

**18 February 2009**

**Pure recommends BG Group takeover offer**

- BG Group cash offer now A\$8.00 per share
- BG Group offer values Pure at A\$995 million
- BG Group will pay accepting Pure shareholders within 5 business days of the receipt by BG Group of their acceptance
- Unanimous recommendation by Pure's independent directors, subject to there being no superior proposal
- Pure's independent directors intend to accept the increased BG Group offer within 7 days, subject to there being no superior proposal
- Key shareholders, Tom Fontaine and Karl Meade, intend to accept the increased BG Group offer within 7 days, subject to there being no superior proposal

**Recommended offer**

The Board of Pure Energy Resources Limited (**Pure**) is pleased to announce that it is recommending BG Group's increased all-cash offer of A\$8.00 per Pure share, valuing the entire issued capital of Pure at approximately A\$995 million.

The independent directors of Pure believe the revised offer from BG Group is superior to the current offer from Arrow Energy Limited of A\$3.00 in cash and 1.57 Arrow shares for each Pure share.

BG Group's increased offer represents:

- a 168% premium to Pure's closing share price of A\$2.98 on 19 December 2008, being the last full day of trading before the Arrow offer was first announced; and
- an 11% premium to the implied value of the Arrow offer of A\$7.18<sup>1</sup> on 18 February 2009.

BG Group's revised offer, which opens on 20 February 2009, is unconditional.

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<sup>1</sup> Based on Arrow's closing share price of A\$2.66 on 18 February 2009.

### **Independent directors intentions to accept**

The independent directors, who together have an interest in approximately 12% of Pure, intend to accept the increased offer within 7 days of this announcement, subject to there being no superior proposal.

### **Key shareholders' intend to accept**

Pure has also been advised by key shareholders, Mr Tom Fontaine and Mr Karl Meade (who have an interest in approximately 5% and 3%, respectively, of Pure), that each of them intends to accept BG Group's increased offer within 7 days of this announcement, subject to there being no superior proposal.

### **Other details**

#### *Unconditional offer*

BG Group has received formal notification from the Foreign Investment Review Board that there are no objections in terms of the Federal Government's foreign investment policy to the proposal by BG Group to acquire all of the issued shares in Pure. All other conditions have been waived by BG Group. The increased BG Group offer opens on 20 February 2009 and is unconditional.

#### *Payment terms*

BG Group will pay accepting Pure shareholders within 5 business days of the receipt by BG Group of their acceptance.

#### *Funding Support*

BG Group has indicated to the directors of Pure that, immediately upon BG Group's voting power in Pure exceeding 50.1% or more of Pure, BG Group will provide funding support to Pure to enable Pure to meet commitments it will have at that time in relation to the takeover offers from BG Group and Arrow, including any break fee payable to Arrow, and any advisory, legal, accounting and other fees relating to the takeover offers.

#### *Indicative timing*

BG Group will send a Bidder's Statement to Pure shareholders as soon as possible, which will contain the revised terms of BG Group's offer. Pure will send a Target's Statement to shareholders as soon as possible thereafter.

### **Advisers**

Pure is being advised by Goldman Sachs JBWere and Freehills.

BG Group is being advised by Gresham Advisory Partners and Corrs Chambers Westgarth.

## **Shareholder enquiries**

Pure shareholders are invited to call the Pure Shareholder Information Line with any queries on 1300 550 638 (within Australia) or + 61 3 9946 4437 (from outside Australia), or to visit Pure's website at [www.pureenergyresources.com.au](http://www.pureenergyresources.com.au).

Pure shareholders are also invited to contact the BG Group Offer Information Line on 1800 135 831 (toll-free within Australia) or +61 2 8268 3679 (for callers from outside Australia).

## **About Pure**

Pure Energy Resources Ltd was established in 2004 by a group of experienced industry professionals in the Coal Seam Gas (CSG) industry to identify CSG exploration, development and production opportunities. The Company was incorporated on the 29 July 2005. Pure was listed on the Australian Stock Exchange (shares-PES, options-PESO) on 12 September 2006. For further information visit: [www.pureenergyresources.com.au](http://www.pureenergyresources.com.au)

## **About 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 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 owns 99.89% of QGC, a Queensland based company (see below). For further information visit: [www.bg-group.com](http://www.bg-group.com)

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## **Investor Relations**

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*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 BG Group plc's annual report and accounts for the year ended 31 December 2007. BG Group plc 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.*