

September 14, 2009

Final investment decision for the Gorgon LNG Project

Today, the three principals of the Gorgon LNG Project (Chevron, ExxonMobil, and Shell) made a final decision to invest a combined AUD43 billion (about JPY3.4 trillion) for the total project expense. In response, Tokyo Gas Co., Ltd. (hereinafter referred to as "Tokyo Gas"; Mr. Mitsunori Torihara, President) is going to invest about AUD430 million (about 34 billion yen), in correspondence with its rate of participation (1 percent).

In October 2005, Tokyo Gas concluded a basic agreement with Chevron for LNG purchase premised on its participation in the Project. Thereafter, it engaged in detailed discussions concerning the purchase and its participation in the Project, and made the formal decision to participate in the Project in July 2009. In this connection, it established the wholly-owned subsidiary Tokyo Gas Gorgon Pty. Ltd. in Australia in July and continued to pursue discussions aimed at conclusion of an agreement for equity acquisition in the Project. At the same time, it discussed the proposition of purchasing LNG. These discussions culminated in the conclusion of both an LNG sales and purchase agreement and an equity acquisition agreement on September 10. The agreements concluded today will formally go into effect once approval is received from the Australian government.

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.

** At an exchange rate of AUD1 = JPY80.

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 (160 million JPY)*

* At an exchange rate of AUD1 = JPY 80

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

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

