THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own financial advice as soon as possible from your stockbroker, bank, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or, from another appropriately authorised independent professional adviser if you are taking advice in a territory outside the United Kingdom.

If you sell or have sold or otherwise transferred all your BG Group Shares, please send this document together with the accompanying documents at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of BG Group Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This document has been prepared for the purposes of complying with English law and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

BG Group plc

(incorporated and registered in England and Wales with registered number 3690065)

Proposal to approve a Conditional Share Award to be granted to Helge Lund, prospective Chief Executive of BG Group plc and Notice of General Meeting

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The whole document should be read. Your attention, in particular, is drawn to the letter from the Chairman of BG Group that is set out in the *Letter from the Chairman of BG Group* in Part I on pages 1 to 11 of this document and which contains a recommendation from the Directors that you vote in favour of the Resolution to be proposed at the General Meeting.

Notice of a General Meeting of BG Group to be held at the Hilton Reading Hotel, Drake Way, Reading, Berkshire RG2 0GQ at 2.00 p.m. on 15 December 2014 is set out in *Notice of General Meeting* in Part IV on page 20 of this document.

The action to be taken in respect of the General Meeting is set out in Section 8 of Part I of the *Letter from the Chairman of BG Group* on page 10 of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend the General Meeting in person, please complete and sign the Form of Proxy (or appoint a proxy electronically, as referred to below) in accordance with the instructions printed on it and return it to BG Group's Registrar, Equiniti, of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible and, in any event, so as to be received by no later than 2.00 p.m. on 11 December 2014. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish.

Electronic Proxy Appointment is available for this General Meeting. This facility enables Shareholders to lodge their proxy appointment by electronic means through the Registrar's website, www.sharevote.co.uk or, for those who hold their Shares in CREST, through the CREST electronic proxy appointment service. Further details are included in the notes to the Notice of General Meeting set out in Part IV (*Notice of General Meeting*) of this document.

At the General Meeting itself, the votes will be taken by poll rather than on a show of hands. The results of the poll will be announced as soon as practicable and will appear on the Company's website, www.bg-group.com

If you have any questions about this document, the General Meeting or the completion and return of the Form of Proxy, please call the Shareholder helpline on 0871 384 2064 (calls to this number are charged at 8p per minute plus network extras). Non-UK callers should dial +44 (0)121 415 7029. Lines are open Monday to Friday 8.30 a.m. to 5.30 p.m. Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Resolution.

Capitalised terms have the meaning ascribed to them in Part III (*Definitions*) of this document.

AVAILABILITY OF HARD COPIES

If you have received this document in electronic form, you may request a hard copy of this document by calling the Shareholder helpline on 0871 384 2064 (calls to this number are charged at 8p per minute plus network extras). Non-UK callers should dial +44 (0)121 415 7029. Lines are open Monday to Friday 8.30 a.m. to 5.30 p.m. Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Resolution. You may also request that all future documents, announcements and information to be sent to you in relation to the General Meeting should be in hard copy form. Copies of this document will not be provided unless such a request is made.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this document contain forward-looking information concerning BG Group's strategy, operations, financial performance or condition, outlook, growth opportunities, circumstances in the countries, sectors or markets in which BG Group operates, the appointment of Mr Lund, the Conditional Share Award and the General Meeting. By their nature, forward-looking statements involve risk and uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company. Although the Company 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. No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in BG Group or any other entity, and must not be relied upon in any way in connection with any investment decision. Other than in accordance with its legal or regulatory obligations (including under the Listing Rules and the Disclosure and Transparency Rules), BG Group is not under any obligation and BG Group expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NO PROFIT FORECAST

No statement in this document is intended as a profit forecast or a profit estimate and no statement in this document should be interpreted to mean that earnings per BG Group Share for the current or future financial years would necessarily match or exceed the historical published earnings per BG Group Share.

REMUNERATION BENCHMARK INFORMATION

This document contains references to remuneration benchmark information. The remuneration benchmark information referred to in this document has been compiled from information provided to the Company by Towers Watson, an independent global professional services company with recognised experience in benchmarking executive remuneration. Beyond the provision of remuneration benchmark information, Towers Watson has not advised the Company or the Remuneration Committee on the Conditional Share Award or the Resolution.

Towers Watson provides the Company with remuneration benchmark information derived from the public disclosures of remuneration by companies in the global oil and gas sector. The Company references primarily the following companies: Anadarko Petroleum Corporation, Apache Corporation, BP plc, Cenovus Energy Incorporated, Chevron Corporation, ConocoPhillips, Devon Energy Corporation, Eni S.p.A., EOG Resources Incorporated, Exxon Mobil Corporation, Hess Corporation, Marathon Oil, Occidental Petroleum Corporation, Royal Dutch Shell plc, Suncor Energy Incorporated, Total S.A., Tullow Oil plc and Woodside Petroleum Limited. All of these companies are also included in the BG Group LTIP TSR comparator index groups. The remuneration benchmark information which the Company referenced for its Chief Executive search and which is referenced for the purposes of this document is based on company disclosures published during 2012 and 2013.

The Company and its Remuneration Committee regularly receive market information from Towers Watson. Towers Watson also provides general compensation and benefits information, general consultancy services to the Company and actuarial advice to the Trustees of the BG Pension Scheme. Towers Watson was selected by the Company to provide remuneration benchmark information and the Company is satisfied that the market information received was objective and independent. The fees paid to Towers Watson for 2013 for information for the Remuneration Committee, which were charged on the basis of time incurred, were £24,598.

Towers Watson has given, and not withdrawn, its written consent to the issue of this document with references to its name being included in the form and context in which they appear.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	*Time and Date*
Latest time for lodging of Forms of Proxy for General Meeting	2.00 p.m. on Thursday, 11 December 2014
Voting Record Time	6:00 p.m. on Thursday, 11 December 2014
General Meeting	2.00 p.m. on Monday, 15 December 2014

Notes:

All time references in this document are to London time.

Times and dates in this document are provided by way of indicative guidance and are subject to change. If any of the above times and/or dates change, BG Group will give adequate notice by issuing an announcement through a Regulatory Information Service.

PART I – LETTER FROM THE CHAIRMAN OF BG GROUP

BG GROUP PLC

(Incorporated and registered in England and Wales with registered number 3690065)

Directors:	*Registered Office:*
Andrew Gould *(Interim Executive Chairman)*	100 Thames Valley Park Drive,
Simon Lowth *(Chief Financial Officer)*	Reading,
Sir John Hood *(Senior Independent Non-Executive Director)*	Berkshire,
Vivienne Cox *(Non-Executive Director)*	RG6 1PT,
Pamela Daley *(Non-Executive Director)*	United Kingdom
Martin Ferguson *(Non-Executive Director)*	
Baroness Hogg *(Non-Executive Director)*	
Caio Koch-Weser *(Non-Executive Director)*	
Lim Haw-Kuang *(Non-Executive Director)*	
Sir David Manning *(Non-Executive Director)*	
Mark Seligman *(Non-Executive Director)*	
Patrick Thomas *(Non-Executive Director)*	

12 November 2014

Dear Shareholder,

Proposal to approve a Conditional Share Award to be granted to Helge Lund, prospective Chief Executive of BG Group plc

1. INTRODUCTION

On 15 October 2014, BG Group announced the appointment of Helge Lund as Chief Executive and as an Executive Director with effect from 2 March 2015.

Ahead of the announcement, the Company's Board of Directors undertook an extensive global search for a new Chief Executive. In formulating the criteria for the search, the Board believed that BG Group needed a proven leader from the oil and gas industry to deliver the exceptional opportunities available to the Company as strong production growth and cash generation are realised over the coming years from BG Group's projects in Brazil and Australia.

The Board is delighted to have secured Mr Lund's appointment and firmly believes he is ideally suited to lead BG Group in view of his strong track record, skills and experience as a leading oil and gas industry Chief Executive.

The Board has approved a remuneration package for Mr Lund that is competitive in the international oil and gas industry and that the Directors are satisfied is no more than is required to secure a Chief Executive of Mr Lund's calibre.

The package, which takes account of feedback received in consultation with Shareholders, is structured:

- to align Mr Lund's future variable remuneration with strong financial and business performance, promoting the long-term success of the Company and the creation of long-term Shareholder value; and

- to provide maximum long-term clarity in respect of Mr Lund's fixed remuneration, with salary and pension arrangements fixed for a five-year period.

The future variable remuneration element of Mr Lund's package includes a Conditional Share Award that requires Shareholder approval in general meeting.

I am therefore writing to you now to set out the background to, and the reasons for, the General Meeting of the Company to be held on 15 December 2014 and to set out the Board's unanimous recommendation that Shareholders vote in favour of the Resolution to approve the Conditional Share Award that will be proposed at the General Meeting.

2. HELGE LUND'S BACKGROUND

The Board believes that Helge Lund's track record speaks for itself.

He was formerly the Chief Executive Officer of Statoil, an international energy company, operating in 36 countries with a market capitalisation of $71 billion.[1]

Over the past ten years, Mr Lund led the transformation of Statoil into one of the world's leading oil and gas companies. He built a world-class exploration and production portfolio, and Statoil is now widely admired for its technical expertise, project delivery, financial performance and strong, values-based culture.

Total shareholder return at Statoil during the period that Helge Lund was Chief Executive Officer was approximately 190%, representing a yearly total shareholder return average of approximately 11% for the period[2].

Mr Lund served as Chief Executive Officer of Statoil from August 2004 to October 2014. Prior to Statoil, Mr Lund was the Chief Executive Officer of Aker Kvaerner for two years, following the merger of Aker RGI and Kvaerner in 2002. He served in various executive roles including Chief Operating Officer of Aker RGI between 1999 and 2002 and Deputy Chief Executive and Chief Financial Officer of the pharmaceutical division of Hafslund Nycomed between 1993 and 1998.

He is a Non-Executive Director and Member of the Audit Committee of Novo Nordisk, and was a Non-Executive Director of Nokia between 2011 and 2014. He has served as a member on the United Nations Secretary-General's Advisory Group on Sustainable Energy from 2011. Mr Lund is a Norwegian citizen.

3. SUMMARY OF THE PRINCIPAL TERMS OF HELGE LUND'S REMUNERATION PACKAGE

In order to secure Mr Lund's appointment, the Board has approved a remuneration package that is competitive in the international oil and gas industry and that the Board is satisfied will promote the long-term success of the Company and the creation of long-term Shareholder value.

The total direct compensation elements of Mr Lund's remuneration are as follows:

- a base salary of £1.5 million, fixed for the first five years of employment;

1 As at 11 November 2014, being the latest practicable date prior to the publication of this document.

2 Source: Datastream. Period between 16 August 2004 and 14 October 2014. Total shareholder return is calculated in NOK. Dividend is assumed re-invested on ex-dividend date.

- a short-term annual cash incentive worth 100% of base salary for target performance (£1.5 million), with a maximum payment of 200% of base salary (under the Company's current Remuneration Policy);

- an annual BG Group LTIP grant, with a face value on award of six times base salary (under the Company's current Remuneration Policy). The 2015 BG Group LTIP award is expected to be granted to Mr Lund in September 2015. The Board estimates, applying the same valuation basis as used in the Company's Remuneration Report for 2013, that the expected value of this grant will be £4 million per annum; and

- the proposed Conditional Share Award to be granted on terms that mirror the existing BG Group LTIP. Assuming the Resolution being proposed at the General Meeting is approved, at the date of grant, the Award will have a face value of £12 million, to be earned over five years and to be paid out over seven years. The Board estimates, based on target individual performance and discounting for the risk of forfeiture, that the expected value of the Conditional Share Award will be £10 million or £2 million per annum over five years.

The other principal terms of Mr Lund's remuneration arrangements and employment contract are as follows:

- an annual cash payment in lieu of pension at 30% of base salary, also fixed for the first five years of employment;

- a one-off relocation allowance up to a maximum net value of £480,000 (to cover, for example, temporary rental of accommodation in the UK, sale and acquisition costs relating to the sale and purchase of residential accommodation, travel costs for Mr Lund and his family, shipping costs for personal effects and associated storage and insurance);

- a twelve-month notice period, with a right for the Company to make a payment in lieu of notice equal to 130% of base salary (as a lump sum or in monthly instalments) on termination of the contract (being 12 months' base salary and cash payment in lieu of pension at 30% of base salary). If the Company were to elect to make such a payment in monthly instalments, Mr Lund would be obliged to seek alternative income for the relevant period and the monthly payments would be reduced by any such income; and

- a one-off buy-out of forfeited variable Statoil pay, to be satisfied in BG Group Shares with a face value at the time of grant of up to a maximum of £3 million that will be determined by the Remuneration Committee by reference to the prevailing Statoil share price and currency exchange rate at that time. Based on the current Statoil share price and currency exchange rates, the face value of this award would be less than £1 million.

Value and benchmarking of Mr Lund's remuneration package

The Board believes that, at target performance levels, the total direct compensation from the overall package (including the expected value of the Conditional Share Award), has an annual expected value of £9 million. This figure excludes the pension arrangements, the one-off relocation allowance and the one-off buy-out of forfeited variable Statoil pay described above.

In order to secure the best possible candidate, the relevant remuneration benchmark during the Company's Chief Executive search process was the global oil and gas market for executive talent. The annual £9 million expected value described above is in line with the median annual total direct compensation within the global oil and gas market for executive talent, as supported by benchmark remuneration information for sector companies referenced by BG Group from information provided by Towers Watson[3]. These benchmark data exclude pension arrangements, which are often provided at global oil and gas companies on a defined benefit basis. By market capitalisation, BG Group is larger than the median of the companies included in the benchmark remuneration information for the global oil and gas market.

In structuring the package, the Board acknowledged that, according to the benchmark remuneration information, there are three fundamental differences between the typical remuneration package for Chief Executives in the global oil and gas industry and the typical remuneration package for Chief Executives of leading UK companies listed on the London Stock Exchange:

- the overall quantum in the global oil and gas sector is higher;
- the composition of global oil and gas industry packages has a far greater weighting towards share-based compensation; and
- a higher proportion of global oil and gas industry share-based compensation typically has less stringent, if any, performance conditions.

The Board considered a number of remuneration structures to achieve a comparable and competitive level of remuneration, necessary to secure a candidate of Mr Lund's quality, including some structures which would have been wholly within the Company's Remuneration Policy. These included a higher base salary, higher annual incentive scheme remuneration and increasing the annual BG Group LTIP multiple as a percentage of base salary.

The Board concluded that the best way to secure Mr Lund's appointment by providing a competitive package at the relevant market median level, whilst remaining as far as possible within UK corporate governance standards and the Company's existing Remuneration Policy, was to incorporate within the package the Conditional Share Award.

The Board believes that the proposed remuneration package for Mr Lund, incorporating the Conditional Share Award is:

- the best way to align the interests of Mr Lund to the interests of Shareholders and promote the long-term success of the Company and creation of long-term Shareholder value – significant elements of the overall package, in particular the Conditional Share Award, are comprised of variable, share-based and performance-driven incentives;

3 See the Section headed "*Remuneration benchmark information*" on pages ii and iii of this document for an explanation of the basis of the remuneration benchmark information.

- the best way to provide maximum long-term clarity in respect of Mr Lund's fixed remuneration, with salary and pension arrangements fixed for a five-year period;
- competitive in the global market for executive talent in the oil and gas industry; and
- no more than is required to secure a Chief Executive of Mr Lund's track record, skills and experience.

Fixed and performance-related pay

To ensure that Mr Lund's incentivisation is aligned with Shareholder interests, Mr Lund's annual remuneration package has been structured so that approximately 80% of the expected value of his potential total direct annual compensation plus the annual payment in lieu of pension is dependent upon the achievement of corporate and/or personal performance conditions. His annual non-performance based remuneration comprises his base salary and payment in lieu of pension, which have both been fixed for a period of five years. Mr Lund will also receive the one-off buy-out award and the one-off relocation allowance in connection with his appointment.

4. FURTHER INFORMATION ON THE CONDITIONAL SHARE AWARD

Assuming the Resolution being proposed at the General Meeting is approved, the Conditional Share Award will be made shortly after Mr Lund joins the Company.

Whilst all of the other elements of Mr Lund's remuneration package are within the Company's Remuneration Policy approved by Shareholders at the Company's Annual General Meeting in May 2014, the Conditional Share Award is outside the Remuneration Policy. As such, the Conditional Share Award is subject to the prior approval of Shareholders in general meeting. A notice convening a General Meeting of the Company on 15 December 2014 is set out in *Notice of General Meeting* in Part IV of this document.

Personal performance criteria applicable to the Conditional Share Award

The vesting of BG Group Shares under the Conditional Share Award will be based upon personal performance criteria.

Each tranche of the Award will vest if, on the relevant vesting date, the Board and Remuneration Committee are satisfied that Mr Lund's personal performance in the role of Chief Executive has not fallen significantly below the level expected of him at the date of grant, and to the extent he remains in employment at the date of vesting.

In making this assessment of Mr Lund's personal performance, the Board will have regard to a number of factors including:

- the formulation and implementation of BG Group's long-term strategy;
- the establishment and achievement of appropriate metrics in connection with the strategy;
- the establishment and achievement of relevant project milestones;

- the establishment and achievement of relevant financial and operational targets;
- the establishment and achievement of other objectives relating to health, safety, security and environment (HSSE), sustainability, leadership and organisational development, values and culture; and
- the development of a detailed succession plan for senior executive roles, including longer-term plans for the role of Chief Executive.

The Board will set, and begin to measure, these objectives during the early part of Mr Lund's tenure as Chief Executive.

If the Board concludes by reference to these factors at the relevant vesting date that Mr Lund's personal performance has fallen significantly below the level expected, the number of BG Group Shares over which the tranche of the Conditional Share Award will vest will be reduced (including to nil), on such basis as the Remuneration Committee may in its discretion determine.

The Board acknowledges that the personal performance criteria and review process place significant responsibility on the Board and Remuneration Committee to exercise their discretion in assessing performance and, as relevant, the level of vesting appropriately. However, the Board also believes that the process is the most appropriate way of evaluating and incentivising Mr Lund to deliver the levels of performance expected from someone of his exceptional calibre across a broad range of criteria.

The Board will ensure that the implementation section of the Company's Remuneration Report for each year of the vesting of the Award will include detailed disclosure describing the outcome of Mr Lund's review process by the Board and how the assessment of performance was used by the Remuneration Committee to determine the relevant level of vesting under the Award.

Vesting of the Conditional Share Award and holding periods

In the event that the personal performance criteria applicable to the Conditional Share Award are met, the BG Group Shares will vest in three equal tranches on the third, fourth and fifth anniversary of the date of award.

On vesting, 50% of each tranche (net of such number of Shares as may need to be sold to cover any tax arising on vesting) will be capable of being sold. The 50% balance (net of such number of Shares as may need to be sold to cover any tax arising on vesting) will be capable of being sold half on the 6th anniversary of the date of award and half on the 7th anniversary.

However, notwithstanding these provisions, Mr Lund has indicated his intention to hold any Shares that vest under the Conditional Share Award together with all other BG Group Shares vested under the BG Group LTIP or otherwise acquired (in each case, net of such number of Shares as may need to be sold to cover any tax arising on vesting) for the duration of his employment with the Company.

A diagram illustrating the vesting and holding periods applicable to the Award is set out under the Section headed "*Vesting of Conditional Share Award and holding periods*" in Part II (*Summary of the Principal Terms of the Conditional Share Award*) of this document.

Other terms applying to the Conditional Share Award

BG Group Shares under the Conditional Share Award will not be taken into account for the purposes of calculating the annual limit on the value of BG Group Shares over which awards under the BG Group LTIP may be granted to Mr Lund.

If Mr Lund leaves employment with BG Group before the fifth anniversary of the date of grant of the Conditional Share Award, any unvested Shares under it will lapse (other than if he leaves in exceptional circumstances, such as ill health and the other matters described under the Section headed "*Cessation of employment*" in Part II (*Summary of the Principal Terms of the Conditional Share Award*) of this document).

If there is a change of control of BG Group, the Conditional Share Award will vest, subject to the extent to which the performance criteria have been satisfied and subject to a time pro-rating reduction at the discretion of the Remuneration Committee.

Malus and clawback provisions apply to the Conditional Share Award.

Further information on the terms of the Conditional Share Award is set out in Part II (*Summary of the Principal Terms of the Conditional Share Award*) of this document.

Failure of the Resolution to approve the Conditional Share Award

Mr Lund is not obliged to join BG Group if the Conditional Share Award is not approved by Shareholders. There is a risk, therefore, that if the Resolution is not passed at the General Meeting, Mr Lund will not join BG Group and the Company would need to recommence its Chief Executive search process.

5. SHAREHOLDER CONSULTATION IN RELATION TO MR LUND'S APPOINTMENT AND REMUNERATION AND BG GROUP REMUNERATION ARRANGEMENTS

The Board has consulted extensively with Shareholders, generally and on an ongoing basis in relation to BG Group remuneration arrangements and specifically in relation to Mr Lund's appointment and remuneration.

In light of Shareholder feedback, the Company and Mr Lund have agreed several changes to and in respect of the remuneration package originally proposed for Mr Lund, which the Board believes will further strengthen the alignment between Mr Lund's incentivisation and the creation of long-term Shareholder value:

- Mr Lund has indicated his intention to hold any Shares that vest under the Conditional Share Award together with all other BG Group Shares vested under the BG Group LTIP or otherwise acquired (in each case, net of such number of Shares as may need to be sold to cover any tax arising on vesting) for the duration of his employment with the Company;

- Mr Lund's annual cash payment in lieu of pension at 30% of base salary, will, like his base salary, be fixed for the first five years of employment;

- the Company has developed and Mr Lund has agreed the personal performance criteria and review process for the Conditional Share Award described in Section 4 above, which the Board and Remuneration Committee will use for assessing Mr Lund's performance and determining the level of vesting under the Conditional Share Award; and

- the Board has committed to ensuring that the implementation section of the Company's Remuneration Report for each year of the vesting of the Conditional Share Award will include detailed disclosure as described in Section 4 above.

The Board would also like to take this opportunity to highlight several important changes to our annual BG Group LTIP arrangements in response to feedback that we received from Shareholders prior to the announcement of Mr Lund as Chief Executive.

These recent and proposed changes are:

- the reduction of the level of vesting at threshold Company performance for annual BG Group LTIP awards from 25% to 15% (which results in a reduction of the threshold vesting level from 150% to 90% of base salary for the Chief Executive);

- extending the application of the two-year holding period for net vested annual BG Group LTIP Shares from 50% to 100% of net vested Shares after the three-year performance period, so that the performance period and holding period of five years in total applies to the whole award; and

- a review of the annual BG Group LTIP metric, which currently is based wholly on relative total shareholder return ("***TSR***").

Through previous consultation with a number of our Shareholders, it was evident that certain Shareholders favoured a basket of BG Group LTIP metrics rather than a single metric, and, in particular, rather than a single metric that relied solely on TSR. We acknowledge that the single TSR metric was well-suited to the first phase of BG Group's development during which the Company was judged principally on its ability to add value through discovering resource. However, as we now shift the Company's focus to improving return on capital and delivering earnings and cash flow growth, the Board believes it is appropriate that the Company performance conditions under the BG Group LTIP reflect this.

We will therefore be formulating revised proposals for a basket of BG Group LTIP metrics, with targets that will be designed to drive excellent financial and business performance and to promote the long-term success of the Company. The current proposal is for a basket of measures to comprise 50% relative TSR, 25% EBITDA (or a similar cash flow metric) and 25% ROACE (or a similar capital efficiency metric) with appropriately challenging targets set at threshold and stretch, consistent with maintaining the current expected value of the BG Group LTIP awards. In any event, it is the Company's intention to structure the revised BG Group LTIP arrangements such that they remain within the Company's Remuneration Policy. We intend to consult with our Shareholders on this matter ahead of the grant of 2015 annual BG Group LTIP awards, with the grant expected to take place in September 2015.

The other changes to the annual BG Group LTIP, being to the threshold vesting level and extension of the application of the holding period to the full award, have already taken effect during 2014.

In 2013, the Remuneration Committee also reviewed the BG Group Shareholding Guidelines for Executive Directors. To encourage Share ownership and further strengthen alignment with Shareholders' interests, the minimum shareholding under the guidelines was increased from 200% to 300% of base salary. Net Shares from incentive awards are to be retained at least until the minimum shareholding is achieved and, once achieved through earning or purchasing Shares, an Executive Director should hold at least that value of Shares for the duration of his or her employment. Mr Lund has agreed that any Shares that vest under the Conditional Share Award will not count towards his BG Group shareholding for the purposes of the BG Group Shareholding Guidelines.

6. REQUIREMENT FOR APPROVAL OF THE CONDITIONAL SHARE AWARD IN GENERAL MEETING

The Conditional Share Award to be granted to Mr Lund is outside the Company's Remuneration Policy approved by Shareholders at its Annual General Meeting in 2014. This is because such an award is not contemplated by the Remuneration Policy and the Award will exceed the maximum annual value under the Remuneration Policy. This maximum annual value is an overall expected value limit of 575% of base salary.

As the Conditional Share Award to be granted to Mr Lund is outside the Remuneration Policy, it requires approval by Shareholders in general meeting under section 226B(1)(b) of the Companies Act 2006. The Conditional Share Award also requires Shareholder approval under the Listing Rules.

7. THE GENERAL MEETING

A notice convening a General Meeting of the Company to be held at the Hilton Reading Hotel, Drake Way, Reading, Berkshire RG2 0GQ at 2.00 p.m. on 15 December 2014 is set out in *Notice of General Meeting* in Part IV on page 20 of this document. The purpose of the General Meeting is to seek Shareholders' approval of the Resolution set out in the Notice of General Meeting.

The Resolution will propose that the Conditional Share Award to be granted to Mr Lund is approved for the purposes of section 226B(1)(b) of the Companies Act. The Resolution will also authorise the Directors to adopt the Helge Lund LTIP and to do all things necessary and desirable to implement, complete or to procure the implementation or completion of the grant of the Award to Mr Lund and to give effect thereto with such modifications, variations, revisions or amendments (not being modifications, variations, revisions or amendments of a material nature) as the Directors may deem necessary, expedient or appropriate in connection with the Award.

The Resolution will be proposed as an ordinary resolution. The passing of the Resolution requires a majority of the votes cast in respect of it. The votes at the General Meeting will be taken by poll rather than on a show of hands. The results of the poll will be announced as soon as practicable and will appear on the Company's website, www.bg-group.com

8. ACTION TO BE TAKEN

You will find enclosed a Form of Proxy for use in connection with the General Meeting.

Whether or not you intend to attend the General Meeting in person, please complete and sign the Form of Proxy (or appoint a proxy electronically, as referred to below) in accordance with the instructions printed on them and return them to BG Group's Registrar, Equiniti, of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible and, in any event, so as to be received by no later than 2.00 p.m. on 11 December 2014. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish.

Electronic Proxy Appointment is available for this General Meeting. This facility enables Shareholders to lodge their proxy appointment by electronic means through the Registrar's website, www.sharevote.co.uk or, for those who hold their Shares in CREST, through the CREST electronic proxy appointment service. Further details are included in the notes to the Notice of General Meeting set out in Part IV (*Notice of General Meeting*) of this document.

9. FURTHER INFORMATION

Assuming that Mr Lund joins the Company as planned on 2 March 2015, I will step back into my role as Non-Executive Chairman of BG Group on that date. I have been very happy to take up the role of Interim Executive Chairman of the Company while we undertook our search for a new Chief Executive. I agreed with the Remuneration Committee's decision that I should receive no additional fees for acting as Interim Executive Chairman.

The expected timetable of principal events for the General Meeting is set out on page v of this document. Further information regarding the terms of the Conditional Share Award and its grant to Mr Lund is set out in Part II (*Summary of the Principal Terms of the Conditional Share Award*) of this document.

Shareholders are advised to read the whole of this document and not merely rely on the summarised information set out in this letter.

If you have any questions about this document, the General Meeting or the completion and return of the Form of Proxy, please call the Shareholder helpline on 0871 384 2064 (calls to this number are charged at 8p per minute plus network extras). Non-UK callers should dial +44 (0)121 415 7029. Lines are open Monday to Friday 8.30 a.m. to 5.30 p.m. Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Resolution.

A list of documents available for inspection and details of other information available on the Company's website is set out in Notes 16 and 17 of the notes to the Notice of General Meeting set out in Part IV (*Notice of General Meeting*) of this document.

10. RECOMMENDATION TO SHAREHOLDERS

The Board believes that BG Group has excellent prospects. To make the most of the Company's potential, we need to build on our strengths in exploration and LNG and also become a world-class operator. The Board believes that the appointment of Helge Lund, a proven leader from the oil and gas industry, is critical to the delivery of BG Group's next stage of growth as it accelerates the creation and delivery of value to Shareholders.

It is the Directors' belief that the proposed Resolution will promote the long-term success of the Company and is in the best interests of the Company and Shareholders as a whole.

Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolution, as each Director intends to do in respect of their own beneficial holdings, amounting to 172,646 BG Group Shares in aggregate at the date of this Circular, representing approximately 0.005% of the Company's current issued ordinary share capital.

Yours faithfully,

Andrew Gould
Chairman
BG Group plc

PART II – SUMMARY OF THE PRINCIPAL TERMS APPLYING TO THE CONDITIONAL SHARE AWARD

The Conditional Share Award to be granted to Mr Lund, subject to approval of the Resolution by Shareholders at the General Meeting, will be granted on and subject to the rules of the Helge Lund BG Group plc Long Term Incentive Plan 2014 (the "***Helge Lund LTIP***"), which mirror the rules of the Company's Long Term Incentive Plan (the "***BG Group LTIP***") that was approved by Shareholders in May 2008, save that the vesting and holding periods, leaver provisions and amendment powers under the Helge Lund LTIP are more onerous as described in this Part II below. Vesting of the Conditional Share Award is based upon the achievement of personal performance criteria applicable to the Helge Lund LTIP, as also described in this Part II below.

The principal terms which will apply to the Award are described below.

The Award is outside the Company's Remuneration Policy approved by Shareholders at its Annual General Meeting in 2014. This is because such an award is not contemplated by the Remuneration Policy and the Award will exceed the maximum annual value under the Remuneration Policy. This maximum annual value is an overall expected value limit of 575% of base salary. As the Conditional Share Award to be granted to Mr Lund is outside the Remuneration Policy, it requires approval by Shareholders in general meeting under section 226B(1)(b) of the Companies Act 2006. The Conditional Share Award also requires Shareholder approval under the Listing Rules.

This Part II comprises the payment particulars memorandum in respect of the Conditional Share Award that is required to be made available for inspection by BG Group Shareholders in accordance with Section 226D of the Companies Act 2006. It will therefore be available for inspection at the registered office of the Company and at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HT during normal business hours every business day from 12 November 2014 until the General Meeting. It will also be available for inspection at the place of the General Meeting (Hilton Reading Hotel, Drake Way, Reading, Berkshire RG2 0GQ) for one hour prior to and until the close of the General Meeting. In addition, it will be available for inspection on the Company's website, www.bg-group.com, from 12 November 2014 until the end of the Company's annual general meeting in 2015.

Capitalised terms have the meaning ascribed to them in Part III (*Definitions*) of the BG Group Circular dated 12 November 2014, of which this Part II forms part.

Grant of the Conditional Share Award

The Award is proposed to be granted to Mr Lund on the fifth dealing day following the day on which he commences employment with the Company (he is expected to commence employment on 2 March 2015). If, for whatever reason, such grant would be prohibited at that time under the Company's share dealing policy or any other applicable laws or regulations, the grant will be made as soon as practicable after any such prohibition ceases.

Number of BG Group Shares under the Conditional Share Award

The Award will be granted over such number of BG Group Shares as have an aggregate market value on the date of grant equal to £12 million, rounded down to the nearest whole number of Shares (the "***Award Shares***"). The market value of a BG Group Share for this purpose will be the average of the closing middle market quotations for a BG Group Share over the five dealing days immediately preceding the date of grant.

Under the BG Group LTIP and the Company's Remuneration Policy, the value of BG Group Shares over which awards may be granted to any employee in a financial year may not, unless the Remuneration Committee considers that exceptional circumstances exist, exceed 600% of the employee's base salary. The Award Shares will not be taken into account when calculating this limit.

Personal performance criteria

The vesting of each tranche of BG Group Shares under the Award will be based upon personal performance criteria.

Each tranche of the Award will vest if, on the relevant vesting date, the Board and Remuneration Committee are satisfied that Mr Lund's personal performance in the role of Chief Executive over the relevant vesting period has not fallen significantly below the level expected of him at the date of grant, and to the extent he remains in employment at the date of vesting.

In making this assessment of Mr Lund's personal performance, the Board will have regard to a number of factors including:

- the formulation and implementation of BG Group's long-term strategy;
- the establishment and achievement of appropriate metrics in connection with the strategy;
- the establishment and achievement of relevant project milestones;
- the establishment and achievement of relevant financial and operational targets;
- the establishment and achievement of other objectives relating to health, safety, security and environment (HSSE), sustainability, leadership and organisational development, values and culture; and
- the development of a detailed succession plan for senior executive roles, including longer-term plans for the role of Chief Executive.

The Board will set, and begin to measure, these objectives during the early part of Mr Lund's tenure as Chief Executive.

If the Board concludes by reference to these factors at the relevant vesting date that Mr Lund's personal performance has fallen significantly below the level expected, the number of BG Group Shares over which the tranche of the Conditional Share Award will vest will be reduced (including to nil), on such basis as the Remuneration Committee may in its discretion determine.

Vesting of Conditional Share Award and holding periods

The Award will vest in three equal tranches on the third, fourth and fifth anniversaries of the date of grant, subject to Mr Lund remaining in employment until the relevant date and to satisfaction of the applicable performance criteria.

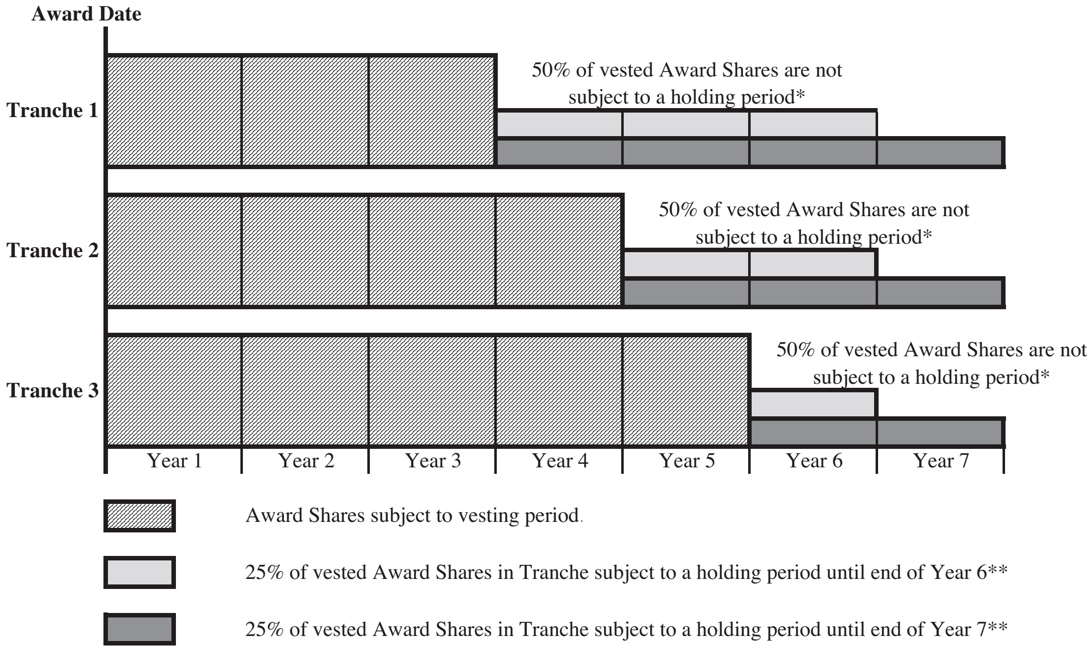
50% of the number of vested Award Shares in each tranche will be subject to a holding period. 25% of the vested Award Shares will be subject to a holding period until the sixth anniversary of grant and the remaining 25% until the seventh anniversary. In each case, vested Award Shares which are subject to a holding period may be sold to cover any income tax and employee's social security contributions which arise on the vesting of those Shares. During the holding period the relevant BG Group Shares, will be held by a trustee or nominee on behalf of Mr

Lund and may not otherwise be sold, transferred, assigned, charged or otherwise disposed of by Mr Lund.

However, notwithstanding these provisions, Mr Lund has indicated his intention to hold vested Award Shares together with all other BG Group Shares vested under the BG Group LTIP or otherwise acquired (in each case, save that vested Shares which are subject to a holding period may be sold to cover any income tax and employee's social security contributions which arise on the vesting of those Shares) for the duration of his employment with the Company.

In addition, Mr Lund has agreed that any Award Shares that vest will not count towards his BG Group shareholding for the purposes of the BG Group Shareholding Guidelines. These guidelines currently provide that the Executive Directors should have a minimum BG Group shareholding with a value of 300% of base salary. Once an Executive Director has earned or purchased Shares to that value, he or she should hold at least that value of Shares for the duration of his or her employment. Shares from incentive awards are to be retained at least until the minimum shareholding is achieved.

The following diagram illustrates the different vesting and holding periods for the three tranches of the Award:



* Mr Lund has indicated his intention to hold vested Award Shares together with all other BG Group Shares vested under the BG Group LTIP or otherwise acquired (in each case, save that vested Shares which are subject to a holding period may be sold to cover any income tax and employee's social security contributions which arise on the vesting of those Shares) for the duration of his employment with the Company.

** Such number of these Award Shares may be sold as is required to cover any income tax and/or employee's social security liabilities arising at vesting of those Award Shares.

Malus and clawback

Malus and clawback provisions apply to the Award. The Remuneration Committee may at any time before a relevant vesting date or during a holding period determine that the number of Award Shares in an unvested tranche or the number of vested Award Shares which are subject to a holding period should be reduced (including to nil) on such basis as the Remuneration Committee may in its discretion determine. The circumstances in which the Remuneration Committee may make this determination are where the Company's results for any financial year falling before a relevant vesting date are restated or subsequently found to be inaccurate or misleading, or the conduct or performance of Mr Lund is such as to justify a reduction or forfeiture of the Award, or the Company is entitled to dismiss Mr Lund summarily.

Cessation of employment

Each tranche of the Award will normally only vest if Mr Lund remains in employment until the relevant vesting date. If he ceases to be employed before a vesting date, the relevant tranche will lapse other than in the exceptional circumstances described below.

If Mr Lund leaves employment in exceptional circumstances such as due to ill health, injury or disability, retirement or redundancy with the Company's consent or for any other reason if the Committee so decides, the Award will not lapse, but will vest on the normal vesting dates subject to satisfaction of the applicable performance criteria up to the date of cessation of employment. The number of Award Shares in any unvested tranche will be reduced pro-rata to reflect the number of months from the date of grant until cessation as a proportion of the applicable vesting period. The relevant proportions of the vested Award Shares in each tranche (as reduced on a pro-rata basis) will be subject to the holding periods described above.

In the event of Mr Lund's death, any unvested tranches will vest immediately subject to the applicable performance criteria having been satisfied at the time of his death. No time pro-rating will apply and any holding period will cease to apply.

If Mr Lund ceases to be employed (for any reason other than for death) during the relevant holding period relating to a vested tranche of the Award, the relevant vested Award Shares will continue to be subject to the required holding period.

Form of Conditional Share Award

The Award will be granted in the form of a conditional award to acquire the Award Shares on the relevant vesting date.

No payment will be required for the grant of the Award nor to acquire the BG Group Shares on the vesting of the Award. The Award will not be pensionable.

The Award may be granted over newly issued BG Group Shares, treasury shares or existing BG Group Shares which would be purchased in the market through the Company's employee benefit trust.

The BG Group Shares issued or transferred on vesting of the Award will rank equally with other BG Group Shares then in issue (except for rights arising by reference to a record date prior to their allotment or transfer).

Application will be made for any new BG Group Shares allotted and issued under the Award to be admitted to listing and to trading by the UK Listing Authority and the London Stock Exchange respectively.

Dilution limit

In any ten year period, not more than 5% of the Company's issued ordinary share capital from time to time may be issued or committed to be issued pursuant to the Conditional Share Award and all awards granted under the BG Group LTIP.

Corporate events

If there is a takeover of the Company or a court sanctions a compromise or scheme of arrangement relating to the Company, the Award will vest early. The proportion of the Award which will vest will be determined by the Remuneration Committee according to the extent to which the performance criteria have been satisfied. The Remuneration Committee may decide to reduce the number of Award Shares in any unvested tranche on a pro-rata basis to reflect the number of months from the date of grant until the relevant corporate event as a proportion of the applicable vesting period. The Remuneration Committee may, with the consent of the acquiring company, decide that the Award will not vest as a result of the corporate event but must be replaced by an equivalent award over shares in the acquiring company which is to be treated as acquired at the same time and on the same terms as the original Award and, so far as possible, subject to the same performance criteria.

If there is a demerger, distribution (other than an ordinary dividend) or other transaction which may affect the value of the Award, the Remuneration Committee may allow the Award to vest early but only to the extent the performance criteria have been satisfied. The Remuneration Committee may decide to reduce the number of Award Shares in any unvested tranche on a pro-rata basis to reflect the number of months from the date of grant until the relevant event as a proportion of the applicable vesting period.

Any outstanding holding period will be brought to an end by any such corporate event.

Dividend equivalents

On vesting of any tranche of the Award, Mr Lund will be entitled to a cash payment (or at the Remuneration Committee's discretion a number of BG Group Shares to an equivalent value) equal to the value of dividends payable on Award Shares (to the extent they vest) between the date of grant and the relevant vesting dates.

Variation of capital

If there is a variation of the share capital of the Company (for example a capitalisation or rights issue, or a subdivision or consolidation of capital), a demerger or a special dividend or distribution, the Remuneration Committee may adjust the number of Award Shares.

Amendments

The Remuneration Committee may amend the terms of the Award save that the prior approval of Shareholders in general meeting must be obtained for any amendment to the terms of the Award which is to Mr Lund's advantage. Shareholders' approval will not be required for minor changes to benefit the administration of the Helge Lund LTIP, to comply with or take account of any changes to legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Company, Mr Lund or any member of the Group.

PART III – DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"£"	the lawful currency from time to time of the United Kingdom
"$"	the lawful currency from time to time of the United States of America
"Admission Card"	the admission card, which is attached to the Form of Proxy
"Award" or **"Conditional Share Award"**	the conditional award of BG Group Shares to be granted to Helge Lund, on and subject to the rules of the Helge Lund LTIP, the principal terms of which are set out in Part II (*Summary of the Principal Terms of the Conditional Share Award*) of this document
"Award Shares"	the BG Group Shares subject to the Conditional Share Award, being such number of BG Group Shares as have an aggregate market value on the date of grant equal to £12 million, rounded down to the nearest whole number of Shares
"BG Group" or **"Company"**	BG Group plc, incorporated in England and Wales with registered number 3690065 and whose registered office is 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT, United Kingdom
"BG Group LTIP"	the BG Group plc Long Term Incentive Plan 2008 (as amended from time to time)
"BG Group Share" or **"Share"**	an ordinary share of 10 pence in the capital of the Company
"BG Group Shareholding Guidelines"	BG Group's shareholding guidelines, which encourage Executive Directors and certain other senior employees to build up and retain a minimum holding of Shares
"Board"	the board of Directors of the Company
"Chairman"	the Chairman of the Company, currently Andrew Gould, the Interim Executive Chairman of the Company
"Companies Act"	the Companies Act 2006, as amended
"Company" or **"BG Group"**	BG Group plc, incorporated in England and Wales with registered number 3690065 and whose registered office is 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT, United Kingdom
"Conditional Share Award" or **"Award"**	the conditional award of BG Group Shares to be granted to Helge Lund, on and subject to the rules of the Helge Lund LTIP, the principal terms of which are set out in Part II (*Summary of the Principal Terms of the Conditional Share Award*) of this document

"CREST"	the UK based system for the paperless settlement of trades in listed securities, of which Euroclear is the operator in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755)
"CREST Manual"	the manual, as amended from time to time, produced by Euroclear describing the CREST system, and supplied by Euroclear to users and participants thereof
"Directors"	the Directors of the Company
"Disclosure and Transparency Rules"	the Disclosure and Transparency Rules made by the FCA for the purposes of Part VI of FSMA
"EBITDA"	earnings before interest, taxes, depreciation and amortisation
"Electronic Proxy Appointment"	appointment of a proxy through the CREST electronic proxy appointment service
"Euroclear"	Euroclear UK & Ireland Limited
"Executive Directors"	the executive directors of the Company, currently Andrew Gould, the Interim Executive Chairman, and Simon Lowth, the Chief Financial Officer
"FCA"	the Financial Conduct Authority of the UK, its predecessors or its successors from time to time, including, as applicable, in its capacity as the competent authority for the purposes of Part VI of FSMA
"Form of Proxy"	the form of proxy in connection with the General Meeting, which accompanies this document
"FSMA"	the Financial Services and Markets Act 2000, as amended
"General Meeting"	the general meeting of the Company to be held at the Hilton Reading Hotel, Drake Way, Reading, Berkshire RG2 0GQ at 2.00 p.m. on 15 December 2014
"Group"	BG Group plc and its subsidiaries and subsidiary undertakings from time to time
"Helge Lund LTIP"	the Helge Lund BG Group plc Long Term Incentive Plan 2014, under which the Conditional Share Award is proposed to be granted
"Listing Rules"	the Listing Rules made by the FCA for the purposes of Part VI of FSMA
"NOK"	the lawful currency from time to time of the Kingdom of Norway
"Non-Executive Directors"	the non-executive directors of the Company, currently Sir John Hood (Senior Independent Non-Executive Director), Vivienne Cox, Pamela Daley, Martin Ferguson, Baroness Hogg, Caio Koch-Weser, Lim Haw-Kuang, Sir David Manning, Mark Seligman and Patrick Thomas

"Notice of General Meeting"	the notice of the General Meeting, as set out in Part IV (*Notice of General Meeting*) of this document
"Registrar"	Equiniti, of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
"Regulatory Information Service"	a Regulatory Information Service that is approved by the FCA and that is on the list of Regulatory Information Services maintained by the FCA
"Remuneration Policy"	the BG Group directors' remuneration policy as approved by Shareholders at the Company's Annual General Meeting on 15 May 2014
"Resolution"	the ordinary resolution to be proposed at the General Meeting to approve the Conditional Share Award and to authorise the Directors to grant the Conditional Share Award to Mr Lund
"ROACE"	return on average capital employed
"Share" or **"BG Group Share"**	an ordinary share of 10 pence in the capital of the Company
"Shareholders"	the holders of BG Group Shares from time to time
"Statoil"	Statoil ASA
"Towers Watson"	Towers Watson Limited, incorporated in England and Wales with registered number 5379716 and whose registered office is at Watson House, London Road, Reigate, Surrey, RH2 9PQ, United Kingdom
"TSR"	total shareholder return
"UK"	the United Kingdom of Great Britain and Northern Ireland
"Voting Record Time"	6.00 p.m. on 11 December 2014 or, if the General Meeting is adjourned, 6.00 p.m. on the date which is two days (excluding non-working days) before the time fixed for the adjourned General Meeting

PART IV – NOTICE OF GENERAL MEETING

NOTICE OF GENERAL MEETING OF BG GROUP PLC

Notice is hereby given that a General Meeting of BG Group plc (the "***Company***") will be held at the Hilton Reading Hotel, Drake Way, Reading, Berkshire RG2 0GQ at 2.00 p.m. (Greenwich Mean Time) on Monday, 15 December 2014 to consider and, if thought fit, to pass the resolution set out below, which shall be proposed as an ordinary resolution, in connection with the grant of a conditional award of ordinary shares of 10 pence each in the capital of the Company ("***BG Group Shares***") to Helge Lund.

Ordinary resolution to approve the grant of the Conditional Share Award (as defined below) to Helge Lund

THAT

(a) the conditional award of BG Group Shares to be granted to Mr Helge Lund on and subject to the terms of the Helge Lund BG Group plc Long Term Incentive Plan 2014, a copy of which was produced to the Meeting and initialled by the Chairman for identification (the "***Conditional Share Award***" and the "***Helge Lund LTIP***" respectively (the principal terms of the Conditional Share Award being as described in Part II of the circular to BG Group Shareholders dated 12 November 2014, a copy of which was also produced to the Meeting and initialled by the Chairman for identification (the "***Circular***")), be and is hereby approved for the purposes of section 226B(1)(b) of the Companies Act 2006, as amended; and

(b) the directors of the Company (the "***Directors***") (or any duly constituted committee thereof) be and are hereby authorised to adopt the Helge Lund LTIP and to do all things necessary and desirable to implement, complete or to procure the implementation or completion of the grant of the Conditional Share Award to Mr Helge Lund on and subject to the terms of the Helge Lund LTIP and to give effect thereto with such modifications, variations, revisions or amendments (not being modifications, variations, revisions or amendments of a material nature) as the Directors (or any duly authorised committee thereof) may deem necessary, expedient or appropriate in connection with the Conditional Share Award.

By order of the Board

Steve Allen
Company Secretary

12 November 2014

Registered Office: 100 Thames Valley Park Drive,
Reading, Berkshire, RG6 1PT, United Kingdom
Registered in England & Wales No. 3690065

Notes

Right to vote

1. Only those holders of ordinary shares on the register of members of the Company at 6.00 p.m. on 11 December 2014 or, if the General Meeting is adjourned, 6.00 p.m. on the date which is two days (excluding non-working days) before the time fixed for the adjourned General Meeting, or their duly appointed proxies, shall be entitled to attend or vote at the General Meeting in respect of the number of ordinary shares registered in their name on that date and time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend or vote.

Appointing a proxy

2. Shareholders are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote on their behalf at the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company but they must be registered in advance and attend the General Meeting to represent you.

3. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, you should contact the Company's Registrar, Equiniti.

4. To be valid, you must register your proxy appointment and voting instructions by one of the following three methods:

   a) online at www.sharevote.co.uk by following the on-screen instruction and using the Shareholder reference number printed on your proxy card which accompanies this Notice;

   b) return the hard copy form by post, by courier, or by hand to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or

   c) in the case of CREST members, by utilising the CREST Electronic Proxy Appointment service in accordance with the procedures set out below.

5. If a Form of Proxy is signed by an unregistered agent, the power of attorney or other authority relied on to sign it, or a copy that has been certified, must be delivered with the Form of Proxy. **In each case, the appointment must be received by the Company no later than 2.00 p.m. on 11 December 2014 (or, if the General Meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned General Meeting).**

6. The website address www.sharevote.co.uk is provided to enable Shareholders to register electronically their appointment of a proxy or proxies and voting instructions for the General Meeting. The Company will not accept any other document or information relating to proceedings of the General Meeting or otherwise that may be sent by electronic means to that address.

Electronic Proxy Appointment through CREST

7. CREST members who wish to appoint a proxy or proxies through the CREST Electronic Proxy Appointment service may do so by using the procedures described in the CREST Manual (available at www.euroclear.com). CREST

Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

8. In order for a proxy appointment made using CREST to be valid, the appropriate CREST message (a "***CREST Proxy Instruction***") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("***Euroclear***") specifications, and must contain the information required for such instruction, as described in the CREST Manual.

9. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 2.00 p.m. on 11 December 2014 (or if the General Meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned General Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors or voting service provider, should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s), are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

12. The return of a completed Form of Proxy, any other such instrument, or any CREST Proxy Instruction, does not preclude a Shareholder attending the General Meeting and voting in person if they wish to do so.

Appointing a corporate representative

13. A Shareholder that is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006 (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an

individual member of the Company, provided that they do not do so in relation to the same BG Group Shares. It is therefore no longer necessary to nominate a designated corporate representative.

Nominated persons

14. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "***Nominated Person***") does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by Shareholders of the Company. However, Nominated Persons may, under agreement with the Shareholder who nominated them, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting.

Total voting rights

15. As at 11 November 2014 (being the latest business day prior to publication of this Notice), the Company's issued share capital consisted of 3,620,619,471 ordinary shares, carrying one vote each, and 206,948,325 treasury shares, which do not have voting rights. Consequently, the total voting rights in the Company are 3,413,671,146.

Availability of documents and other information

16. The following documents will be available for inspection at the registered office of the Company and at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HT during normal business hours every business day from the date of this Notice until the General Meeting and will be available for inspection at the place of the General Meeting for one hour prior to and until the close of the General Meeting:

    a) copies of all Directors' service contracts and letters of appointment;

    b) copies of the Directors' deeds of indemnity entered into in connection with the indemnification of director provisions of the Company's Articles of Association;

    c) a copy of the rules of the Helge Lund BG Group Long Term Incentive Plan 2014 (which annex the rules of the BG Group Long Term Incentive Plan 2008 (as amended));

    d) a copy of Helge Lund's service contract and accompanying letter, each dated 15 October 2014, and an amendment letter dated 12 November 2014;

    e) a copy of Part II of this document (*Summary of the Principal Terms of the Conditional Share Award*) comprising the payment particulars memorandum in respect of the Conditional Share Award that is required to be made available for inspection by BG Group Shareholders in accordance with Section 226D of the Companies Act 2006. The copy of Part II of this document will also be available for inspection on the Company's website, www.bg-group.com, from 12 November 2014 until the end of the Company's annual general meeting in 2015; and

    f) a copy of the Towers Watson consent letter referred to on page iii of this document.

17. In accordance with Section 311A of the Companies Act 2006, the contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting and, if applicable, members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website at www.bg-group.com

18. **You may not use any electronic address provided either in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.**

19. **Any electronic communication, including the lodgement of an electronic Form of Proxy received by the Company, or its agents, that is found to contain any virus will not be accepted.**

Voting

20. Voting at the General Meeting will be by poll. The Chairman will invite each Shareholder, corporate representative and proxy present at the General Meeting to complete a poll card indicating how they wish to cast their votes in respect of the Resolution. In addition, the Chairman will cast the votes for which he has been appointed as proxy. Poll cards will be collected at the end of the General Meeting. Once the results have been verified by the Company's Registrar, Equiniti, they will be notified to the FCA, announced through a Regulatory Information Service and available to view on the Company's website.

Shareholders' right to ask questions

21. All members attending the General Meeting (in person or by proxy) have the right to ask questions. The Company will endeavour at the General Meeting to answer any question relating to the business being conducted. However, the Directors may choose not to answer any questions: (i) which would interfere unduly with the preparation for the General Meeting; (ii) which would involve the disclosure of confidential information; (iii) if the answer has already been given on a website in the form of an answer to a question; or (iv) if it is undesirable in the interest of the Company or the good order of the General Meeting that the question be answered.

22. If you are a member who is unable to attend the General Meeting, but have a specific question you would like to ask relating to the business being conducted at the General Meeting, you are invited to send the Chairman an email to general.meeting@bg-group.com or write to him at the registered office address.

Registration and security

23. Please bring the Admission Card, which is attached to your Form of Proxy, with you if you attend the General Meeting. If you do not have an Admission Card, your right to attend the General Meeting will be verified by the Company's Registrar, Equiniti, at the registration desk. Please allow enough time for registration ahead of the General Meeting.

24. Certain items will not be permitted in the General Meeting. This includes items of any nature with potential to cause disorder and such other items as the Chairman or designated officers of the General Meeting may specify. The use of cameras or other recording equipment in and during the General Meeting is not permitted.

Shareholder information desk

25. BG Group staff and Equiniti will be on hand to help you with any queries you may have.

Additional Shareholder support

26. The General Meeting will be held in the Windsor Suite on the ground floor. The venue is fully accessible with wheelchair access via the front entrance.

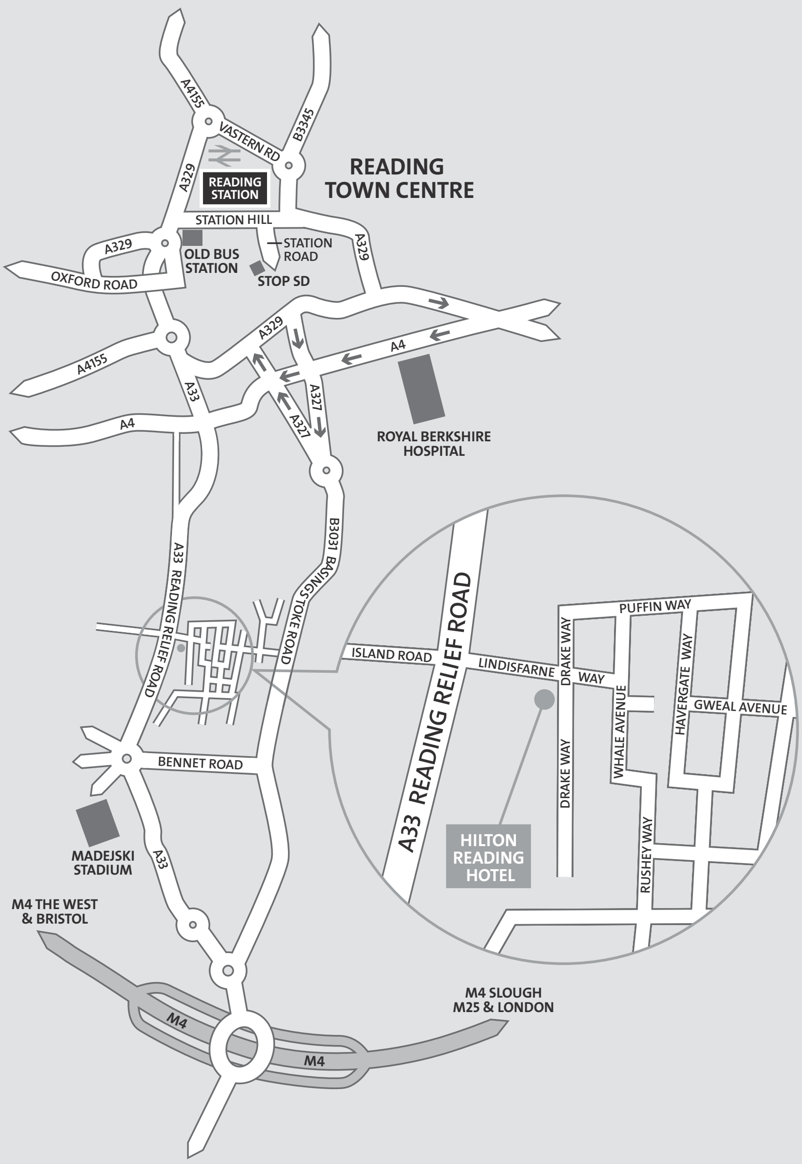
27. Anyone accompanying a Shareholder who is in a wheelchair, or otherwise in need of assistance, will be admitted to the General Meeting.

28. An induction loop will be available in the Windsor Suite for people with hearing difficulties.

DIRECTIONS TO THE GENERAL MEETING

The General Meeting will be held at the Hilton Reading Hotel, Drake Way, Reading, Berkshire RG2 0GQ on Monday, 15 December 2014 at 2.00 pm. The map shows the location of the hotel, and details of how to reach it.

HOW TO GET THERE



YOUR JOURNEY

Registration
Please allow enough time for registration ahead of the General Meeting.

By train
There will be a free bus service (Greenwave routes 50a/52a) between Reading Station and the hotel. Buses will depart from Station Road stop 'SD'.

From the main entrance at Reading Station to the Station Road stop there is a walk of approximately 150 metres which will be signposted.

Please note that buses are scheduled to run from the Station Road stop at the following times:

12.11pm	12.41pm	1.12pm	1.32pm

The journey time to the bus stop adjacent to the Hilton Reading Hotel takes approximately 13 - 15 minutes. Buses return from the Hilton Hotel to Reading Station at 24 and 54 minutes past the hour.

Alternatively, taxis are available from the rank outside the main entrance of Reading Station (journey time approximately 10 - 15 minutes).

By car
From the M4 Junction 11, take the A33 to Reading. The Hilton Hotel will be on the right-hand side of the road, after the Madejski Stadium. Turn right at the traffic lights and proceed along Lindisfarne Way to Kennet Island. Take the first right onto Drake Way, followed by a right turn for the hotel entrance and car park.

From Reading town centre, take the A33 and follow signs to the M4 (East). The Hilton Hotel will be on the left-hand side of the road, signposted Kennet Island.

Free parking is available at the hotel.

The telephone number of the hotel is 0118 916 9000.