

April 2, 2015

Delivery of Liquefied Natural Gas (LNG) from Queensland Curtis LNG project

First delivery to Japan of long-term contract LNG from unconventional natural gas sources -

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. (President: Michiaki Hirose; hereinafter “Tokyo Gas”) today received a shipment of liquefied natural gas (hereinafter “LNG”) produced by the Queensland Curtis LNG project operated in Queensland, Australia by the BG Group plc (Chief Executive Officer: Helge Lund; hereinafter “BG”) at the Tokyo Gas Sodegaura LNG Terminal in Sodegaura City, Chiba Prefecture. This is the first delivery to Japan of LNG derived from unconventional natural gas sources under a long-term supply contract.

The Queensland Curtis LNG project is a project to liquefy coal seam gas (hereinafter “CSG”), an unconventional natural gas found in coal seams centered on Queensland’s Surat Basin, on Curtis Island and deliver it as LNG. Tokyo Gas concluded a LNG sale and purchase agreement and an agreement regarding participation with BG in March 2011.

Today’s delivery of approximately 70,000 tons of LNG is enough to meet the annual city gas consumption needs of some 220,000 average households.

This is the third delivery of LNG from projects in which Tokyo Gas has secured participation rights, following on the Darwin LNG project and the Pluto LNG project. With this delivery, Tokyo Gas now receives LNG from 11 projects in five countries.

The procurement of natural gas from the Queensland Curtis project using unconventional natural gas enables Tokyo Gas to achieve its long-term goal of diversifying its natural gas procurement. While continuing to balance supply stability, price, and flexibility, Tokyo Gas will continue to work proactively for the further diversification and expansion of its procurement sources and overseas upstream projects spelled out in the company’s “Challenge 2020 Vision.”



(Reference information)

Overview of the Queensland Curtis LNG Project (QCLNG)

Gas field: CSG mine area centered on the Surat Basin in the state of Queensland, Australia

Total gross resources: approximately 22 trillion cubic feet (Tcf) (about 620 billion cubic meters)

Liquefaction capacity: 8.5 million tons/year (two 4.25 million tons/year liquefaction trains)

Shipping terminal: Curtis Island, Gladstone

Outline of agreement regarding sale and purchase of LNG

Seller: BG Group plc

Buyer: Tokyo Gas Co., Ltd.

Contract term: 20 years from 2015

Contract volume: 1.2 million tons/year

Delivery format: Ex-ship

Outline of agreement regarding participation

Seller: BG Group plc

Buyer: Tokyo Gas QCLNG Pty Ltd (Australian 100% subsidiary of Tokyo Gas)

Acquired interests: 1.25% interest in the gas field,

2.5% interest in Liquefaction Train 2

What is unconventional natural gas?

Unconventional gas is a generic term for natural gas that has heretofore been technologically and economically difficult to develop. It indicates shale gas, tight-sand gas, CSG and other natural gas, and when broadly defined also includes methane hydrates.

What is CSG?

Coal seam gas (“CSG”) is natural gas absorbed in the fine fractures, or cleat, in coal seams. It has been under full-scale development in Australia since the 2000s,

and presently accounts for approximately 12% of that country's domestic natural gas consumption by volume.

Source: 2014 Gas Market Report (Bureau of Resources and Energy Economics (BREE), November 2014.)

Profile of BG

Corporate name: BG Group plc

Address: 100 Thames Valley Park Drive, Reading, Berkshire, United Kingdom

Chief Executive Officer: Helge Lund

BG is engaged in the exploration, development, transportation, delivery and supply of natural gas and oil, and in power generation. It is involved in LNG development in Egypt, Trinidad and Tobago, and other countries. The company's LNG transaction volume totals approximately 11 million tons per year. BG has a record of supplying LNG to Japan, including spot sales.

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