

CONFORMED COPY

International Swaps and Derivatives Association, Inc.
One New Change
London EC4M 9QQ

16 September 1998

Dear Sirs

Arthur W Burgess

Treasurer

100 Thames Valley Park Drive
Reading
Berkshire RG6 1PT

Telephone 0118 929 3801

Facsimile 0118 929 3830

EMU Protocol - Adherence

The purpose of this letter is to confirm our adherence to the ISDA EMU Protocol as published by the International Swaps and Derivatives Association, Inc. on 6 May 1998 (the "Protocol"). This letter constitutes an Adherence Letter as referred to in the Protocol.

The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter, which supplements and forms part of each ISDA Master Agreement between us and each other Adhering Party.

1. Specified Terms

Annex 1	ISDA EMU Continuity Provision	Applicable
Annex 2	Price Sources	Applicable
Annex 3	Payment Netting	Applicable
Annex 4	EMU Definitions	Applicable
Annex 5	Bond Options	Applicable

2. Appointment as Agent and Release

We hereby appoint ISDA as our agent for the limited purposes of the Protocol and accordingly we waive, and hereby release ISDA from, any rights, claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by ISDA.

3. Payment

We enclose payment of U.S.\$500, or represent that we have previously made payment of that amount to you, in respect of our adherence to the Protocol.

BG plc includes
Transco (in the UK) and
British Gas International

"
BG plc
Registered in England No. 2006000
Registered Office
100 Thames Valley Park Drive
Reading, Berkshire RG6 1PT

4. Contact Details

Our contact details for the purposes of this Adherence Letter are:

Name: BG plc

Address: 100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

For the attention of Andrew Kluth

Telephone: 0118 929 3807

Fax: 0118 929 3849

We consent to the publication of the conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully

BG plc

By: ARTHUR BURGESS

Name: Arthur Burgess

Title: Treasurer