

July 1, 2003

## **Planning Company Formed for Power-Generation Projects**

Tokyo Gas Co., Ltd. (President: Norio Ichino)  
Showa Shell Sekiyu K.K. (President: John S. Mills)  
Shell Gas & Power Japan Ltd. (President: Peter Robinson)

Tokyo Gas Co., Ltd. ("Tokyo Gas"), Showa Shell Sekiyu K.K. ("Showa Shell"), and Shell Gas & Power Japan Ltd. have reached agreement to jointly form a planning company to evaluate a natural gas power generation project. The proposed plant, which would use natural gas supplied from Tokyo Gas' Ohgishima Terminal, would be located at the Ohgishima-Nishi oil storage depot owned by Showa Shell and managed under contract by Toa Oil Co., Ltd. The planning company's findings will be used to decide details of the eventual project.

### **1. Outline of planning company**

Company name: K.K Ohgishima Power  
President: (To be appointed by Tokyo Gas)  
Establishment: August 1, 2003 (Scheduled date)  
Initial capital: 150 million yen  
Shareholders: Tokyo Gas: 51%  
Shell Gas BV: 24.5%  
Showa Shell Sekiyu: 24.5%  
Head office: Shinjuku-ku, Tokyo, Japan  
Outline of planning activities:  
Perform environmental assessment for power plant construction  
Examine technology for power plant construction  
Assess viability of power-generation operations

### **2. Objectives of project planning**

Deregulation of the electric power industry is proceeding, and protecting the environment is becoming more and more important. There will also be an increasing demand for energy saving resulting from greater efficiency in energy utilization. The Shell Group, which has interests in LNG production divisions, owns an ideal site for power generation adjacent to the Tokyo Gas Ohgishima terminal on Tokyo Bay, and has expertise in IPP generation and other forms of power generation. Tokyo Gas has expertise in gas procurement / supply and electric power retailing operations. Combining the two companies' strengths has brought about this project to generate electricity economically using the clean energy of natural gas. The project is just one of the ways that the two plan to collaborate in providing an efficient and reliable energy supply.

### 3. Outline of power-generation project to be planned

Generation method: Gas turbine combined cycle

Generating capacity: 400,000 kW x 3

Fuel: Natural gas

Location: 2-1, 2-5 Ohgishima, Tsurumi-ku, Yokohama, Japan

Operation start: The plant is scheduled to start operating in 2009.

