

30 October 2009



GBP 340 million long term non-recourse project financing facilities

CENTRICA BOREAS

The first major offshore wind project financing in the UK

Dexia Crédit Local, London Branch (“**Dexia**”) as part of a syndicate of 14 banks has signed with Centrica, the parent company of British Gas, the first major project financing of offshore wind assets in the UK. The landmark transaction was structured as a refinancing of a 220MW portfolio of Centrica’s operational offshore wind farms. The portfolio - known as Boreas – comprises the Lynn (97MW) and Inner Dowsing (97MW) offshore wind farms as well as the Glens of Foudland (26MW) onshore wind farm. The offshore assets include 54 Siemens 3.6MW wind turbines that are located approximately 8 kilometers off the coast of Lincolnshire. The turbines are currently generating enough clean electricity for around 175,000 homes in Britain.

The refinancing of the Boreas wind farms will enable Centrica to recycle its capital thereby allowing it to develop future offshore wind farms around the UK. Dexia played a key role in the transaction as the Technical Bank within a 14 strong bank club, which included BBVA, Bank of Tokyo-Mitsubishi, BNP Paribas Fortis, Bayern LB, Bank of Ireland, Calyon, HSBC (documentation and model bank), KfW IPEX Bank London Branch, Lloyds TSB (account bank and facility agent), NIBC, National Australia Bank, Rabobank (insurance bank) and Santander (power market bank).

Centrica selected Dexia for the Technical Bank role on this transaction on account of its unrivalled offshore wind experience following Dexia’s successful project financings of Q7 (120MW Netherlands), C-Power (30MW Belgium), Belwind (165MW Belgium) and North Hoyle (60MW UK, which forms part of the larger Zephyr onshore wind portfolio).

Through its wholly owned subsidiary British Gas Trading Limited, Centrica has entered into a 15-year Power Purchase Agreement (PPA) to purchase all the electricity generated by the three wind farms. Additionally, under UK's renewable energy support arrangements, the Boreas offshore wind farms attract 1.5 Renewable Obligation Certificates (ROCs) for every megawatt hour (MWh) electricity produced, following the UK Government's decision to band ROCs to enhance the level of support provided for offshore wind schemes. Apart from helping to address the impact of climate change and improve Britain's energy security, the Boreas wind farms will also help the UK Government to meet its national and European Union renewable energy generation targets.

The deal represents an innovative transaction that will undoubtedly serve as the benchmark for future offshore wind project financings in the UK, which has one of the greatest offshore wind energy potentials of any country in Europe.

Dexia and the other mandated lead arranger banks were advised by Linklaters LLP (legal), SgurrEnergy (technical), Poÿry (power market) and Jardine Lloyd Thompson Limited (insurance), thus ensuring a comprehensive project finance due diligence process. Centrica was advised by Slaughter & May LLP (legal), Credit Suisse and Bank of Tokyo-Mitsubishi (financial) and PWC (tax & accounting).

Centrica plc (www.centrica.com)

Centrica plc is an integrated energy company which was created from the demerger of British Gas plc in February 1997. It is a top 30 FTSE Company with growing energy businesses in the UK and North America.

The Company secures and supplies gas and electricity for millions of homes and businesses and offers a distinctive range of home and business energy solutions and low-carbon products and services.

For the year ended 31 December 2008, Centrica plc had GBP 21.3 billion total revenues and GBP 1.9 billion operating profit.

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Dexia (www.dexia.com)

Dexia is a European bank, with about 35,500 members of staff and a core shareholders' equity of EUR 18.0 billion as of June 30, 2009. Dexia Group focuses on Public and Wholesale Banking, providing local public finance actors with comprehensive banking and financial solutions, and on Retail and Commercial Banking in Europe (mainly Belgium, Luxembourg and Turkey). Main activities encompass retail, commercial and private banking, but also insurance, asset management and investor services activities.

Dexia offers a wide range of innovative products amongst them project finance and public-private partnerships with major local players in the fields of public transport, the environment and energy.

Dexia's loan portfolio in the wind power sector includes more than 70 transactions in 15 countries, for a total commitment of more than EUR 1,400 M, with Dexia acting as Mandated Arranger in over half of these.

Dexia arranged the first ever non recourse financing for an offshore wind farm in late 2006.

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