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FAX MESSAGE



To: Office of International Corporation Finance, SEC

Date: 03003177

At: 001 202 942 96 24

Ref: Stock Exchange Announcement

From: Secretariat

No. of pages (incl. this one): 3

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SUPPL

Please find following a Stock Exchange Announcement recently released.

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Secretariat

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3 January 2003

Centrica reduces its interest in Income Fund

Centrica plc confirmed today that, following its announcement of 9 December, the underwriting syndicate of the Consumers' Waterheater Income Fund, on 31 December 2002, exercised its over-allotment option in full to purchase 3.75 million additional units. As a result, Enbridge Services Inc has reduced its retained interest in the Fund from 49.5% to 41.9% and received net proceeds of C\$35.5 million (£14 million), in addition to the net proceeds of C\$709 (£289m), previously announced.

Enquiries:

Centrica Investor Relations: 01753 494900
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Notes to investors and editors:

1. At close of business on 31 December 2002, Centrica's 41.9% stake was valued at C\$218 million (£86 million).

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3 January, 2003

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Dear Sir / Madam

Centrica plc**Centrica reduces its interest in Income Fund**

The enclosed document is to be furnished to the Securities and Exchange Commission (the "SEC") on behalf of Centrica plc (the "Company") pursuant to the exemption from the Securities Exchange Act 1934 (the "Act") afforded by Rule 12g 3-2 (b) thereunder.

This information is being furnished under paragraph (1) of Rule 12g 3-2 (b) with the understanding that such information and documents will not be deemed to be "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Act and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Company is subject to the Act.

Yours faithfully



For and on behalf of
Centrica plc