

May 8, 2017

Investment in Natural Gas Development Project in East Texas, U.S.A.

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

Tokyo Gas America Ltd., a wholly owned subsidiary of Tokyo Gas Co., Ltd. (“Tokyo Gas”) has acquired through its affiliate a 30% equity interest in Castleton Resources LLC (“CR”), a subsidiary of Castleton Commodities International LLC (“CCI”) formed to acquire and develop oil and gas assets in the East Texas / Louisiana region with a specific focus on unconventional Haynesville assets. This is the third investment in unconventional upstream assets for Tokyo Gas in the United States and the first equity investment in an upstream company.

CR owns and operates over 160,000 net acres of leasehold in East Texas with access to the Cotton Valley and Haynesville Shale and has a net production of 238 mmcfepd.

Shunjiro Yamashita, President and Chief Executive Officer of Tokyo Gas America Ltd. said, “The Gulf Coast area, specifically East Texas and North Louisiana, is strategically important for Tokyo Gas and we are excited to join forces with CCI and the quality management team at Castleton Resources. The CCI / Tokyo Gas partnership in Castleton Resources creates a well-capitalized vehicle for growth in the region.”

Craig Jarchow, President and Chief Executive Officer of Castleton Resources LLC, said, “We welcome this new partnership with Tokyo Gas America Ltd. and remain focused on optimizing and growing our upstream and midstream assets in this region. Castleton Resources is well-positioned to enhance the value of these assets through operational improvements and development of the multiple producing zones in the area, particularly the Haynesville Shale.”

Tokyo Gas Group will continue to expand its upstream business and build a global LNG value chain as stated in the Challenge 2020 Vision.

Moelis & Company and SMBC Nikko Securities acted as financial advisors to Tokyo Gas for this transaction. Andrews Kurth Kenyon LLP served as legal advisor to Tokyo Gas in the transaction.

<Abstract>

Seller	CCI U.S. Asset Holdings LLC (100% Subsidiary of Castleton Commodities International LLC)
Buyer	TG East Texas Resources LLC (100% Subsidiary of Tokyo Gas America Ltd.)
Assignment	30% equity interest in Castleton Resources LLC

<Castleton Resources LLC>

Establishment	2017/4
Head Office	Houston, TX, U.S.A.
Formation	CCI U.S. Asset Holdings LLC: 70% TG East Texas Resources LLC : 30%
Project	Operate and develop its acreages in East Texas targeting Haynesville and Cotton Valley formation
Net acre	160,000 net acres (660km <sup>2</sup> )
Daily Production	238 mmcfepd

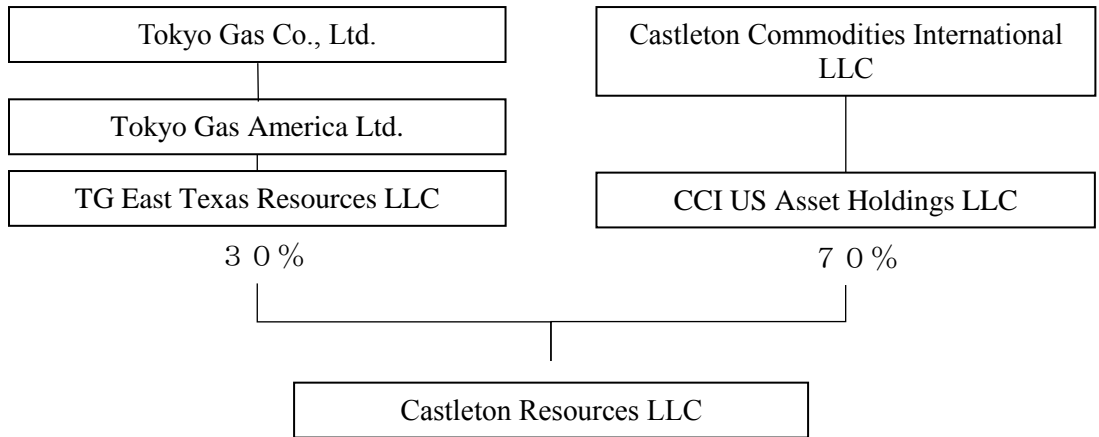
<Castleton Commodities International LLC>

Establishment	2006/12
Head Office	Stamford, CT, U.S.A.
Activities	CCI is a global commodities merchant with an integrated set of operations consisting of physical and financial commodities trading and the ownership, operation, and development of commodities-related upstream and infrastructure assets.

<Tokyo Gas America Ltd.>

Establishment	2013/2
Head Office	Houston, TX, U.S.A.
President	Shunjiro Yamashita
Parental Company	Tokyo Gas Co., Ltd. (100%)
Activities	Include upstream investment, midstream to downstream investments as exemplified by power generation, natural gas distribution and LNG exportation in North America.

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