



Press release

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**LAKE ACQUISITIONS LIMITED
(A WHOLLY-OWNED SUBSIDIARY OF EDF S.A.)
RECOMMENDED OFFERS FOR BRITISH ENERGY GROUP PLC**

Recommended Cash Offer of 774 pence for each British Energy Ordinary Share and Partial CVR Alternative of 700 pence in cash and one Nuclear Power Note for each British Energy Ordinary Share

Recommended Cash Offer of 774 pence for each British Energy Convertible Share

Introduction

The Boards of EDF and British Energy are pleased to announce that they have reached agreement on the terms of the recommended offers to be made by Lake Acquisitions Limited, a wholly-owned subsidiary of EDF S.A., for the entire issued and to be issued share capital of British Energy.

The Offers

British Energy Ordinary Shareholders who validly accept the Ordinary Offer may elect to participate in respect of their British Energy Ordinary Shares for an all cash offer (the Cash Offer) and Eligible British Energy Ordinary Shareholders may alternatively elect for the Partial CVR Alternative:

- the Cash Offer for the British Energy Ordinary Shares will be 774 pence in cash for each British Energy Ordinary Share;
- a Partial CVR Alternative will also be made available under which Eligible British Energy Ordinary Shareholders may elect to receive, subject to availability, in respect of all or part of their holding of British Energy Ordinary Shares, 700 pence in cash and one Nuclear Power Note (issued by Barclays Bank PLC) for each British Energy Ordinary Share. The Nuclear Power Notes will be issued for a cash price, to be satisfied by the issue to Barclays by Lake Acquisitions of the underlying Lake CVRs. This Partial CVR Alternative is intended to afford Eligible British Energy Ordinary Shareholders economic exposure to wholesale power prices and the output of British Energy's existing nuclear fleet, subject to minimum, maximum and cumulative constraints and in accordance with the terms and conditions of the Nuclear Power Notes;

- as part of the Partial CVR Alternative, an Additional CVR Election Facility will also be made available, which will enable Eligible British Energy Ordinary Shareholders who elect for the Partial CVR Alternative to elect to receive, subject to availability, two additional Nuclear Power Notes, in lieu of receiving cash consideration of 74 pence in respect of each additional Nuclear Power Note.

The Cash Offer for the British Energy Convertible Shares (the Convertible Offer) will also be 774 pence in cash for each British Energy Convertible Share. HM Government has the ability to direct Nuclear Liabilities Fund Limited to exercise, subject to procedural restrictions, its right to convert its financial interest existing from time to time (in the form of the NLF Cash Sweep Payment) in British Energy (currently representing approximately 35.58 per cent. of the enlarged share capital of British Energy) and require British Energy to issue British Energy Convertible Shares to NLF (the "NLF Conversion Right"). NLF (at the direction of the Secretary of State) has entered into an irrevocable undertaking with Lake Acquisitions to exercise this right and accept the Convertible Offer in respect of its entire resulting holding provided that the Offers have been or will, upon receipt of such acceptance from NLF, be declared unconditional in all respects. British Energy also has the benefit of certain provisions in this irrevocable undertaking.

Invesco Perpetual, currently British Energy's largest shareholder, has entered into an irrevocable undertaking with Lake Acquisitions to accept the Ordinary Offer in respect of its entire holding of British Energy Ordinary Shares, representing approximately 14.86 per cent. of the existing issued share capital of British Energy (9.57 per cent. of the enlarged share capital of British Energy).

Including the irrevocable undertakings also received from each of the British Energy Directors, Lake Acquisitions has therefore received irrevocable undertakings in respect of British Energy Shares representing in aggregate 45.16 per cent. of the enlarged share capital of British Energy.

The Cash Offers value British Energy at approximately £12.5 billion. The price of 774 pence per British Energy Share represents a premium of:

- 35.4 per cent. over the closing middle market price of a British Energy Ordinary Share of 571.5 pence on 14 March 2008, the business day immediately prior to 17 March 2008, the date on which British Energy issued an announcement that it was in discussions which might or might not lead to an offer for the company and prior to the payment of the dividends of 14.5 pence per British Energy Ordinary Share on 3 April 2008 and 13.6 pence per British Energy Ordinary Share on 31 July 2008;
- 8.2 per cent. to the average closing middle market price of a British Energy Ordinary Share of 715 pence for the six months prior to 24 September 2008; and
- 6.9 per cent. to the closing middle market price of a British Energy Ordinary Share of 724 pence on 23 September 2008, being the business day immediately prior to the date of this Announcement.

Recommendation

The British Energy Board, which has been so advised by Rothschild (as lead financial adviser) and by Gleacher Shacklock, considers the terms of the Cash Offers to be fair and reasonable and, subject to the factors referred to below, considers the terms of the Partial CVR Alternative to be fair and reasonable. Accordingly, the British Energy Board intends unanimously to recommend that British Energy Shareholders accept the Cash Offers (in relation to the Ordinary Offer and the Convertible Offer, as applicable) and consider, subject to the factors referred to below, electing for the Partial CVR Alternative. Rothschild has an existing relationship with EDF and, as a consequence, is a connected party to EDF. Gleacher Shacklock is therefore providing independent advice to the British Energy Board on the Offers for the purposes of Rule 3 of the Code. In providing their advice, Rothschild and Gleacher Shacklock have had regard to the British Energy Board's commercial assessments. The British Energy Directors have irrevocably agreed to accept the Ordinary Offer in respect of their entire beneficial holdings of British Energy Ordinary Shares (amounting to, in aggregate, 162,737 British Energy Ordinary Shares, representing approximately 0.02 per cent. of the existing issued share capital of British Energy).

The Partial CVR Alternative enables electing Eligible British Energy Ordinary Shareholders to realise cash for the majority of their investment in British Energy, but to retain an exposure to wholesale power prices and to the output of British Energy's existing nuclear fleet through the Nuclear Power Notes. The Partial CVR Alternative may lead to holders of British Energy Ordinary Shares who accept it receiving, in the long-term, either more or less than the Cash Offer, depending on wholesale power prices and the level of British Energy's output over the duration of the Nuclear Power Notes. British Energy Shareholders' attention is drawn to the information and risk factors about the Nuclear Power Notes contained in Appendix IV to this Announcement and to the illustrations of the potential payments that may accrue to the Nuclear Power Notes in different scenarios contained in Appendix IV. British Energy Shareholders should note that the Nuclear Power Notes will not be listed by the UKLA. It is, however, intended that they will be admitted to trading on PLUS-quoted and potentially another EEA exchange.

The British Energy Board believes that, in reaching a decision whether to elect for the Partial CVR Alternative, British Energy Ordinary Shareholders should take into account among others, the following factors:

- that any payments under the Nuclear Power Notes will be spread over the next 10 years;
- that trading in them could be illiquid or otherwise affected by factors not directly related to the electricity market or British Energy's output. This may affect the price which could be obtained on any sale during the lifetime of the Nuclear Power Notes;
- that the price and value of the Nuclear Power Notes and any payments under the Nuclear Power Notes may fluctuate significantly over their life;

- that:
 - increased output from British Energy's existing nuclear power stations; or
 - higher output resulting from station life extensions; or
 - a sustained period of wholesale power prices at levels such as have been experienced recently,

may cause the Partial CVR Alternative to pay a higher amount over time than the Cash Offer, as illustrated in Part 4 of Appendix IV; and

- that:
 - unplanned large output losses (such as British Energy has experienced in 2006/07 and 2007/08); or
 - earlier than currently anticipated closure of one or more of the power stations; or
 - a sustained period of lower than current wholesale electricity prices,

could have a significantly detrimental impact on any payout from the Nuclear Power Notes.

Further information about the Partial CVR Alternative and the Nuclear Power Notes (including risk factors in addition to those contained in Appendix IV to this Announcement) will be provided in the Offer Document and the Prospectus which will be posted/made available to British Energy Shareholders in due course.

British Energy Ordinary Shareholders who wish to accept the Ordinary Offer are strongly recommended to take their own independent advice having regard to their own particular circumstances and investment objectives before deciding whether to opt for the Cash Offer and/or the Partial CVR Alternative.

Arrangements with HM Government

HM Government's energy policy has been developed in recognition that new nuclear power stations can help the UK to meet its objectives on climate change and energy security, at a time of increasing energy demand and finite and decreasing resources. Whilst pursuing its ambition to become an active player in the nuclear revival in the UK, EDF recognises HM Government's policy of ensuring that there is more than one new nuclear operator in the UK.

As stated above, NLF (at the direction of the Secretary of State) has entered into an irrevocable undertaking with Lake Acquisitions to exercise the NLF Conversion Right and accept the Convertible Offer in respect of its entire resulting holding provided that the Offers have been or will be, upon receipt of such acceptance from NLF, declared unconditional in all respects. British Energy also has the benefit of certain provisions in this irrevocable undertaking.

EDF, the Secretary of State and the NDA have also entered into agreements, conditional on the Acquisition becoming wholly unconditional, which require EDF, in certain circumstances, to dispose of specified areas of land in the vicinity of existing nuclear sites including some

land currently owned by British Energy. EDF's objective in entering into these arrangements is to ensure that the Enlarged Group has access to sites suitable for the construction of four new EPR type nuclear reactors in the UK. The agreements should also facilitate the entry of other new nuclear power generators into the UK, which will help achieve an HM Government policy objective.

The Restructuring Agreements were originally entered into in January 2005 by British Energy with, amongst others, the Secretary of State as part of the financial restructuring plan which British Energy agreed with certain key creditors and HM Government. Under these Restructuring Agreements, in relation to the British Energy Group's existing nuclear operations and subject to certain exceptions:

- NLF (at the direction of the Secretary of State) agreed to fund, to the extent of its assets: (i) qualifying uncontracted nuclear liabilities; and (ii) qualifying costs of decommissioning in relation to the British Energy Group's existing nuclear power stations; and
- the Secretary of State agreed to fund: (i) qualifying uncontracted nuclear liabilities and qualifying costs of decommissioning to the extent that they exceed the assets of NLF; and (ii) subject to a cap, qualifying contracted liabilities for historic spent fuel of the British Energy Group.

The Secretary of State has agreed, and has directed NLF to consent, conditional on the Acquisition becoming wholly unconditional, to limited amendments to the Restructuring Agreements in connection with the Acquisition. These amendments do not impact their respective contractual funding commitments to the British Energy Group. The amendments, among other things and subject to exceptions, restrict the rights and obligations imposed by the Restructuring Agreements on British Energy and its subsidiaries and subsidiary undertakings and, accordingly, do not extend similar rights and obligations to EDF, or its subsidiaries and subsidiary undertakings.

The State Aid Deed was originally entered into on 8 October 2004, pursuant to which British Energy Limited (formerly British Energy plc) and, following completion of the Restructuring Plan, British Energy have undertaken to HM Government to comply with restrictions that substantially mirror the restrictions imposed on HM Government by the 2004 State Aid Decision together with additional reporting and compliance obligations.

Limited amendments will be made to the State Aid Deed, conditional on the Acquisition becoming wholly unconditional.

Reasons for the Offers

British Energy's management has made considerable progress since the implementation of the financial restructuring plan in 2005 and has re-established British Energy as a key contributor to the UK's generation sector. For EDF, the Acquisition represents a unique opportunity to:

- become an active player in the growth of the UK nuclear industry, in line with its aim of constructing, operating and investing in ten new EPR type nuclear power stations worldwide to be in operation by 2020, using British Energy's and EDF's combined nuclear expertise and skills to build four EPRs in the UK whilst maximising the operational life of the existing British Energy fleet where economic and safe to do so;
- reinforce its assets and employees' skills in the UK, a long-time core market, as part of its strategy to extend its position in Europe by securing additional skills and expertise; and
- expand operations in a market where building new nuclear facilities as soon as possible is a key element of HM Government's policy to secure future energy supply, by diversifying the energy generation mix, and to meet the UK's obligations on climate change.

The combination of British Energy and EDF is expected to create synergies in New Nuclear Build and generally through increased trading, retail growth opportunities and cost reductions.

EDF recognises and appreciates the importance of British Energy's employees and has given assurances to British Energy that the existing employment rights, including pension rights, of the management and employees of British Energy will be fully safeguarded upon the Offers becoming or being declared unconditional in all respects.

Discussions with Centrica

EDF and Centrica are in discussions in relation to an option for Centrica to acquire a 25 per cent. interest in Lake Acquisitions at the same implied price per share as EDF pays for British Energy, subject to certain costs to be agreed. Centrica would also be entitled to participate in EDF's New Nuclear Build activities in the UK on a 75/25 (EDF/Centrica) basis.

Any agreement would be subject to conditions precedent including completion of the Acquisition by Lake Acquisitions and merger control approval from the UK competition authorities. No agreement has yet been reached with Centrica. There is no certainty that EDF and Centrica will succeed in reaching legally binding agreements or that the conditions to the implementation of such agreements will be satisfied.

EDF's willingness to proceed with the Acquisition is in no way dependent upon reaching an agreement with Centrica; the making of the Offers is not conditional upon any such agreement being reached between EDF and Centrica and there will be no conditions to the Offers relating to any such agreement. EDF retains sole control and discretion in relation to the Acquisition, including the structure and conduct of the Offers and Centrica will exercise no control or influence over the terms or conditions of the Offers.

Indicative timetable

The Offers are on and subject to the terms and conditions set out in Appendix I to this Announcement and the further terms and conditions to be set out in the Offer Document. In particular, the Ordinary Offer will be conditional upon:

- Lake Acquisitions having acquired, agreed to acquire, or received valid acceptances in respect of not less than 75 per cent. of the voting rights relating to British Energy Shares to which the Offers relate (or such lower percentage as Lake Acquisitions may decide provided that such condition will not be satisfied unless Lake Acquisitions has acquired, agreed to acquire, or received valid acceptances in respect of more than 50 per cent. of the voting rights attaching to British Energy Shares) provided that a valid acceptance has been received from NLF in respect of its British Energy Convertible Shares;
- insofar as the Acquisition falls within the scope of the European Commission Merger Regulation (ECMR), the European Commission issuing or having been deemed to have issued a decision pursuant to Article 6(1)(b) or 6(2) of the ECMR that the Acquisition is compatible with the common market (a Phase I clearance decision) or the European Commission taking a decision to refer the whole or part of the Acquisition to the competent authorities of one or more Member States under Article 9(1) of the ECMR and the relevant authority taking a decision equivalent to a Phase I clearance decision and with respect to any part of the Acquisition retained by the European Commission, it taking a Phase I clearance decision;
- to the extent that they have jurisdiction to review the Acquisition, confirmation having been received in terms and in a form reasonably satisfactory to Lake Acquisitions that neither the Office of Fair Trading nor the Secretary of State intends to refer the Acquisition to the UK Competition Commission; and
- neither GEMA nor HSE having sought and not having indicated any intention to: (i) seek any modifications to, issue any directions or attach any conditions to, or vary or revoke any existing conditions to, any licence held by any member of the British Energy Group or EDF Energy Group, as the case may be, under the Electricity Act 1989 or Nuclear Installations Act 1965; or (ii) seek any undertakings of assurances from any member of the EDF Group, any of which would be material in context of the British Energy Group taken as a whole, or the EDF Energy Group taken as a whole or the EDF Group taken as a whole, or the Acquisition, as applicable, except on terms reasonably satisfactory to Lake Acquisitions.

Should the conditions to the Offers be satisfied, the Acquisition is expected to become effective in the last quarter of 2008 or early 2009. In the event that the European Commission instigates proceedings under Article 6(1)(c) of the ECMR or, to the extent it has jurisdiction, the Office of Fair Trading refers the Acquisition to the UK Competition Commission (Phase II investigation) and the Acquisition is subsequently:

- approved by the European Commission issuing a decision under Article 8(1) or 8(2) of the ECMR ("EC Approval"); and/or
- approved by the UK Competition Commission either in whole or in part within the stipulated time period and, to the extent that any remedies are considered

appropriate, within the requisite time for the agreement to and acceptance by the UK Competition Commission of any remedies reasonably acceptable to EDF which are required to remedy, mitigate or prevent the significant lessening of competition found by the UK Competition Commission in its decision or the making by the UK Competition Commission of any order reasonably acceptable to EDF to the same effect ("CC Approval"),

EC Approval and/or CC Approval, as the case may be, being referred to as "Phase II Approval", EDF has given a conditional undertaking to British Energy to make a new offer, subject to an agreed upward price adjustment to reflect the delay in receipt of consideration by British Energy Shareholders. Any breach of this undertaking will entitle British Energy to claim a reverse break fee from EDF, which shall be the sole remedy for any such breach.

Information on EDF and Lake Acquisitions

The EDF Group is an integrated energy company with a presence in a wide range of electricity related businesses: generation, transmission, distribution, sale and energy trading. The EDF Group is France's historic electricity operator and has a strong position in the three other main European markets (Germany, the UK and Italy), making it one of Europe's main electricity concerns as well as a recognised player in the gas industry. With worldwide installed power capacity totalling 126.7GW (124.5GW in Europe, 63GW from nuclear generation) and global generation of 610.6TWh (418.0TWh from nuclear generation) in 2007, it has the largest generating capacity of all the major European energy corporations with the lowest level of carbon dioxide emissions due to the significant proportion of nuclear and hydroelectric power in its generation mix. The EDF Group employs over 158,000 people worldwide. The EDF Group supplies gas, electricity and associated services to more than 38 million customer accounts worldwide (including more than 28 million in France and 5.5 million in the UK).

Lake Acquisitions is a wholly-owned subsidiary of EDF established for the purpose of making the Offers.

Information on British Energy

British Energy is the UK's largest electricity generator, employing over 6,000 people. The British Energy Group owns and operates eight nuclear power stations in the UK: seven of these are Advanced Gas-cooled Reactor (AGR) stations, located at Dungeness, Hartlepool, Heysham (two stations), Hinkley Point, Hunterston, Torness and the only civil Pressurised Water Reactor (PWR) station in the UK, located at Sizewell in Suffolk. British Energy also owns and operates the Eggborough coal-fired power station in Yorkshire. British Energy's total current capacity is 10.6 GW (8.7 GW from nuclear generation) with delivered output of 58.4TWh (of which 50.3TWh comprises nuclear output) for the year ended March 2008. British Energy is the lowest carbon emitter of the UK's major electricity generators.

Commenting on the Offers, Sir Adrian Montague, Chairman of British Energy said:

"Today's announcement is very important in the development of British Energy and will enable us to build on the work started at the time of the relisting of the company in January 2005.

It will also allow us to develop fully British Energy's role in New Nuclear Build, improve British Energy's financial strength and in so doing help create a secure, long term future for our business and our staff.

Together, the businesses of EDF and British Energy will have broader access to markets and a unique blend of engineering expertise, project management skills and physical assets available for the development of New Nuclear Build in the UK. In addition, this combination will be better able to prolong the contribution of our existing fleet to the energy needs of the UK.

For our shareholders, the Offers represent good value and an opportunity, if desired, to continue to participate in the performance of the existing nuclear fleet and retain exposure to UK power prices."

Commenting on the Offers, Pierre Gadonneix, Chairman and CEO of EDF said:

"We are delighted that the British Energy Board is unanimously recommending our offer to its shareholders. EDF and British Energy complement each other perfectly and this is an exciting announcement for us both. For EDF, this is an historic milestone in our strategic development plans in Europe and enables the EDF Group to develop significantly in the UK, one of its key markets. For British Energy, it places it at the vanguard of New Nuclear Build in the UK and at the centre of the global nuclear renaissance.

There is a great fit between our two companies. Combining the people, knowledge, skills, experience and assets of EDF and British Energy will set the standard for the delivery of safe, economic, low carbon generation both in Britain and around the world. We look forward to welcoming British Energy's management and employees into the Enlarged Group.

For UK business and retail customers, this paves the way for huge investment in secure, economic energy supplies. This investment will help secure affordable energy for our customers for the long term. It is a responsible step towards addressing their concerns about wholesale energy prices and dwindling world fossil fuel supplies.

In the UK, the EDF Energy Group is committed to reducing the carbon intensity of its generation by 60 per cent. by 2020 by investing in a diverse energy mix including nuclear and renewables. Together with British Energy, we will build on that commitment through helping customers save energy, cut carbon emissions and safeguard the needs of the planet."



Merrill Lynch is acting as financial adviser and corporate broker to EDF and Lake Acquisitions. BNP Paribas is also acting as financial adviser to EDF and Lake Acquisitions.

Rothschild is acting as lead financial adviser to British Energy. Gleacher Shacklock is acting as independent financial adviser to British Energy for the purposes of Rule 3 of the Code. JPMorgan Cazenove and Citi are acting as joint corporate brokers to British Energy and are also providing financial advice to British Energy.

This summary should be read in conjunction with the full text of the following Announcement. The conditions and certain further terms of the Offers are set out in Appendix I to this Announcement. Appendix II contains further details of the contracts entered into in connection with the Acquisition. Appendix III contains details of irrevocable undertakings received in connection with the Acquisition. Appendix IV contains a summary of the principal terms and conditions, risk factors and other information about the Nuclear Power Notes. Appendix V contains the sources and basis of calculations in this Announcement and Appendix VI contains the definitions of certain terms used in this Announcement.

A press conference will take place at 9.00 a.m. (Paris time) at the Pavillon d'Armenonville, Allée de Longchamp, 75116 Paris.

An analysts conference will take place at 10:45 a.m. (Paris time) at the same address and will be available by webcast at: <http://investisseurs.edf.com/the-edf-group/edf-investors-117002.html>.

There will be a photocall and press conference at 2.30 p.m. (London time) today at the Millennium Hotel, 44 Grosvenor Square, London W1K 2HP.

British Energy will be hosting an investor and analyst call at 7.45 a.m. (London time) which can be accessed by dialling +44 (0)20 8609 3822 (local and international).

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This Announcement is an advertisement and not a prospectus and investors should not subscribe for or purchase Nuclear Power Notes, as referred to in this Announcement, except on the basis of information in the Prospectus expected to be published by Barclays on or before 5 November 2008 (consent to such delayed posting having been obtained from the Panel) or such later date as the Panel may permit. A further announcement will be made at the time of publication. Copies of the Prospectus will, following publication, be available free of charge from the registered offices of (i) Barclays at 1 Churchill Place, London E14 5HP (ii) Merrill Lynch at 2 King Edward Street, London EC1A 1HQ. It is not intended that an offer will be made for Lake CVRs in any circumstances which will be issued by Lake Acquisitions only to Barclays in connection with the Partial CVR Alternative.

This Announcement does not constitute, or form any part of, any offer for, or solicitation of any offer for, securities. Any acceptance or other response to the Offers should be made on the basis of the information contained in the Offer Document and the Forms of Acceptance and, in connection with the Partial CVR Alternative where available, the Prospectus.

Merrill Lynch is acting for EDF and Lake Acquisitions and no one else in connection with the Offers and will not be responsible to anyone other than EDF or Lake Acquisitions for providing the protections afforded to clients of Merrill Lynch or for providing advice in relation to the Offers.

BNP Paribas, which is regulated in the United Kingdom by the Financial Services Authority, is acting for EDF and Lake Acquisitions and no one else in connection with the Offers and will not be responsible to anyone other than EDF or Lake Acquisitions for providing the protections afforded to clients of BNP Paribas or for providing advice in relation to the Offers.

Rothschild, which is regulated in the United Kingdom by the Financial Services Authority, is acting for British Energy and no one else in connection with the Offers and will not be responsible to anyone other than British Energy for providing the protections afforded to clients of Rothschild or for providing advice in relation to the Offers.

Gleacher Shacklock, which is regulated in the United Kingdom by the Financial Services Authority, is acting for British Energy and no one else in connection with the Offers and will not be responsible to anyone other than British Energy for providing the protections afforded to clients of Gleacher Shacklock or for providing advice in relation to the Offers.

JPMorgan Cazenove, which is regulated in the United Kingdom by the Financial Services Authority, is acting for British Energy and no one else in connection with the Offers and will not be responsible to anyone other than British Energy for providing the protections afforded to clients of JPMorgan Cazenove or for providing advice in relation to the Offers.

Citi, which is regulated in the United Kingdom by the Financial Services Authority, is acting for British Energy and no one else in connection with the Offers and will not be responsible to anyone other than British Energy for providing the protections afforded to clients of Citi or for providing advice in relation to the Offers.

Goldman Sachs International, which is regulated in the United Kingdom by the Financial Services Authority, is acting for Centrica and no one else in connection with discussions with EDF and will not be responsible to anyone other than Centrica for providing the protections afforded to clients of Goldman Sachs International or for providing advice in relation to these discussions.

This document does not constitute an offer in the United States. Subject to certain limited exceptions solely with respect to the Cash Offer (in compliance with applicable US federal securities laws and the securities laws of any state or territory or other jurisdiction of the United States), the Offers will not be made directly or indirectly, in or into, or by the use of the mails of, or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, the United States or to or for the account or benefit of US Persons, and acceptances from US Persons will not be accepted (other than, in respect of the Cash Offer only, from persons who are both QIBs and QPs). Accordingly, unless Lake Acquisitions, in accordance with applicable US federal securities laws and the securities laws of any state or territory or other jurisdiction of the United States, determines otherwise, copies of this document, and any related offering documents are not being mailed or otherwise distributed or sent in or into the United States or to US Persons (including to British Energy Ordinary Shareholders or Warranholders or Optionholders with registered addresses in the United States). Persons receiving such documents (including without limitation, custodians, nominees and trustees) must not distribute or send them in, into or from the United States or to US Persons and so doing may invalidate any purported acceptance of the Offers.

The issuer of the Nuclear Power Notes and the issuer of the Lake CVRs have not been and will not be registered under the US Investment Company Act. In addition, the Nuclear Power Notes and the Lake CVRs that may be issued pursuant to the Acquisition have not been and will not be registered under the US Securities Act or under the relevant securities laws of any state or territory or other jurisdiction of the United States. Accordingly, the Nuclear Power Notes and the Lake CVRs may not and will not be offered or sold in the United States or to or for the account or benefit of US Persons.

Barclays is acting for Lake Acquisitions and no one else in connection with the issue of the Nuclear Power Notes and will not be responsible to anyone other than Lake Acquisitions for providing the regulatory protections afforded to clients of Barclays or for providing advice in relation to the issue of the Nuclear Power Notes or any other advice. Barclays is regulated in the United Kingdom by the Financial Services Authority.

The Offers will not be made, directly or indirectly, in or into Australia, Canada or Japan, or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. This document does not constitute an offer in Australia, Canada or Japan and the Offers will not be capable of acceptance from or within Australia, Canada or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. Accordingly, except as required by applicable law, copies of this Announcement are not being, and may not be, mailed, forwarded or otherwise distributed or sent in, into or from, Australia, Canada or Japan, including to British Energy Ordinary Shareholders or Warranholders or Optionholders with registered addresses in Australia, Canada or Japan or

to persons whom Lake Acquisitions knows to be nominees holding British Energy Shares for such persons. Persons receiving this Announcement (including without limitation nominees, trustees or custodians) must not forward, distribute or send it into Australia, Canada or Japan, or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction.

Unless Lake Acquisitions otherwise determines, the relevant clearances and registrations have not been, nor will they be, sought or obtained, nor have any steps been taken, nor will any steps be taken, to enable the Nuclear Power Notes to be publicly offered in compliance with applicable securities laws in any jurisdiction outside the EEA or in any EEA Excluded Jurisdiction. Accordingly, the Nuclear Power Notes may not be offered, sold, resold, transferred, or delivered, directly or indirectly, in, into or from, any jurisdiction outside the EEA, any EEA Excluded Jurisdiction or any other jurisdiction if to do so would violate the laws of that jurisdiction or would require registration thereof in such jurisdiction.

It is currently intended to seek admission of the Nuclear Power Notes to trading on the PLUS-quoted market of PLUS Markets. However, the possibility of listing the Nuclear Power Notes on a regulated market (either instead of, or in addition to, the admission to trading on PLUS-quoted) is being considered. However, the Partial CVR Alternative will not be conditional upon any admission to listing or trading being achieved and therefore in certain circumstances the Nuclear Power Notes may be unlisted. PLUS-quoted is a self-regulated market designed primarily for securities issued by emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. Securities admitted to PLUS-quoted are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such securities and should make the decision to invest only after due and careful consideration and, if appropriate, consultation with an independent financial adviser.

To the extent permitted by applicable law, in accordance with the Code and normal UK market practice and pursuant to class exemptive relief granted by the Staff of the Division of Market Regulation of the US Securities and Exchange Commission from Rule 14e-5 of the US Exchange Act, Lake Acquisitions and its affiliates or their nominees or brokers (acting as agents) may from time to time during the period in which the Ordinary Offer remains open for acceptance make certain purchases of, or arrangements to purchase, British Energy Shares otherwise than under the Offer, such as in open market or privately negotiated purchases. Such purchases, or arrangements to purchase, will comply with all applicable UK rules, including the Code and the rules of the London Stock Exchange. In addition, in accordance with the Code, normal UK market practice and Rule 14e-5 of the US Exchange Act, Merrill Lynch and BNP Paribas will continue to act as exempt principal traders in British Energy Shares on the London Stock Exchange. Information regarding such activities which is required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Rule 8 Notice

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of British Energy, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 p.m. (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Offers become, or are declared, unconditional as to acceptances, lapse or are otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of British Energy, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of British Energy by British Energy, or by any of its respective "associates", must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

Forward-looking statements

This Announcement contains certain forward-looking statements, including statements regarding EDF's plans, objectives and expected performance. Such statements relate to events and depend on circumstances that will occur in the future and are subject to risks, uncertainties and assumptions. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements, including, among others, the failure to satisfy any condition to the Offers; the enactment of legislation or regulation that may impose costs or restrict activities; the re-negotiation of contracts or licences; fluctuations in demand and pricing in the energy industry; fluctuations in exchange controls; changes in government policy and taxations; industrial disputes; war and terrorism. These forward-looking statements speak only as at the date of this Announcement.