

March 24, 2010

**Signing of Heads of Agreement for the
Bi-lateral Negotiation of Equity Investment in Sengkang Project
and Liquefied Natural Gas (LNG) Purchase**

Tokyo Gas, Co., Ltd.

Tokyo Gas, Co., Ltd. (President: Mitsunori Torihara; "Tokyo Gas" hereinafter) is pleased to announce the signing of Heads of Agreement with Energy World Corporation Limited (Chairman & CEO: Stewart Elliott, "EWC" hereinafter) as below, today.

<Outline of the agreement>

Tokyo Gas and EWC agreed to exclusively negotiate on Tokyo Gas participation in the Sengkang Project which EWC is currently conducting in Indonesia and on the purchase of liquefied natural gas ("LNG" hereinafter) produced by the project.

Tokyo Gas will consult with EWC of;

1. Equity Investment

Its acquiring 25% of the shares in each of four companies: a gas field development company, an electric power company on Island Sulawesi, an LNG production company, all of which are wholly-owned subsidiary of EWC that are already in operation, and an LNG sales company to be established in the future.

2. LNG contract volume

Its purchasing 500,000 tons/ year (in or after 2012)

<Objective>

The project's LNG production plant will consist of a series of small-scale liquefaction facility which is suitable for small-scale gas fields. Tokyo Gas will be able to secure diversified LNG sources and improve the supply security as well as enhance its LNG value chain around the world.

In the mid-term management plan announced in January 2009, Tokyo Gas planned to invest 150 billion yen in the overseas and upstream business and this investment is included in the amount. Details, including the investment amount, are currently under negotiation and are not decided yet.

<Outlook of project>

Tokyo Gas will continue the discussion with EWC to conclude both the contract for equity investment of the project and the LNG sales and purchase contract.

(Reference)

<Profile of Sengkang Project>

Location: Southern part of Island Sulawesi, Indonesia

Generation capacity: Currently 195,000 kW, 315,000 kW after expansion (scheduled for completion in 2011)

LNG production capacity: 2 million tons/year (500,000 tons/year x 4 trains)

Outline: The project, which is operated by EWC, has four components: gas field development in the south of Island Sulawesi, Indonesia, electric power generation on Island Sulawesi, LNG production and LNG sales.

Since 1997, the project has utilized the explored natural gas to fuel Indonesia's first private-sector natural gas-based electric power generation business. It is expected to expand natural gas fired electric power generation, produce new LNG and sell LNG to Japan and other Asian countries, primarily in Indonesia.

<Corporate overview of EWC>

Company Name	EWC (Energy World Corporation)
Address	9A, Seaforth Crescent Seaforth, NSE 2092, Australia
Chairman and CEO	Mr. Stewart Elliott
Main Businesses	<ul style="list-style-type: none">• EWC is a listed company in Australia and New Zealand stock exchanges.• It conducts gas exploration, production and gas-fired power generation business mainly in Indonesia and Australia.• It has a track record of operating small scale onshore LNG plant with a capacity of 10,000tons/annum for 18 years since 1989.