

Tokyo Gas and Centrica sign Heads of Agreement to purchase LNG from Mozambique LNG Project

Tokyo Gas Co., Ltd.
Centrica

Tokyo Gas Co., Ltd. (President: Takashi Uchida; hereafter “Tokyo Gas”) and Centrica LNG Company Limited, a subsidiary of the leading UK-based energy and services company Centrica plc (Group Chief Executive: Iain Conn; hereafter “Centrica”) have announced that they have jointly signed a non-binding Heads of Agreement (HoA) with the jointly-owned sales entity of the Mozambique Area 1 joint venture partners for the long-term offtake of Liquefied Natural Gas (LNG).

Tokyo Gas and Centrica have agreed to jointly purchase 2.6 million tonnes per annum, delivered ex-ship from the Mozambique LNG Project from the start-up of production until the early 2040s. The supply agreement provides the project with key foundation customers which will facilitate the final investment decision by the Mozambique Area 1 joint venture partners.

Tokyo Gas and Centrica signed a Memorandum of Understanding (MoU) in November 2016 to collaborate in their LNG activities. This co-purchase agreement is a significant step towards the goal set out in this MOU and further deepens the relationship between the two companies.

This groundbreaking joint procurement scheme between a UK and a Japan based company takes full advantage of Mozambique’s central location between Europe and Asia to assist both companies in proactively managing demand fluctuations across regions.

The transaction represents the first long-term offtake agreement from Africa for both Tokyo Gas and Centrica in line with ongoing efforts to further diversify their respective portfolios of LNG sources. This will also enhance the liquidity and further develop the LNG Market.

Commenting on the HoA, Iain Conn, Centrica's Group Chief Executive said:

“As like-minded leading natural gas suppliers in our respective home countries, we are delighted to strengthen our strategic partnership with Tokyo Gas and expand our flexible LNG portfolio through this agreement with Mozambique LNG. Centrica has established strong LNG capabilities over the past few years and this agreement signed today demonstrates further progress in this growth area of our business.”

Commenting on the HoA, Takashi Uchida, Representative Director, President said:

“For Tokyo Gas, we are hoping that our commitment will contribute to the start-up of the Mozambique LNG Project. We are very happy that through this first ever joint procurement with Centrica that utilizes the unique central location of Mozambique, we have created the foundation for flexible LNG transactions to occur between the European and Asian markets. I hope that through this innovative agreement, we can further diversify source and price index, which leads to enhancing our challenges of securing more competitive LNG.”

<About Tokyo Gas>

- Tokyo Gas Co., Ltd. is Japan's largest provider of city gas, serving more than 11 million customers, primarily in the Tokyo metropolitan area and surrounding Kanto region.
- We are committed to be a leader in this new era of energy liberalization through our Gas, Power, and Services mission on a Global level while we continue to promote a low-carbon society.
- Tokyo Gas will continue our pursuit to further transform our business to not only meet, but to exceed the needs of our customers. We will utilize our knowledge and experience we have built from our 132 year history and continue to think outside the box to become Japan's leading energy company.

<About Centrica>

- Centrica is an international energy and services company. Everything we do is focused on satisfying the changing needs of our customers.
- We supply energy and services to around 27 million customer accounts mainly in the UK, Ireland and North America.
- We are also developing new and innovative products, offers and solutions for

customers globally, underpinned by investment in technology.

- Our Energy Marketing & Trading business is a leading European provider of energy management and revenue optimisation services. We continue to focus on expanding these activities, in addition to managing commodity risk and providing wholesale market access for the Centrica Group. We continue to expand our global LNG business, having built a full range of LNG trading, optimization and operations capability.

<About Mozambique Area 1>

- Anadarko Moçambique Área 1, Lda, a wholly owned subsidiary of Anadarko Petroleum Corporation, operates Offshore Area 1 with a 26.5-percent working interest. Co-venturers include Mitsui E&P Mozambique Area1 Ltd. (20 percent), ENH Rovuma Área Um, S.A. (15 percent), ONGC Videsh Ltd. (10 percent), Beas Rovuma Energy Mozambique Limited (10 percent), BPRL Ventures Mozambique B.V. (10 percent), and PTTEP Mozambique Area 1 Limited (8.5 percent).

<Mozambique LNG Project Location>

