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22 December 2008

Recommended Offers

by

Lake Acquisitions Limited

(a wholly-owned subsidiary of EDF)

to acquire

British Energy Group plc

Acquisition Update

Lake Acquisitions Limited ("**Lake Acquisitions**") notes today's announcement by the European Commission of its decision to approve, subject to conditions, the acquisition by Lake Acquisitions of British Energy Group plc ("**British Energy**").

On 5 November 2008, Lake Acquisitions made the recommended Offers to acquire the entire issued, and to be issued, share capital of British Energy Group plc other than the Special Share and the British Energy Ordinary Shares already held by Lake Acquisitions (the "**Acquisition**").

On 3 November 2008, EDF notified the European Commission of the Acquisition under the EC Merger Regulation.

On 2 December 2008, EDF announced that it had offered certain commitments to the European Commission as part of the European Commission's review of the Acquisition under the EC Merger Regulation.

Today, 22 December 2008, the European Commission has announced its decision to approve the Acquisition, subject to EDF providing certain agreed commitments. Specifically, EDF has committed to the following which are to be implemented over the next few years: to divest British Energy's coal fired power station at Eggborough; to divest EDF Energy plc's gas fired power station at Sutton Bridge; to sell in GB amounts of electricity ranging from 5 to 10 TWh per year, during the period from 2012 to 2015; and to give up one of the combined group's three grid connection agreements at Hinkley Point. EDF has also committed to divest, without conditions, one site potentially suitable for the construction and operation of new electricity production facilities situated adjacent to existing British Energy stations at either Heysham or Dungeness, at the option of the purchaser.



The Acquisition remains subject to a number of conditions, including, as previously set out in the offer document dated 5 November 2008 (the "**Offer Document**"):

- Lake Acquisitions having received a valid acceptance from NLF in respect of its British Energy Convertible Shares. As previously announced, Lake Acquisitions has received an irrevocable undertaking from NLF (at the direction of the Secretary of State) to exercise the NLF Conversion Right and accept the Convertible Offer in respect of its entire resulting holding of British Energy Convertible Shares, representing approximately 35.54 per cent. of the enlarged share capital of British Energy. However, this undertaking is conditional upon the Offers having been declared, or becoming as a result of the exercise of the NLF Conversion Right and acceptance of the Convertible Offer, unconditional in all respects and, accordingly, remains outstanding; and
- neither GEMA nor HSE, in connection with the Acquisition, 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 the EDF Energy Group, as the case may be, under the Electricity Act 1989 or Nuclear Installations Act 1965; or (ii) seek any undertakings or assurances from any member of the EDF Group, any of which would be material in the context of the British Energy Group taken as a whole, or the EDF Energy Group taken as a whole, or the Acquisition, as applicable, except on terms reasonably satisfactory to Lake Acquisitions.

If these conditions are satisfied, or where applicable waived, the Acquisition is expected to become effective in early January 2009.

Acceptance Procedure

Holders of British Energy Shares in certificated form who are eligible to do so can accept the Offers in respect of such shares by completing and returning a Form of Acceptance in accordance with the procedure set out in paragraph 19(a) of the letter from Lake Acquisitions in the Offer Document as soon as possible to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA and, in any event, so as to be received by 1.00 p.m. (London time) on 5 January 2009.

Holders of British Energy Shares in certificated form, but under different designations, should complete a separate Form of Acceptance for each designation.

Holders of British Energy Shares in uncertificated form (that is, in CREST) who are eligible to do so can accept the Offers in respect of such shares by TTE Instruction in accordance with the procedure set out in paragraph 19(b) of the letter from Lake Acquisitions as soon as possible and, in any event, so that the TTE Instruction settles no later than 1.00 p.m. (London time) on 5 January 2009. If those shares are held under different member account IDs, a separate TTE Instruction should be sent for each member account ID. Holders that are CREST sponsored members should refer to their CREST sponsor before taking any action. Only a CREST sponsor will be able to send the TTE Instructions to Euroclear in relation to such Holders' British Energy Shares.

Further details of the acceptance procedure can be found in the Offer Document. Copies of the Offer Document can be obtained from (i) Lake Acquisitions' registered office at 40 Grosvenor Place, Victoria, London SW1X 7EN; and (ii) in electronic form on the EDF Group's website at <http://investisseurs.edf.com>.



Additional copies of the Forms of Acceptance can be obtained from Equiniti who can be contacted from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 384 2911* (from within the UK) and +44 121 415 0142 (from outside the UK). *Calls from within the UK are charged at 8 pence per minute from a BT landline. Other providers' costs may vary. Alternatively, you may contact Equiniti in writing at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Enquiries

EDF

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Further Information

Unless otherwise defined in this announcement, capitalised words and phrases used in this announcement have the same meanings given to them in the Offer Document.

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.

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 for providing the regulatory protections afforded to clients of Barclays to anyone other than Lake Acquisitions 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.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States and any securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") and any securities mentioned herein may not be offered or sold in the United States absent registration or an exemption from registration with the US Securities and Exchange Commission. 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 are not being, and 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 announcement, the Offer Document, the Prospectus and any related offering documents are not being mailed or otherwise distributed or sent in or into the United States or to, or for the account or benefit of, 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, or for the account or benefit of, US Persons and so doing may invalidate any purported acceptance of the Offers.

The Offers are not being made, and will not be made, directly or indirectly, in or into Australia, Canada, Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. None of this announcement, Offer Document, any Form of Acceptance, or the Prospectus constitutes an offer in Australia, Canada, Japan or any other jurisdiction where such offer would constitute a violation of the relevant laws of such jurisdiction, and the Offers will not be capable of acceptance from or within Australia, Canada, 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, the Offer Document, any Form of Acceptance and the Prospectus are not being, and may not be, mailed, forwarded or otherwise distributed or sent in, into or from, Australia, Canada, Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction, including to British Energy Ordinary Shareholders or Warranholders or Optionholders with registered addresses in the aforementioned jurisdictions or to persons whom Lake Acquisitions knows to be nominees holding British Energy Shares for such persons. Persons receiving the Offer Document, any Form of Acceptance or the Prospectus (including without limitation nominees, trustees or custodians) must not forward, distribute or send them into Australia, Canada, Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction.

All British Energy Shareholders (including, without limitation, nominees, trustees or custodians) who would, or otherwise intend to or who may have a contractual or legal obligation to, forward the Offer Document or any Form of Acceptance or the Prospectus to any jurisdiction outside the United Kingdom, should read the details in this regard which are contained in paragraph 19 of the letter from Lake Acquisitions and in paragraph 6 of Part B of Appendix I and paragraph (c) of Part C and paragraph (c) of Part D of Appendix I of the Offer Document before taking any action.

The Nuclear Power Notes are highly complex instruments and are only suitable for sophisticated investors. The Nuclear Power Notes will not be offered directly or indirectly in or into any jurisdiction outside the EEA or in any EEA Excluded Jurisdiction and any purported acceptance of the Partial CVR Alternative by any person resident in any such jurisdiction may be deemed invalid. For further information on overseas shareholders, see paragraph 6 of Part B of Appendix I and paragraph (c) of Part C and paragraph (c) of Part D of Appendix I of the Offer Document.

This is an advertisement and not a prospectus and Eligible British Energy Ordinary Shareholders should not subscribe for or purchase the Nuclear Power Notes, either pursuant to the Partial CVR Alternative referred to in this announcement or otherwise, except on the basis of information in the Prospectus published by Barclays Bank PLC on 5 November 2008 in connection with the Offers. Copies of the Prospectus are available to Eligible British Energy Ordinary Shareholders from (i) Lake Acquisitions' registered office at 40 Grosvenor Place, Victoria, London SW1X 7EN; (ii) Barclays Bank PLC's registered office at 1 Churchill



Place, London E14 5HP; and (iii) Computershare's specified office at PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and (iv) in electronic form on EDF Group's website at <http://investisseurs.edf.com>.

The Nuclear Power Notes and the Lake CVRs will not be offered or sold in the United States or to, or for the account or benefit of, US Persons, or to residents of Australia, Canada, Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. The Nuclear Power Notes and the Lake CVRs have not been and will not be registered under the US Securities Act or the securities laws of any state or territory or other jurisdiction of the United States and may not be offered, sold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, US Persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the US Securities Act and any applicable US state securities laws. 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 of 1940 (as amended). Accordingly, the Nuclear Power Notes and the Lake CVRs are only being offered and sold outside the United States to non-US Persons in offshore transactions that meet the requirements of Regulation S under the Securities Act and may not and will not be offered or sold in the United States or to, or for the account or benefit of, US Persons. Any Eligible British Energy Ordinary Shareholder who validly elects for the Partial CVR Alternative, and any Noteholder, prior to acquiring Lake CVRs from Barclays or its agents in the event of an early redemption of the Nuclear Power Notes, will be required to represent and agree that it is not a US Person, and (i) it is not accepting or acquiring Nuclear Power Notes or Lake CVRs (as the case may be) for the account or benefit of a US Person, and (ii) any account located in the United States for whose benefit it is accepting or acquiring Nuclear Power Notes or Lake CVRs (as the case may be) is both a QP and a non-natural person. Following an early redemption of the Nuclear Power Notes any Noteholder who cannot validly make such representation will receive a cash amount calculated by reference to the net realised sale proceeds (if any) of the Lake CVRs.