

18 October 2007

**Signing Heads of Agreement Regarding Acquisition of Interest in the Cazadores  
Blocks in the Northwest Offshore, Western Australia**

Corporate Communications Department  
Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. (President: Mitsunori Torihara) today announced a decision to participate in the Cazadores blocks wholly owned by Woodside Energy Ltd. (CEO and Managing Director: Don Voelte), and the successful signing of Heads of Agreement for Tokyo Gas to acquire a five percent interest in the WA-347-P permit (\*) that forms part of Cazadores blocks. Cazadores blocks are located 390 km off the coast of Karratha in the northwestern part of Western Australia, 200 km northwest of the Pluto gas field where scheduled to commence its gas production in fiscal 2010. This is the first time for a Japanese utility company to firm-in a permit with no proven reserves.

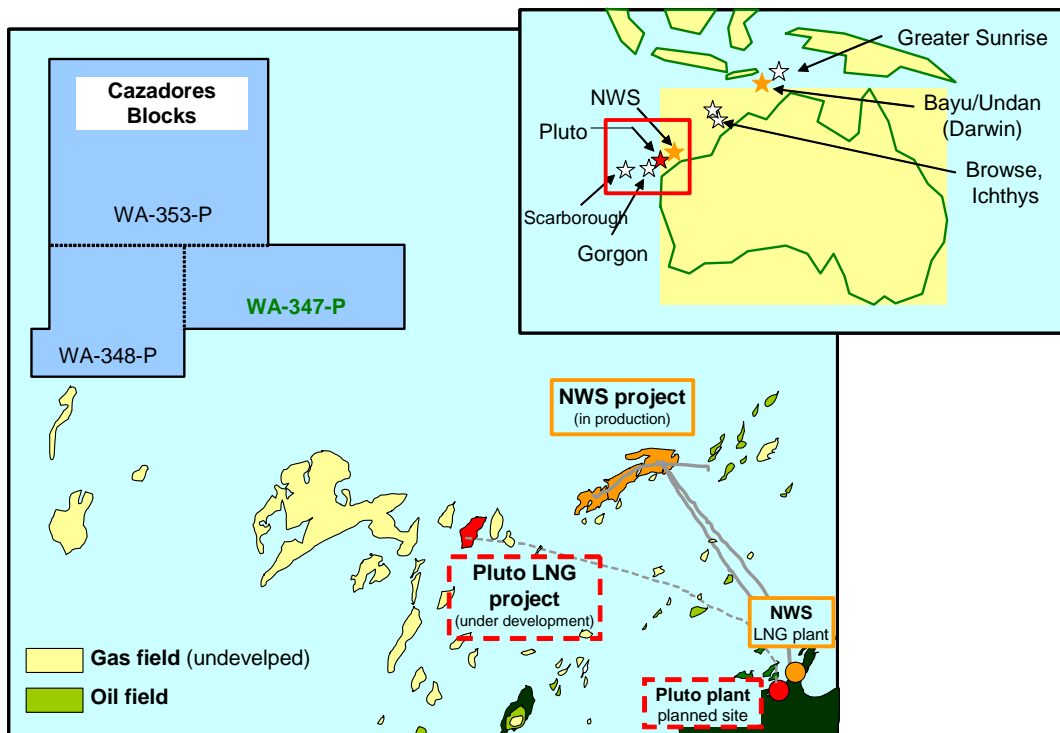
Many oil and gas fields have been discovered or developed off the coast of Western Australia. It is expected to have gas reserves in the Cazadores blocks from seismic survey results. As the operator, Woodside will soon commence drilling activities.

Tokyo Gas and Woodside have maintained a favorable long-term relationship since 1989 through liquefied natural gas (LNG) transactions from the North West Shelf Projects, in which Woodside serves as the operator. Furthermore, in August 2007, Tokyo Gas signed the Sale and Purchase Agreements with Woodside for upstream equity and LNG from the Pluto LNG Project. In the context of this successful relationship, Tokyo Gas made the decision to acquire the interest in Cazadores blocks from Woodside.

If a certain amount of gas reserves is discovered in the Cazadores blocks, it is likely to be tied-in to the Pluto Project. This situation will expand our profit growth by ensuring access to long-term stable LNG sources while enhancing investment efficiency.

Tokyo Gas continues to increase its presence in the LNG value chain by participating in upstream businesses as well as expanding LNG transport business. The acquisition of the interest in the Cazadores blocks will enhance our presence in the LNG value chain.

\*1. Rights to implement exploration and production activities in a certain area defined by the government



#### Additional information

##### 1. Outline of the Pluto permit (WA-350-P) containing the Pluto gas field and of the Pluto LNG Project

- Location: 190 km off the coast of Karratha in the northwestern part of the State of Western Australia, Australia
- Reserves: about 5 trillion cubic feet of natural gas
- Supply volume: 4.3 million tons/year
- Supply commencement: second half of FY2010

##### 2. Profile of Woodside

- Name: Woodside Energy Ltd
- Establishment: 1953
- Address: Woodside Plaza, 240 St. George's Terrace, Perth, Western Australia
- Representative: Don Voelte, CEO and Managing Director
- Business: Development and production of oil and natural gas resources, and operation of related projects

Woodside is a major Australian firm engaged in the exploration and production of oil and gas resources, mainly in Australia, the United States, and Africa. It is also a key energy exporter to Asia. It operates the North West Shelf LNG Projects, supplying LNG to Japan, and owns one-sixth of the project interest.