

Tokyo Gas press release 6/21/2016

## Participation in the Eagle Ford shale gas development

Tokyo Gas America Ltd. (wholly owned subsidiary of Tokyo Gas Co., Ltd.) closed the transaction through its affiliate to acquire the Eagle Ford shale gas assets of the VirTex group located in the Webb and La Salle counties of south Texas. It is the second time for Tokyo Gas to join the shale gas development in the US, following the Barnett shale gas venture in 2013.

The approx. 34,000 acre assets correspond to the 25% working interest in the joint project with Lewis Energy Group (operator) and BP Lower 48. Tokyo Gas estimates that the net capital required to be some 75 million US dollars assuming the natural gas production for Tokyo Gas could average annual 0.20 million tons in the middle term, which depends on the pace of development. The produced gas is to be marketed in the US market.

Tokyo Gas Group will keep on developing its global business proactively in order to expand the upstream business and build global LNG value chains as stated in the Challenge 2020 Vision.

[Parties to the transaction]

Seller: VirTex Producing Company and its affiliate (headquartered in Corpus Christi, TX established in 1983)

Buyer: TG Eagle Ford Resources LP (headquartered in Houston, TX established in 2016)

[map]



