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THIS AGREEMENT is made on 7 September 2005

BETWEEN

- 4055254
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- (1) **Centrica Gamma Holdings Limited** whose registered office is at Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD (the *Vendor*); and
 - (2) **Centrica Finance (Canada) Limited** whose registered office is at Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD (the *Purchaser*)

WHEREAS the Vendor has agreed to sell the Shares (as defined below) to the Purchaser for the consideration and upon the terms set out in this Agreement

IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS

1.1 Words and expressions used in this Agreement shall have the following meanings:

Company means Centrica Generation Limited, registered number 5006144;

Completion means completion of the sale and purchase hereunder in accordance with clause 3;

Consideration Shares means 147,669,750 ordinary shares issued at par of C\$1 each in the capital of the Purchaser; and

Shares means the entire issued share capital of the Company, being two fully paid shares of £1 par value each.

1.2 The headings in this Agreement shall not affect its interpretation.

2. AGREEMENT TO SELL AND PRICE

2.1 The Vendor hereby agrees to sell and transfer with full title guarantee, and the Purchaser hereby agrees to purchase, the Shares.

2.2 In consideration for the sale and transfer by the Vendor of the Shares, the Purchaser hereby agrees to issue to the Vendor the Consideration Shares credited as fully paid up.

3. COMPLETION

3.1 The sale and purchase of the Shares shall be completed immediately after this Agreement is signed, when the events detailed in the remainder of this clause 3 shall take place.

3.2 On Completion, the Vendor shall cause to be delivered or made available to the Purchaser a signed stock transfer form in relation to the Shares, together with such other documents as the Purchaser may reasonably require to complete the sale and purchase of the Shares.

3.3 On Completion, the Purchaser shall procure that all necessary meetings are held to issue the Consideration Shares to the Vendor and shall deliver a share certificate and such other documents as the Vendor may reasonably require in relation to the Consideration Shares.

3.4 If and to the extent that any documents are not available at Completion, the parties shall arrange for appropriate documents to be prepared and completed as soon as practicable after Completion.

3.5 Beneficial ownership and risk in respect of the Shares shall pass to the Purchaser on Completion.

4. ENTIRE AGREEMENT

4.1 This Agreement sets out the entire agreement and understanding between the parties in respect of the sale and purchase of the Shares.

4.2 Neither party has entered into this Agreement in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Agreement.

4.3 A party may claim in contract for breach of warranty under this Agreement but shall have no claim or remedy under this Agreement in respect of misrepresentation (whether negligent or otherwise, and whether made prior to, and/or in, this Agreement) or untrue statement made by the other party.

4.4 Nothing in this clause 4 shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

5. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which is an original but all of which together constitute one and the same instrument.

6. FURTHER ASSURANCE

Each party agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as the other party may reasonably require, whether on or after Completion, to implement and/or give effect to this Agreement and the transaction contemplated by it.

7. SEVERABILITY

If any provision of this Agreement is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. The parties shall then use all reasonable endeavours to replace the invalid or unenforceable provision by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

8. VARIATION

No variation of this Agreement (or of any of the documents referred to in this Agreement) shall be valid unless it is in writing and signed by or on behalf of each of the parties to it. The expression "variation" shall include any variation, supplement, deletion or replacement however effected.

9. NO RIGHTS UNDER CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

10. GOVERNING LAW

This Agreement and the relationship between the parties shall be governed by, and interpreted in accordance with, English law.

AS WITNESS this Agreement has been signed by or on behalf of the parties the day and year first before written

SIGNED by C. LORUFFE)
for and on behalf of **Centrica Gamma Holdings Limited**)
in the presence of:)

Philip Davies
CHARTERED SECRETARY

C. LORUFFE

SIGNED by JACK CLARK)
for and on behalf of **Centrica Finance (Canada) Limited**)
in the presence of:)

Philip Davies
CHARTERED SECRETARY

JACK CLARK