

THE COMPANIES ACT 1985

As amended

Public Company Limited by Shares

SPECIAL RESOLUTIONS OF BRITISH ENERGY plc

Passed 21 July 1998



At the Annual General Meeting of British Energy plc duly convened and held on Tuesday 21 July 1998 the following were duly passed as **SPECIAL RESOLUTIONS**:

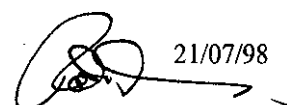
Special Resolutions

THAT the Company be unconditionally and generally authorised to make market purchases (as defined by the Companies Act 1985 Section 163(3)) of ordinary shares of £1.00 each in its capital subject as follows:

- (i) The maximum number of shares which may be so acquired is no more than 10% of the issued ordinary share capital of the Company.
- (ii) The minimum price which may be so paid is £1.00 per share.
- (iii) The maximum price which may be so paid for each share shall not exceed 5% over the average of the middle market price of the ordinary shares according to the Daily Official List of The London Stock Exchange for the 10 business days immediately preceding the date on which the Company agrees to buy the shares concerned.
- (iv) The authority shall continue in force until the conclusion of the next annual general meeting of the Company but will terminate on 20 October 1999 if the next annual general meeting has not been held by that date.
- (v) The Company may agree before the authority terminates under (iv) above to purchase ordinary shares where the purchase will or may be executed after the authority terminates (either wholly or in part). The Company may complete such a purchase even though the authority has terminated.

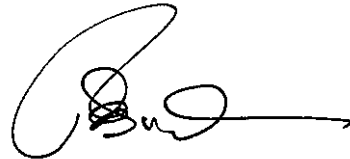
THAT the Directors be and are hereby authorised:

- (i) pursuant to Article 7 of the Company's Articles of Association and in accordance with Section 80 of the Companies Act 1985 (the "Act") to allot relevant securities (as defined in the said Section 80) ("relevant securities") of the Company up to an aggregate nominal value of £155,000,000; and
- (ii) in exercise of such authority, and in accordance with Section 95 of the Act and Article 8 of the Company's Articles of Association, to allot for cash equity securities (as defined in Section 94(2) of the Act) ("equity securities") of the Company as if Section 89(1) of the said Act did not apply to any such allotment, provided that such power is limited:

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- (a) to the allotment of securities in connection with a rights issue in favour of the holders of ordinary shares where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held or deemed to be held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise; and
- (b) to the allotment (other than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £36,000,000

and shall expire on the date of the next Annual General Meeting of the Company after the passing of this resolution, save that the company may before such expiry make an offer or agreement which would or might require relevant or equity securities (as the case may be) to be allotted after such expiry and the Directors may allot such securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.



Robert M Armour
Company Secretary