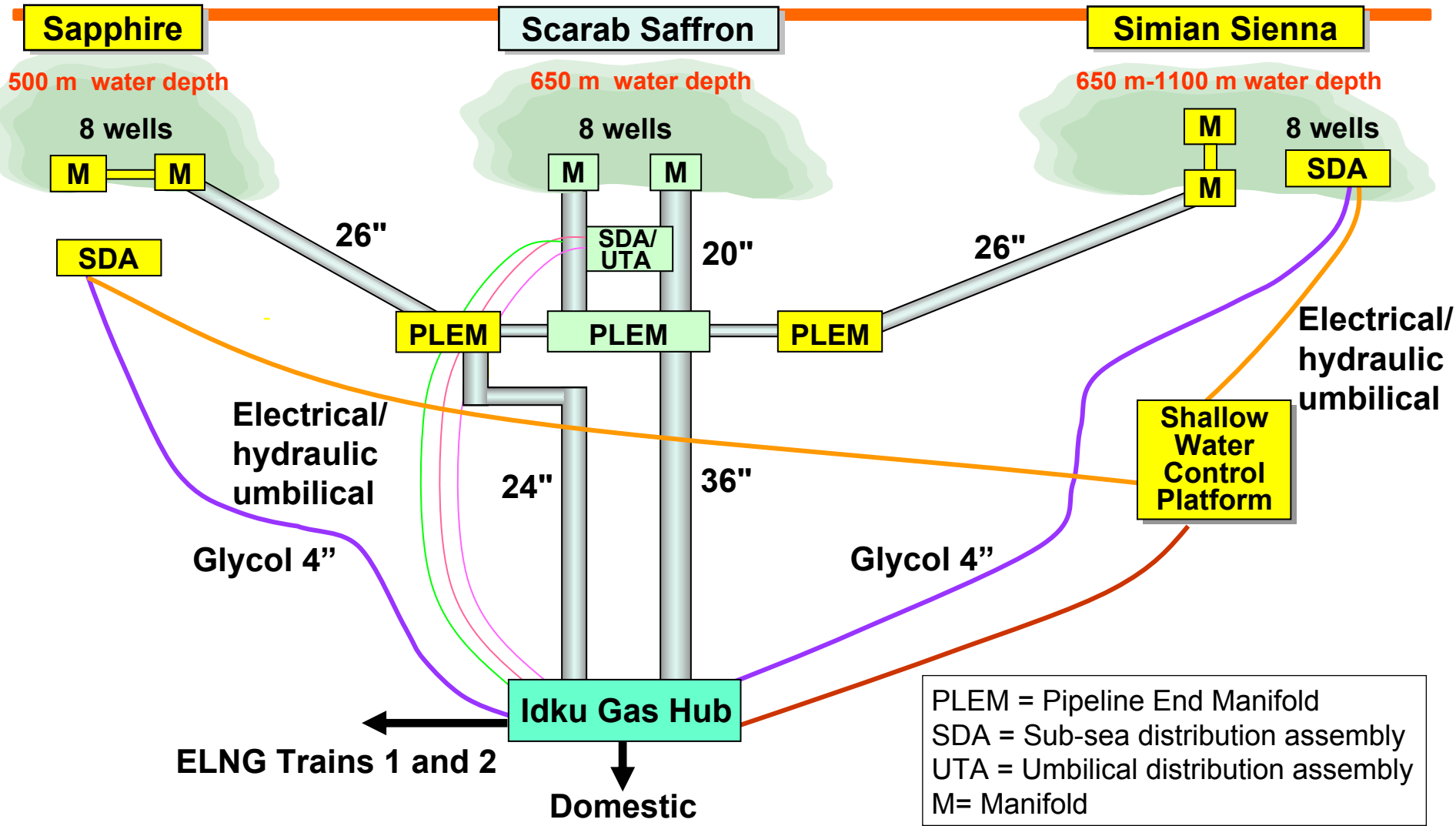
- 5 year contract starts in Q1 2005
- Minimum throughput up from 475 to 700 mmcfd
 - 475 mmcfd - domestic
 - 225 mmcfd - export
- BG secures 0.7 mtpa of LNG
- Pricing on ELNG Train 2 terms
- BG shipping & destination flexibility

Simian Sienna and Sapphire



- Supply to ELNG Trains 1 and 2
- 16 sub-sea wells
- Onshore terminal expansion
- Onshore condensate pipeline
- Rate of ca 1,130 mmcfd into ELNG
- Cost ca \$1.3 billion gross

Building the business WDDM offshore



Integration adds value

Deepwater Manifold



Simian Controls Platform



Simian Sapphire on budget and ahead of schedule



Asset configuration

- Two liquefaction trains 7.2 mtpa
- ca 565 mmscfd gross input per train
- 2 storage tanks

Status today

- Train 1 output sold to Gaz de France
- Train 2 output sold to BGGM

De-bottlenecking

- ALNG experience captured
- Expect + 5% after 2006



Expandable



Excellent progress to meet accelerated schedule

Egyptian LNG marine facilities

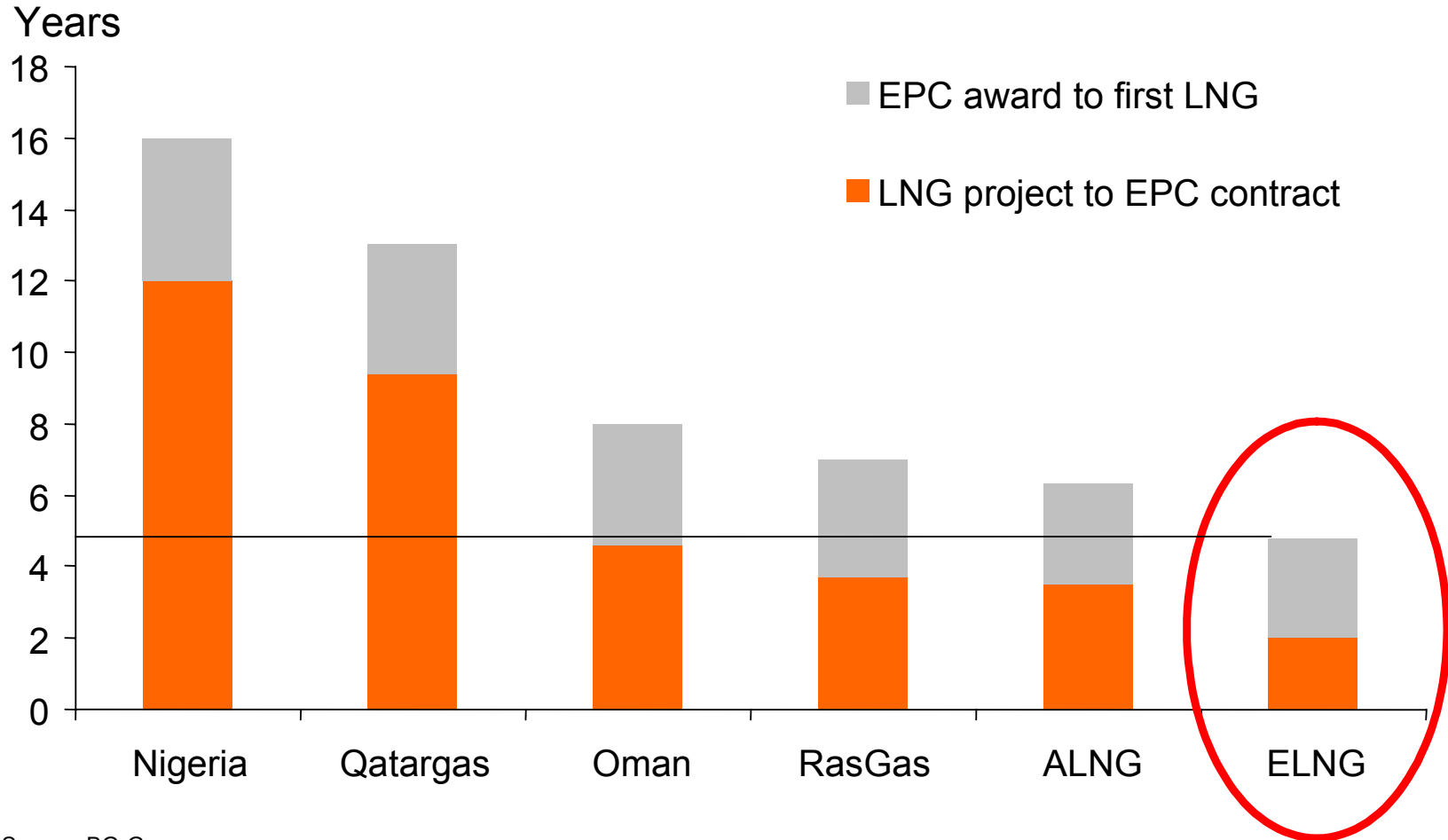


- \$950 million secured from international institutions for Train 1
- Largest project financing ever in North Africa
- Demonstrates international confidence in Egypt
- A steep learning curve for Egypt, but....
- Banks lining up to finance Train 2 - \$880m

- Meetings in Idku, Damanhur and Cairo
- World Bank standard
- Enhanced community's understanding of the project
- Enhanced ELNG's understanding of community's concerns



World beating project delivery



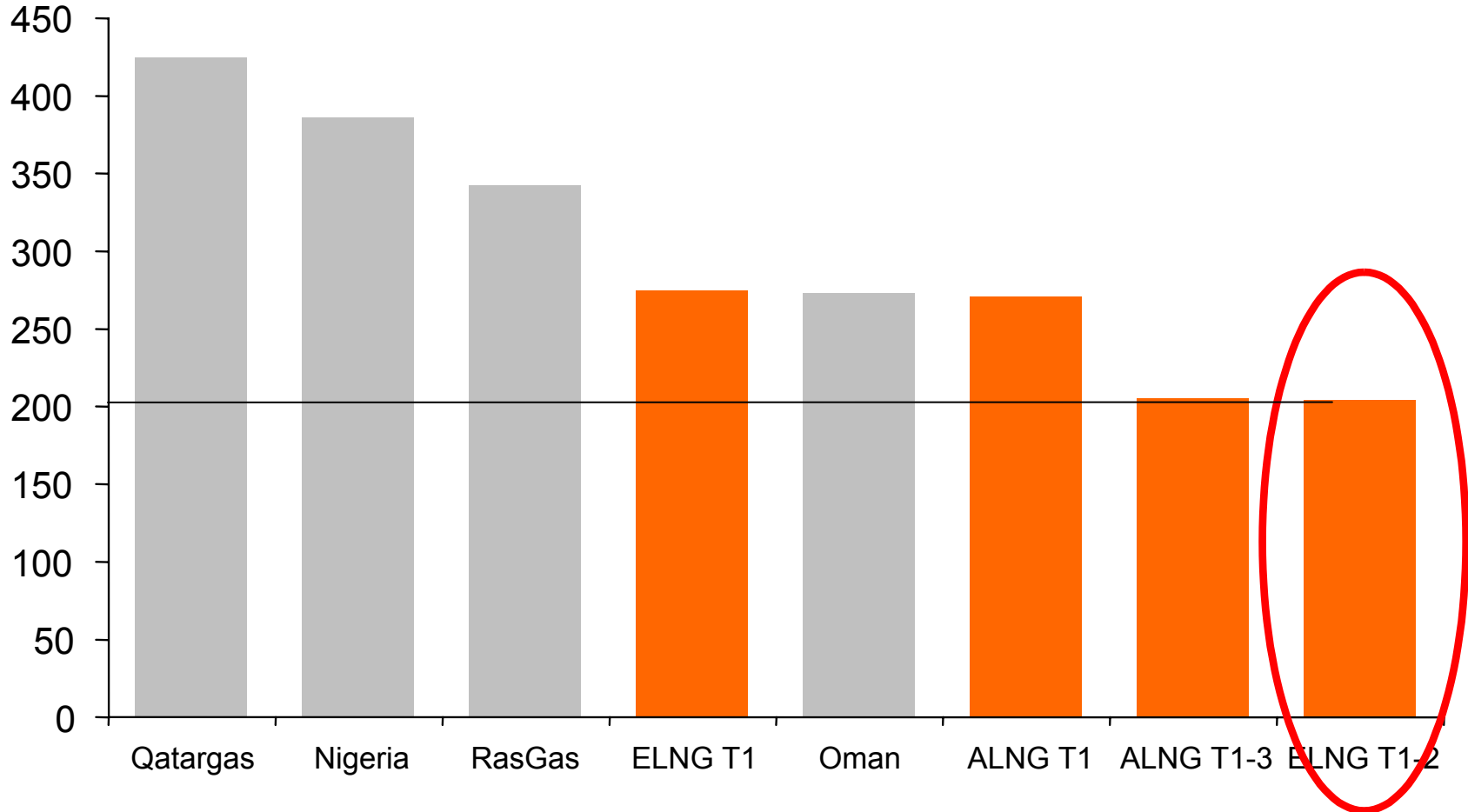
Source: BG-Group

Speed to market creates extra benefit for Egypt

World beating cost performance



Cost* \$/tpa



Source: BG-Group

* Total project cost excl. financing. All non-BG projects are based on 2-train build

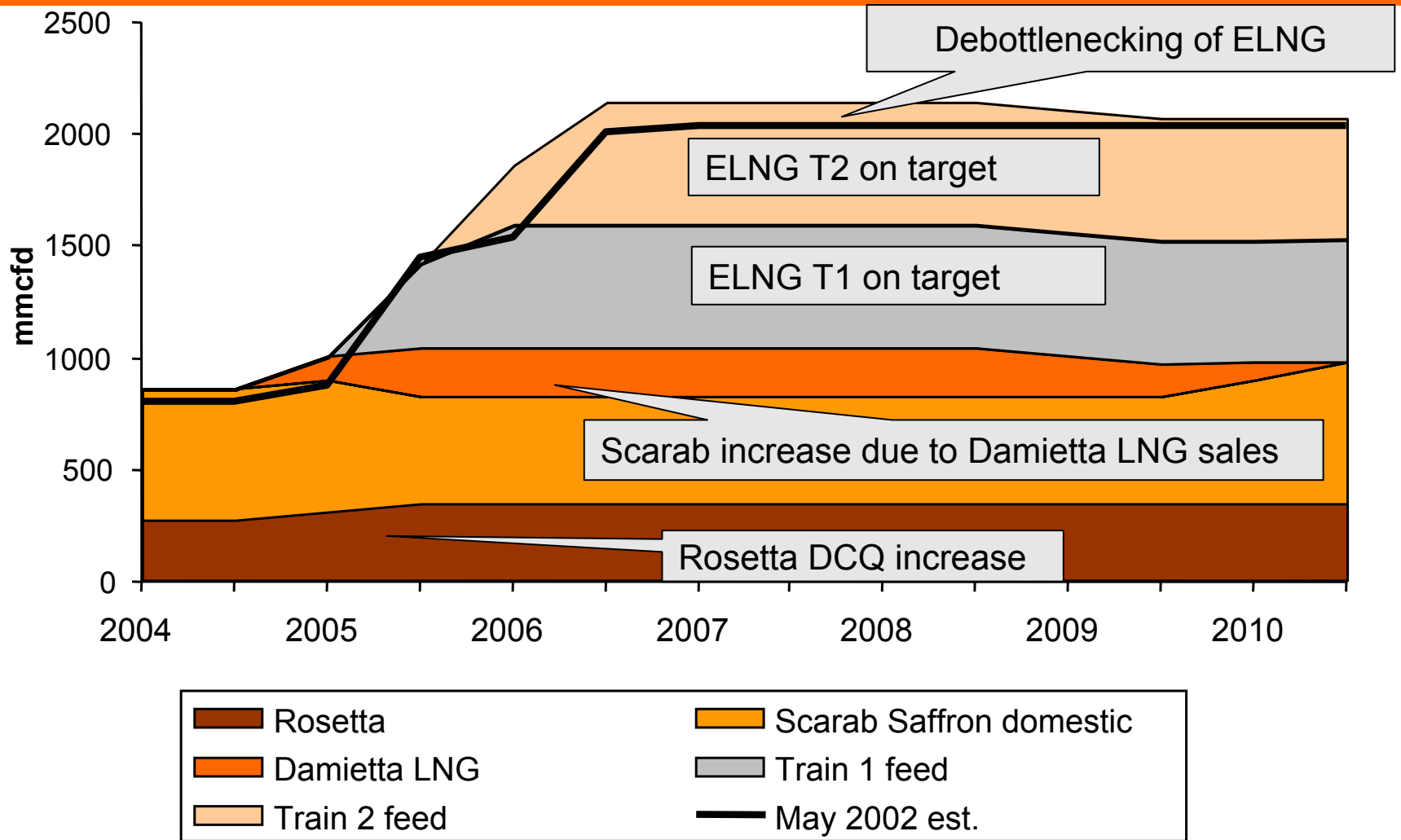
Improving safety performance



- Transferring safety best practice to Egypt
- Close co-operation with EGPC affiliate companies
- Excellent safety record in Egypt
- Road safety campaigns in the community



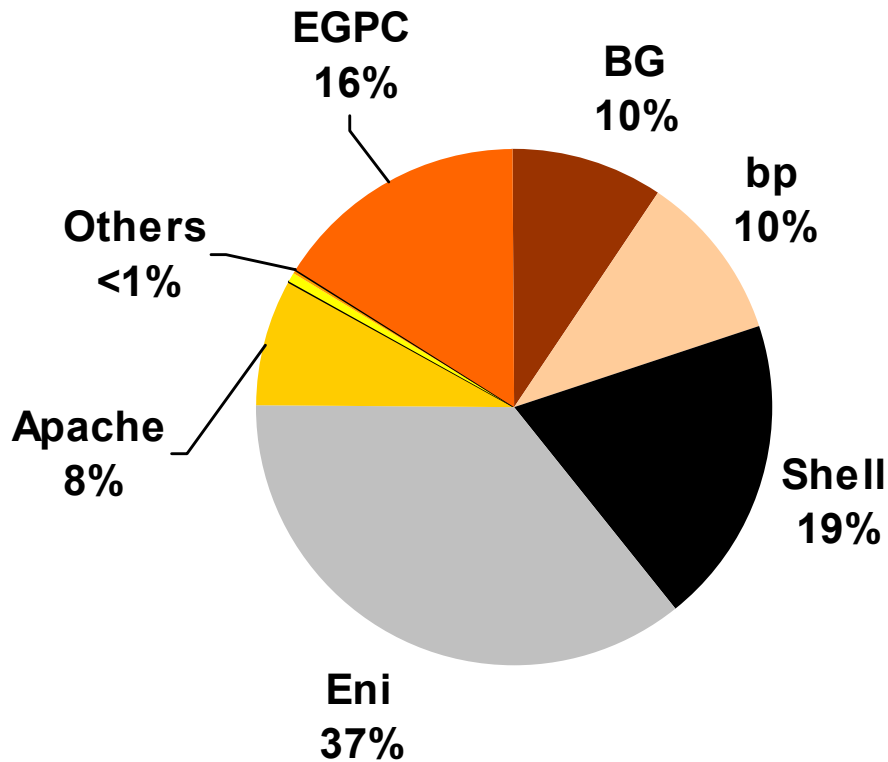
BG's gross operated volumes



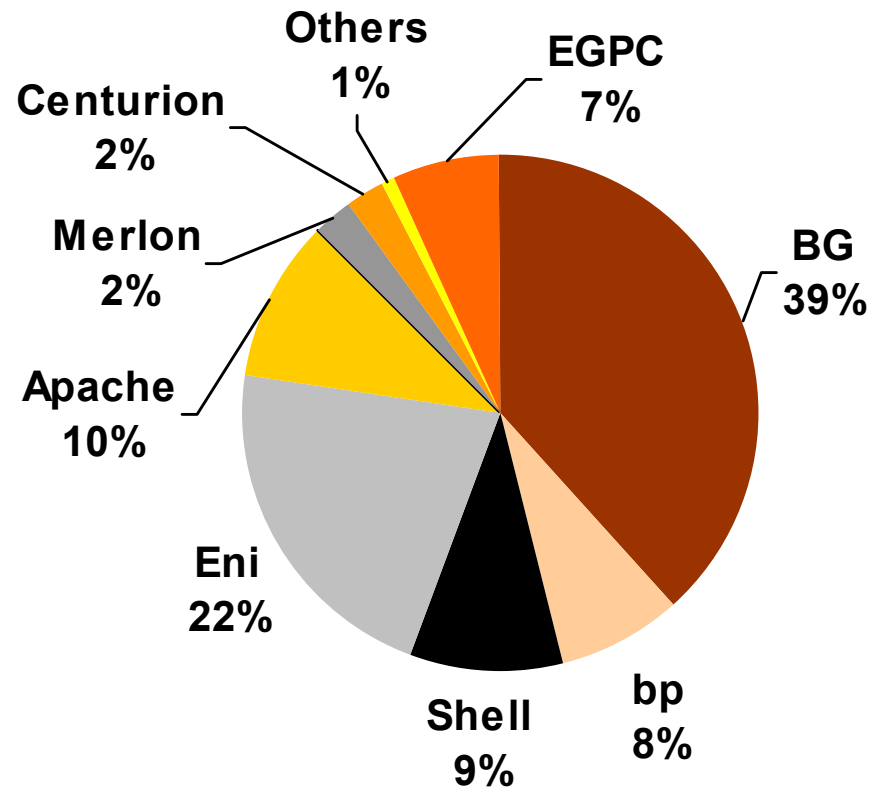
Delivering the business BG's growth in Egypt



2002



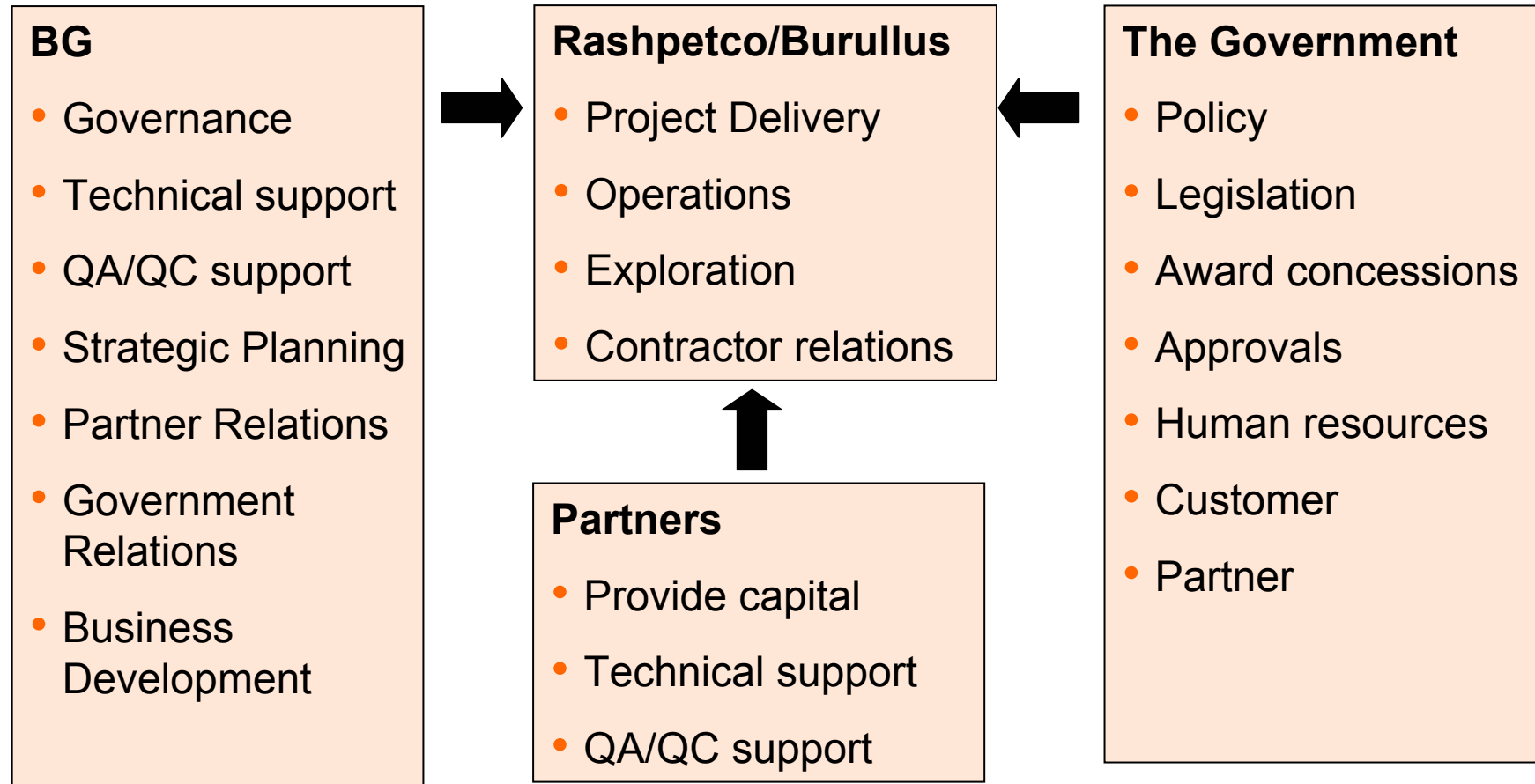
2006 *



* BG Group estimates

Leading supplier in growing market

Upstream operating structure



Strong government relationship



- Aligned objectives
 - Focus on gas
 - Export framework delivered
- Delivering in partnership
 - Project financing
- Sustainable development
 - Technology transfer
 - Egyptian involvement

Conclusion

- Understanding of the Egyptian market
- Exploration success
- Rapid commercialisation
- Technical competence
- Low cost gas to high value markets
- Accelerated schedule for export projects
- Safe and efficient operations