

**PRESS RELEASE**

**9.00 am Thursday 13 June 2013**

## **CUADRILLA WELCOMES CENTRICA AS NEW INVESTMENT PARTNER IN LANCASHIRE**

Centrica plc has today become a 25 per cent investment partner in the Cuadrilla Resources operated Lancashire Bowland shale gas exploration licence area. The ownership of the joint venture before the transaction was 75per cent Cuadrilla and 25 per cent A J Lucas.

Francis Egan, Cuadrilla's CEO, said:

"Today's announcement represents a significant step in our on-going exploration programme for natural gas within the Lancashire Bowland Basin. Centrica, Cuadrilla and A J Lucas recognise the exciting gas potential that lies within the shale rock in Lancashire.

"Natural gas from UK shale can create thousands of jobs, generate significant tax revenues, reduce our ever increasing reliance on imported coal and gas and make a positive contribution to the country's balance of payments.

"Centrica will bring to the Cuadrilla operated joint venture deep experience of all aspects of natural gas exploration, extraction and transportation and share the commitment of Cuadrilla and A J Lucas to explore for and develop this resource in a safe and environmentally responsible manner."

Mark Hanafin, Managing Director of Centrica's International Upstream business, said:

"With North Sea gas reserves declining and the UK becoming more dependent on imported gas supplies, it is important that we look for opportunities to develop domestic gas resources, to provide affordable sources of gas to our customers, and to deliver broader economic benefits to the UK.

“This transaction presents an attractive opportunity for Centrica to explore the potential and commercial viability of natural gas from shale in the UK, while utilising its expertise as a responsible operator and developer of UK gas resources.”

Cuadrilla will keep the local community, politicians and the media informed of future developments.

Centrica has paid £40 million in cash and committed to fund £60 million of expenditure on the Bowland joint venture from the transaction, effective date of 1 January 2013. A further contingent payment of £60m will be paid by Centrica subject to certain operational milestones having been reached.

Today’s news will not affect Cuadrilla’s other business operations in the UK and overseas.

## Ends

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## Note for editors.

The ownership of the Joint Venture before and after the transaction is summarised below:

Owner	Ownership before transaction	Ownership after transaction
	%	%
Cuadrilla*	75.0	56.25
A J Lucas	25.0	18.75
Centrica	<u>Nil</u>	<u>25.00</u>
	100.0	100.0
	=====	=====

\* Joint Venture Operator

Jefferies International Ltd acted as financial adviser to Cuadrilla and Allen and Overy LLP acted as legal advisers.

For more information, please visit [www.cuadrillaresources.com](http://www.cuadrillaresources.com)



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