

September 10, 2009

Conclusion of an LNG sales and purchase agreement and an equity acquisition agreement in the Gorgon LNG Project

Tokyo Gas Company, Ltd.

Today, Tokyo Gas Co., Ltd. (hereinafter referred to as "Tokyo Gas"; Mr. Mitsunori Torihara, President) concluded an agreement for sales and purchase of liquefied natural gas (LNG) from the Gorgon LNG Project, which is being promoted in Western Australia by the three companies Chevron, ExxonMobil, and Shell (hereinafter referred to as the "three companies") and an agreement with Chevron for the equity acquisition for participation in the Project. In October 2005, Tokyo Gas concluded a basic agreement with Chevron for LNG purchase premised on its participation in the Project. Since then, it has engaged in detailed discussions concerning the purchase and its participation in the Project. In July 2009, Tokyo Gas made the formal decision to participate in the Project.

In this connection, it established the wholly-owned subsidiary Tokyo Gas Gorgon Pty. Ltd. in Australia and continued discussions aimed at conclusion of an agreement for the equity acquisition in the Project. At the same time, it discussed the proposition of purchasing LNG. These discussions culminated in the conclusion of both agreements today.

The three companies intend to make a final investment decision in the Project before the end of 2009. The agreements concluded today will formally go into effect once approval for development and other matters is received from the Australian government subsequent to this decision.

Tapping the huge deposits of gas in fields such as Gorgon and Jansz/lo off the northwestern coast of Western Australia, the Project principals plan to produce 15 million tons of LNG per year. LNG production is expected to begin in fiscal 2014.

Toward the continued spread and expansion of utilization of natural gas with its excellent environmental features, Tokyo Gas is going to press on with its efforts to further build up its LNG value chain business through measures such as participation in upstream projects, which helps to assure a stable supply of competitive LNG into the long term, and expansion of its LNG transport operations.

Outline of LNG purchase

- Sellers: the following two Australian subsidiaries of Chevron
 - Chevron Australia Pty. Ltd.
 - Chevron (TAPL) Australia Pty. Ltd.
- Buyer: Tokyo Gas Co., Ltd.
- Agreement term: 25 years (with option for a five-year extension)
- Agreement quantity: 1.1 million tons/year
- Transfer terms: FOB for the entire quantity

Outline of participation in the Gorgon LNG Project

* Through Tokyo Gas Gorgon Pty. Ltd., its newly established wholly-owned Australian subsidiary, Tokyo Gas will acquire one percent of the interests** in the concession including the Gorgon and Jansz/lo gas fields and the rights associated with the Project operations of gas liquefaction, storage, shipment, sales, etc.

** The right to conduct mining and production activities in the specific area (concession) determined by the government.

* Tokyo Gas will shoulder the burden of plant construction and other components of the total project cost in correspondence with its interest, and acquire rights to take LNG.

Overview of the subsidiary

The name of the company: Tokyo Gas Gorgon Pty Ltd. (100% subsidiary of Tokyo Gas)

Registration: Perth, Western Australia

President: Takahiko Miyairi

Establishment: July 30, 2009

Capital: 2 million AUD

Gorgon Project Overview

Gas Fields : Western Australia Northeast Offshore

LNG Plant site : Barrow Island

JV Participants : Chevron 50%*(Operator), ExxonMobil 25%, Shell 25%

*:Tokyo Gas will acquire 1% from Chevron

LNG Supply : 15 million tons per year

Targeted Final Investment Decision : Second half 2009

Start Up : First gas is expected to be available in FY2014

