

Company: Tokyo Gas Co., Ltd.  
 Representative: President, Takashi Uchida  
 Tokyo Stock Exchange, Tokyo 1st Section  
 Security code : 9531

**Tokyo Gas Acquires Oil and Gas Assets in Louisiana Through Castleton Resources  
 and Takes Majority Interest in Castleton Resources**

In connection with the acquisition of additional oil and gas assets in the U.S. of Louisiana, Tokyo Gas Co., Ltd. (“Tokyo Gas”) has decided that Tokyo Gas America Ltd. (“Tokyo Gas America”, President: Kazuya Kurimoto), a wholly owned subsidiary of Tokyo Gas, will take majority interest in Castleton Resources LLC (“CR”), an upstream oil and gas company in the U.S..

**1. Background**

Castleton Resources will fund the closing of the transaction with additional equity capital from Tokyo Gas America. After such funding, Tokyo Gas America will increase its ownership interest in CR from 46% to approximately 70%. This will be our company's first acquisition of an operator in the shale gas business in the U.S.

**2. Castleton Resources LLC**

(1)	Corporate Name	Castleton Resources LLC	
(2)	Address	Houston, Texas, USA	
(3)	President	Craig Jarchow	
(4)	Main business	Upstream development in East Texas and North Louisiana targeting Haynesville and Cotton Valley formations	
(5)	Capital	Approximately 65 billion JPY	
(6)	Established	April 17, 2017	
(7)	Shareholder	CCI U.S. Asset Holdings LLC (100% Subsidiary of CCI): 54% TG East Texas Resources LLC (100% Subsidiary of Tokyo Gas America): 46%	
(8)	Relationship with Tokyo Gas	Capital	Tokyo Gas America 46%
		Human Resources	Two directors from Tokyo Gas America
		Transaction	N/A

\*When CR becomes a subsidiary, companies under CR (CCI Oil and Gas II LLC/Castleton Commodities Upstream II LLC/Castleton Resources Management Holdings LLC/Castleton Resources Management Services LLC/CCI Gulf Coast Upstream LLC/CCI East Texas Upstream LLC/Sabine Valley Pipeline LLC/Castleton NLA LLC/Sabine Valley Holdings LLC/Castleton TVL LLC) will also become subsidiaries ("Address" and "Main business" are the same as CR).

\* Due to the non-disclosure agreement with CR, other details will not be disclosed.

### 3. Details

The transaction is scheduled to be completed on August 14, 2020. Castleton Resources will change its name to "TG Natural Resources LLC" by late March 2021.

As a result of this acquisition, the production volume of gas and natural gas liquid\* held by CR will increase by approximately 1.6 times from approximately 296 million cubic feet per day (8 million m<sup>3</sup>/day, gas equivalent) to 473 million cubic feet per day (13 million m<sup>3</sup>/day, gas equivalent). The impact of this transaction on consolidated results for the fiscal year is expected to be minor.

"Compass 2030," Tokyo Gas's group management vision, states that by 2030, it will increase overseas profits by 3 times. Tokyo Gas will continue to invest in expanding our business in North America.

\*It is a translation of natural gas liquid (Natural Gas Liquids). Liquid hydrocarbons such as condensate separated and recovered from natural gas.

July 29, 2020

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Tokyo Gas Co., Ltd.  
Tokyo Gas America Ltd.

Tokyo Gas Co., Ltd. (“Tokyo Gas”) announced that, in the decision made at the meeting of its Board of Directors held on July 29<sup>th</sup>, 2020, Tokyo Gas America Ltd. (“Tokyo Gas America”), a wholly owned subsidiary of Tokyo Gas, plans to acquire additional oil and gas assets in Louisiana through its ownership interest in Castleton Resources LLC (“Castleton Resources”<sup>\*1</sup>). The transaction is scheduled for completion by Castleton Resources on August 14, 2020.

Castleton Resources will fund the closing of the transaction with additional equity capital from both Tokyo Gas America and CCI. After such funding, Tokyo Gas America will increase its ownership interest in Castleton Resources from 46% to approximately 70%. In recognition of the majority interest held by Tokyo Gas America following such funding, Castleton Resources will be changing its name to “TG Natural Resources LLC” by late March 2021.

This transaction will increase the net production of Castleton Resources from 296 Mmcfe/d to 473 Mmcfe/d, approximately 1.6 times.

Tokyo Gas will continue to expand its upstream business in North America, one of the most strategic areas globally, as based on the Tokyo Gas Group Management Vision, Compass 2030.

Kazuya Kurimoto, President and Chief Executive Officer of Tokyo Gas America said, “Tokyo Gas America participated in Castleton Resources in May 2017, and have grown steadily with Castleton Resources by acquiring shale and tight sand assets since then. We are pleased that Castleton Resources has joined Tokyo Gas group companies, and with Castleton Resources as the base, we will continue to aim for further business expansion in East Texas and Louisiana.”

Craig Jarchow, President and Chief Executive Officer of Castleton Resources said, “With this transaction, Tokyo Gas America will become our major shareholder. We are very pleased with this outcome as it puts us in a very strong position to continue to build a world-class natural-gas portfolio.”

\*1: Castleton Resources is a company jointly owned by TG East Texas Resources LLC, a wholly owned subsidiary of Tokyo Gas America, and CCI U.S. Asset Holdings LLC, a wholly owned subsidiary of Castleton Commodities International LLC (“CCI”).

<Castleton Resources LLC (after the transaction)>

<Tokyo Gas America Ltd.>

Establishment	April 2017
Head Office	Houston, TX, U.S.A.
CEO	Craig Jarchow
Formation	TG East Texas Resources LLC (100% Subsidiary of Tokyo Gas America): ca. 70% CCI U.S. Asset Holdings LLC (100% Subsidiary of CCI): ca. 30%
Business Objectives	Operate and develop its acreage in East Texas and North Louisiana targeting Haynesville and Cotton Valley formations
Net acre	315,400 net acres (1,250km <sup>2</sup> )
Daily Production	473 Mmcfe/d

Establishment	February 2013
Head Office	Houston, TX, U.S.A.
CEO	Kazuya Kurimoto
Formation	Tokyo Gas Co., Ltd.:100%
Business Objectives	New Investment and Management in North America

<Investment Structure>

