

ENGIE and Tokyo Gas to establish renewables joint venture company in Mexico

Tokyo Gas Co., Ltd. (“Tokyo Gas”) is pleased to announce its intention to invest, with ENGIE, in Heolios EnTG, a 50/50 joint venture company to develop and operate renewable energy projects in Mexico. Tokyo Gas, through its US subsidiary, Tokyo Gas Renewable 1 LLC, will acquire 50% share of the joint venture company established by ENGIE.

1. Background

Mexico is endowed with extraordinary solar and wind resources. Aware of this potential, the Mexican government issued an energy law in 2015, transitioning the country to a low-carbon growth model targeting 35% share of clean energy sources by 2024. Through Heolios EnTG, Tokyo Gas and ENGIE will develop renewable energy and contribute to the country’s clean energy ambitions.

2. Tokyo Gas Renewable 1 LLC

(1)	Corporate name	Tokyo Gas Renewables 1 LLC	
(2)	Address	Delaware, USA	
(3)	President	Jun Tabei	
(4)	Main business	Investment and management of renewable energy project	
(5)	Capital	Over 20 billion JPY	
(6)	Established	August 31, 2018	
(7)	Shareholder	Tokyo Gas America Ltd. 100%	
(8)	Relationship with Tokyo Gas	Capital	Tokyo Gas 100%
		Human Resources	Employee of Tokyo Gas is appointed to the director.
		Transaction	N/A

3. Joint venture (after Tokyo Gas participation)

(1)	Corporate name	Heolios EnTG S.A.P.I. de C.V.	
(2)	Address	Mexico City, Mexico	
(3)	Representatives (planned)	Kentaro Horisaka	
		Yuji Hosokawa	
		Hiroyasu Yamanouchi	
		Fernando Tovar	
		Ernesto Javier Parra Bertolotto	
(4)	Main business	Adolfo Cervantes Laing	
		Investment and management of renewable energy projects	
(5)	Capital	To be confirmed	
(6)	Expected date for capital investment	May or June 2019	
(7)	Shareholder	ENGIE 50%	
		TGR1 50%	
(8)	Relationship with Tokyo Gas	Capital	Tokyo Gas 50%
		Human resources	Three employees of Tokyo Gas will be appointed to the board of directors.

	Transaction	N/A
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4. Prospect

Heolios EnTG will develop, finance, construct, own, operate and maintain six renewable energy projects in Mexico. Two of the plants are onshore wind while the remaining four are solar photovoltaic, totaling 898.7 MWp. The projects were granted 15-year power purchase agreements through Mexican power auctions.

It is the first renewable business in the global market for Tokyo Gas aiming to engage actively for further expansion of renewable energy business.

[Reference]

Project location



Overview of the six projects

	Name	Type	Location	Generation capacity (MWp)	Generation capacity (MWe)	Expected COD
1	Tres Mesas 3	Wind	Tamaulipas	51.8	49.5	February 2019
2	Trompezon	Solar	Aguascalientes	158.6	126	July 2019
3	Tres Mesas 4	Wind	Tamaulipas	100.8	95.7	March 2020
4	Villa Ahumada	Solar	Chihuahua	199.8	150	July 2019
5	Abril	Solar	Sonora	134.2	99	July 2020
6	Calpulalpan	Solar	Tlaxcala	253.5	200	July 2020
Total capacity				898.7	720.2	—



Press Release
April 8th, 2019

ENGIE and Tokyo Gas to establish renewables joint venture company in Mexico

ENGIE and Tokyo Gas Co., Ltd. announce their intention to invest in Heolios EnTG, a 50/50 joint venture company to develop renewable energy projects in Mexico. Heolios EnTG follows the successful and long-lasting relationship between Tokyo Gas and ENGIE which dates back to 1983.

Heolios EnTG will develop, finance, construct, own, operate and maintain six renewable energy projects in Mexico. Two of the plants are onshore wind while the remaining four are solar photovoltaic, totaling 898.7 MW, enough to power 1.3 million Mexican households. The joint venture received approval from Mexico's federal competition commission, COFECE, on March 28, 2019.

The projects were granted 15-year power purchase agreements through Mexican power auctions. One of the power plants, Tres Mesas 3, is a 50 MW wind power facility that entered into commercial operation in March 2019, ahead of schedule. The remaining plants are currently in various stages of construction and will start commercial operation in 2019 and 2020, as described in the table below.

Mexico is endowed with extraordinary solar and wind resources. Aware of this potential, the Mexican government issued an energy law in 2015 transitioning the country to a low-carbon growth model targeting 35% of clean energy sources by 2024. Through Heolios EnTG, Tokyo Gas and ENGIE will support Mexico's clean energy ambitions and boost the development of their renewable energy business in the country.

“We are delighted to further consolidate the relationship of mutual trust between our teams and those of Tokyo Gas with the creation of Heolios EnTG. This joint venture will combine our complementary areas of expertise and will enable ENGIE to continue to grow in a key area, the development of renewables in Mexico with Tokyo Gas. This move is fully aligned with ENGIE's strategic roadmap presented during our Capital Market Day on February 28th. Heolios EnTG will also enable ENGIE to actively support Mexico in achieving its national renewable targets and to decarbonize its energy sources.” said Pierre Chareyre, Executive Vice President of ENGIE in charge of Latin America Business Unit.

“We are very pleased to have this opportunity to actively participate in the Mexican renewable market together with ENGIE, now a world leading company in the renewable sector, with whom we have a

longstanding relationship. We strongly believe Heolios EnTG would bring prosperity to both ENGIE and Tokyo Gas. This is a landmark achievement for us as this is the first renewable project joint venture that Tokyo Gas will participate in outside Japan. This has definitely built momentum propelling us closer to reach our corporate target of ‘Vision 2020’” said Kunio Nohata, member of the Board, Senior Managing Executive Officer, Chief Executive of Global Business Division of Tokyo Gas.

Project Location



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1	Tres Mesas 3	Wind	Tamaulipas	51.8	49.5	February 2019
2	Trompezon	Solar	Aguascalientes	158.6	126.0	July 2019
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4	Tres Mesas 4	Wind	Tamaulipas	100.8	95.7	March 2020
5	Abril	Solar	Sonora	134.2	99.0	July 2020
6	Calpulalpan	Solar	Tlaxcala	253.5	200.0	July 2020
Total capacity				898.7	720.2	—

Tres Mesas3



Trompezon



About ENGIE Mexico

ENGIE has been successfully active in Mexico for 20 years. Today, it manages several energy businesses, including the generation of electricity, co-generation, transport of natural gas, distribution of natural gas, compressed natural gas (CNG) and energy services for residential, commercial and industrial clients. The current natural gas business includes eight natural gas distribution companies which serve more than 520,000 customers and three transport companies which operate more than 1,300 KM of gas pipelines. In electricity, the Company operates two generation plants with 345 MW of capacity. ENGIE Mexico is actively committed to the energy transition, decarbonization and social responsibility. By 2021, ENGIE Mexico will have invested close to \$925 million USD in renewable power-generation, with over 1,100 megawatts of additional installed capacity.

About ENGIE

Our group is a global reference in low-carbon energy and services. In response to the urgency of climate change, our ambition is to become the world leader in the zero carbon transition of our customers, in particular businesses and local authorities. We rely on our key businesses (renewable energy, gas, services) to offer competitive turnkey solutions "as a service".

With our 160,000 employees, our customers, partners and stakeholders, we are a community of Imaginative Builders, committed every day to more harmonious progress.

Turnover in 2018: 60.6 billion Euros. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe) and non-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance).

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About Tokyo Gas

Tokyo Gas Co., Ltd. is Japan's largest provider of city gas, serving more than 11 million customers and is also Japan's largest PPS with 1.6GW capacity and 1.1million customers, primarily in the Tokyo metropolitan area and surrounding Kanto region.

Tokyo Gas Group FY2018-2020 management plan "GPS2020" announces to expand our renewable business not only domestically but also globally, setting our renewable energy target of 1,000MW (400MW in Japan, 600MW in foreign countries) by 2020. The group aims continuous growth in overseas renewable energy business.

To learn more <https://www.tokyo-gas.co.jp/en/>