

Conclusion of a shipbuilding contract
for an LNG carrier (No. 4) managed by Tokyo Gas

- Tokyo LNG Tanker and Mitsui O.S.K. Lines conclude a shipbuilding contract with Kawasaki Shipbuilding

Tokyo Gas Co., Ltd.
Tokyo LNG Tanker Co., Ltd.

Tokyo LNG Tanker Co., Ltd. (Mr. Kazumasa Hidai, President), a wholly-owned subsidiary of Tokyo Gas Co., Ltd. (Mr. Norio Ichino, President) recently decided to construct an LNG tanker to be managed by itself and owned jointly with Mitsui O.S.K. Lines, Ltd. (Mr. Akimitsu Ashida, President). Tokyo LNG Tanker and Mitsui O.S.K. Lines are to hold respective interests of 70 and 30 percent. To this end, it concluded a shipbuilding contract with Kawasaki Shipbuilding Co., Ltd. (Mr. Shuichi Tadokoro, President).

The tanker will be of the same type as those already operating under the company's own management, i.e., the Energy Frontier and the Energy Advance, as well as the third tanker that is slated for construction by Kawasaki Shipbuilding has been assigned the construction number 1540*. It will have a load capacity of 145,000 cubic meters and four Moss-type spherical tanks, and is scheduled to be commissioned in late March of 2008. It will assure compatibility with numerous terminals around the world. Like the other LNG tankers under the company's management, upon its commissioning, it is to be used for the transportation of LNG in connection with various projects. Besides the expanded Australia project and Malaysia I and III projects, these include the Darwin project and the Sakhalin II project (scheduled to commence in 2006 and 2007, respectively).

* Wholly owned by Mitsui O.S.K. Lines, to be regularly chartered for a period of 20 years beginning in 2006.

The actual management of the tanker is to be performed by Mitsui O.S.K. Lines in accordance with the 20-year charter contract.

The agreement will give the Tokyo Gas Group a total of four LNG tankers in addition to two jointly-owned tankers for specific projects. By independently operating and managing them, we intend to develop short-term, spot, and other new types of LNG

purchasing transactions to join the transport based on long-term contracts, and thereby to further lower our LNG import costs while making our purchasing even more flexible. We are also considering an expansion of business in LNG transport to third parties, as permitted by the future trend of the LNG market.

Reference 1: Outline of Tokyo LNG Tanker Co., Ltd.

- 1) Firm Name: Tokyo LNG Tanker Co., Ltd.
- 2) Date of establishment: 5 March 1991
- 3) Head office: 1-5-20 Kaigan, Minato Ward, Tokyo, Japan
- 4) President: Mr. Kazumasa Hidai
- 5) Business: Ship ownership and leasing, marine transport of LNG and LPG, and study of maritime affairs
- 6) Capital: JPY 1,200,000,000

Reference 2: LNG tankers owned and managed by Tokyo LNG Tanker

	Name	Capacity (m ³)	type	Completion (planned)	Tokyo LNG Tanker interest(ownership share)	Subject LNG projects
Self-managed tankers	Energy Frontier	145,000	Moss	Sep.2003	100%	Extended Australia, Malaysia 1 & 3, Darwin, Sakhalin II, and others
	Energy Advance	145,000	Moss	Mar.2005	90%	
	Kawasaki Shipbuilding vessel 1540 ^{**}	145,000	Moss	(Dec.2006)	0%	
	New tanker ^{**}	145,000	Moss	(Mar.2008)	70%	
Project-specific tankers	LNG Flora	125,000	Moss	Mar.1993	10%	Indonesia Badak IV
	LNG Vesta	125,000	Moss	Jun.1994	35%	Indonesia Badak IV

^{**}The name has not yet been decided.