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Receipt of Immediate Financial Support 09/09/2002

British Energy ("BE") announces that it has today entered into a facility agreement with the UK Government for up to £410 million to provide working capital for BE's immediate requirements and to allow BE to stabilise its trading position in the UK and North America. These arrangements provide collateral, where appropriate, for BE's trading counterparties and will allow BE to continue to trade in the electricity markets in which it operates.

This agreement matures on 27th September 2002. It is expected that discussions regarding longer term restructuring will commence shortly. The Board has reasonable grounds for believing that these discussions will be successful but there can be no certainty that this will preserve value for investors. The Board anticipates that if these discussions are not successful, the company may be unable to meet its financial obligations as they fall due and therefore the company may have to take appropriate insolvency proceedings.

The facility agreement is cross-guaranteed by the principal group entities (excluding Eggborough Power (Holdings) Limited, Eggborough Power Limited and the AmerGen interests) and contains a requirement to provide security as required by the Government and where the provision of such security would not cause a material default under any contract.

British Energy has a common interest with the Government in maintaining safety and security of electricity supply.

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