



Press release

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Recommended offers by Lake Acquisitions Limited

(a wholly-owned subsidiary of EDF)

To acquire

British Energy Group plc

Offers wholly unconditional

Further to its announcement of 2 January 2009, Lake Acquisitions Limited ("**Lake Acquisitions**") is pleased to announce that it has received NLF's acceptance in respect of its entire holding of 571,204,734 British Energy Convertible Shares (representing approximately 35.54 per cent. of the current issued share capital of British Energy Group plc ("**British Energy**")).

Accordingly, Lake Acquisitions is pleased to announce that the Offers have become unconditional in all respects and that the Acquisition has become Effective.

As set out in the offer document dated 5 November 2008 (the "**Offer Document**"), now that the Offers have become unconditional in all respects, Lake Acquisitions intends to procure that British Energy applies to the UK Listing Authority for the cancellation of listing of British Energy Ordinary Shares on the Official List and to the Main Market of the London Stock Exchange for the cancellation of admission to trading of British Energy Ordinary Shares on its main market for listed securities.

The cancellation of listing and admission to trading of British Energy Ordinary Shares will significantly reduce the liquidity and marketability of any British Energy Ordinary Shares not assented to the Offers.

Such cancellation of listing and admission to trading will take effect no earlier than 2 February 2009, being the date 20 business days from today, 5 January 2009.

As set out in paragraph 20 of the letter from Lake Acquisitions in the Offer Document, settlement of cash consideration and, save as follows, the issue of Nuclear Power Notes will be effected by 19 January 2009 in respect of valid acceptances received as at 1.00 p.m.

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(London time) today, 5 January 2009. Settlement in respect of acceptances received after 1.00 p.m. (London time) on 5 January 2009 will be effected, save as follows, within 14 days of the receipt of such acceptances. In either case, as set out in paragraph 3 of the letter from Lake Acquisitions in the Offer Document, for those Eligible British Energy Ordinary Shareholders validly electing for the Additional CVR Election Facility, the settlement of Nuclear Power Notes issued in lieu of their entitlement to receive 148 pence of cash consideration per British Energy Ordinary Share under the Basic CVR Alternative will be deferred until the Second CVR Settlement Date.

Warrants

In accordance with the terms and conditions applicable to the warrants issued by British Energy pursuant to a warrant instrument dated 13 January 2005 (the "**Warrants**"), British Energy has today posted notices to Warranholders, informing them that they may exercise their rights to subscribe for British Energy Ordinary Shares for a period of 30 days until 5 February 2009 ("**Subscription Rights**"). The last day on which Warranholders may exercise their Subscription Rights is 5 February 2009.

If at the end of the 30-day period there are any Warrants in respect of which the Subscription Rights have not been exercised, British Energy will appoint a trustee who is expected at that date to accept (on Warranholders' behalf) an offer which Lake Acquisitions has undertaken to make in respect of the unexercised Warrants.

Levels of Acceptances

As at 1.00 p.m. (London time) on 5 January 2009, Lake Acquisitions had received acceptances of the Ordinary Offer and the Convertible Offer in respect of 571,204,734 British Energy Convertible Shares referred to above as the subject of the NLF Irrevocable, and 704,609,014 British Energy Ordinary Shares, together representing 79.38 per cent. of the current issued share capital of British Energy. This total includes:

- acceptances received in respect of 77,983 British Energy Ordinary Shares (representing approximately 0.00 per cent. of the current issued share capital of British Energy) which were subject to irrevocable undertakings received from British Energy Directors;
- acceptances received in respect of 197,757,056 British Energy Ordinary Shares (representing approximately 12.30 per cent. of the current issued share capital of British Energy) which were subject to an irrevocable undertaking received from INVESCO Asset Management Limited; and
- an acceptance received in respect of 571,204,734 British Energy Convertible Shares issued earlier today (representing approximately 35.54 per cent. of the current issued share capital of British Energy) which were subject to an irrevocable undertaking received from NLF (at the direction of the Secretary of State).

87,370 British Energy Ordinary Shares (representing approximately 0.01 per cent. of the current issued share capital of British Energy) remain subject to irrevocable undertakings received from the British Energy Directors, which are expected to be issued to the relevant British Energy Director upon the exercise of options under the British Energy Share Schemes, which will occur only now that the Offers have been declared unconditional in all respects.

As previously disclosed, Lake Acquisitions already holds a further 274,288,774 British Energy Ordinary Shares representing approximately 17.07 per cent. of the current issued share capital of British Energy.

Accordingly, as at 1.00 p.m. (London time) on 5 January 2009, Lake Acquisitions owned or had received valid acceptances of the Ordinary Offer and the Convertible Offer in respect of a total of 1,550,102,522 British Energy Shares, representing in aggregate approximately 96.44 per cent. of the current issued share capital of British Energy.

The issued share capital of British Energy as at 1.00 p.m. (London time) on 5 January 2009 is 1,607,259,633.

As at 1.00 p.m. (London time) on 5 December 2008, Lake Acquisitions had received valid elections for the Basic CVR Alternative in respect of 207,657,505 British Energy Ordinary Shares and no withdrawals of such acceptances had been received prior to 1.00 p.m. (London time) on 5 January 2009.

As set out in the Offer Document, to the extent that valid elections for Nuclear Power Notes pursuant to the Basic CVR Alternative and the number of Nuclear Power Notes required to be reserved to satisfy any Eligible British Energy Shareholder who may validly elect for Nuclear Power Notes under the Compulsory Acquisition Procedure (if applicable) together exceed the Maximum Nuclear Power Note Number (being, in summary, the lower of 520,157,401 and such number as represents 32.28 per cent. of the number of British Energy Shares acquired or agreed to be acquired or in respect of which valid acceptances have been received, and not withdrawn, howsoever acquired) at the First CVR Calculation Date, being 15 January 2009, the entitlement of Eligible British Energy Ordinary Shareholders validly electing for the Basic CVR Alternative will be scaled back as nearly as reasonably practicable pro rata to the number of British energy Ordinary Shares in respect of which they have so elected. On the basis of the acceptances received as at 1:00 p.m. (London time) 5 January 2009, the Maximum Nuclear Power Note Number will not be exceeded on the First CVR Calculation Date, being 15 January 2009, and there will be no scaling back.

Extension of Offer Period

The Board of Lake Acquisitions further announces that, with the exception of the Partial CVR Alternative which was closed at 1.00 p.m. (London time) on 5 December 2008, the Ordinary Offer is being extended and will remain open until further notice. At least 30 days' notice will be given before the Ordinary Offer is closed.



As stated above, the last day on which Warrantholders may exercise their Subscription Rights is 5 February 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.

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. 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.

Interests in Relevant Securities

At the close of business on 2 January 2009 (being the latest practicable date prior to this announcement), the following persons acting in concert with Lake Acquisitions were interested in and/or had a right to subscribe in respect of securities in British Energy:

Party	Number of British Energy Ordinary Shares
BNP Paribas	15,405,624
Goldman Sachs International	14,990

Save as disclosed, neither Lake Acquisitions nor any person acting in concert with it, so far as Lake Acquisitions is aware, is interested in or has a right to subscribe for securities in British Energy.

Enquiries

EDF

PRESS ENQUIRIES

Marie-Sylvie de Longuerue

François Molho

Carole Trivi

Tel: +33 1 40 42 46 37

+33 1 40 42 73 97

+33 1 40 42 25 90

+33 1 40 42 44 19

INVESTOR/ANALYSTS ENQUIRIES

David Newhouse

Stéphanie Roger-Selwan

+33 1 40 42 32 45

+33 1 40 42 18 48

Further Information

Unless otherwise defined in this announcement, capitalised words and phrases used herein 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.