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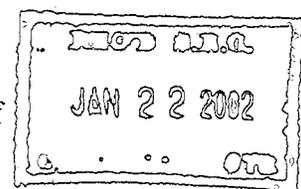
RE 1-1-02

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934



For the month of January

BG Group plc
100 Thames Valley Park Drive
Reading RG6 1PT
ENGLAND
(Address of principal executive offices)

PROCESSED
JAN 29 2002
THOMSON
FINANCIAL

The registrant files annual reports under cover of Form 20-F. By furnishing the information contained in this Form the registrant is not also furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BG Group plc

By:
Mark Edwards
Deputy Company Secretary

Date: 17 January 2002



BG Group

**ANNOUNCEMENT
MADE TO
STOCK EXCHANGE**



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January 17, 2002

NEW APPRAISAL BOOSTS RESERVES FOR BUZZARD

BG Group announced today that, following two additional appraisal wells, the estimated recoverable reserves on the Buzzard oil discovery have significantly increased from 200-300 million barrels to in excess of 400 million barrels.

The Buzzard oil discovery lies in the PanCanadian operated licence P986, 100 kilometres northeast of Aberdeen, in the UK North Sea. The 20/6-4 appraisal well is located 2.1 kilometres north of the original discovery well, drilled in the summer of 2001, and encountered a similar pay section as the discovery well. Following a test program that is currently underway, the well will be sidetracked to obtain further information on the quality and extent of the reservoir.

BG Executive Vice-President Jon Wormley said:

“This new data is extremely encouraging and provides a further indication that Buzzard represents one of the largest discoveries in the UK North Sea for some 10 years. The intensive appraisal programme continues with an anticipated three further wells and, where appropriate, associated sidetracks during 2002.”

The Buzzard 19/10-1 appraisal well and sidetrack well was also drilled, 2.9 kilometres west of the original discovery well, successfully delineating the western limit of the southern portion of the Buzzard accumulation.

Notes to Editors

The original "Buzzard" discovery well was drilled in 320 feet of water. During testing, the well flowed at 6,547 barrels per day of light oil and 0.97 million cubic feet per day of natural gas on a 36/64th-inch choke. These rates were constrained by the limits of the testing equipment.

BG Group holds a 19.99% interest in the licence. Other interest-holders are PanCanadian, the operator, (45.01%), Intrepid Energy North Sea Ltd (30%) and Edinburgh Oil and Gas (5%).

BG Group is a significant holder of hydrocarbon reserves on the UK Continental Shelf, where it operates the Blake, Armada and Easington Catchment Area fields. The company is also involved in gas and oil developments in some 20 countries worldwide.

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