

8th November, 2018

Tokyo Gas signs Heads of Agreement to purchase LNG from Energia Costa Azul LNG Project

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. (President: Takashi Uchida; hereafter “Tokyo Gas”) has executed a heads of agreement (HOA) for the supply of LNG from the Energia Costa Azul LNG Project with Sempra LNG & Midstream (President and CEO: Octavio Simoes) and Infraestructura Energetica Nova S.A.B. de C.V. (CEO: Tania Ortiz Mena López Negrete; hereafter “IEnova”), both a subsidiary of Sempra Energy (President and COO: Joseph A. Householder; hereafter, “Sempra”). This agreement marks the first ever procurement of LNG from the country of Mexico for Tokyo Gas.

The LNG liquefaction facility for the Energia Costa Azul Project will be located in the west coast of Mexico, where the LNG receiving terminal is currently in operation. The Energia Costa Azul Project will produce LNG by liquefying natural gas sourced and transported from the United States, and in the future will produce up to 14million tons per annum (mtpa). Tokyo Gas will continue discussions of purchasing 0.8 mtpa of LNG for 20 years on a Free on Board basis.

With a relatively close shipping distance of approximately 11 days from the west coast of Mexico to Japan, as well as having full destination flexibility, Tokyo Gas expects this long-term and stable procurement will provide a competitive and flexible agreement for the company’s LNG portfolio. With the introduction of a North American gas price index, Tokyo Gas will also be able to achieve further diversification of price indices.

Tokyo Gas views that the two companies will be able to find synergy that can be forged through collaborations in numerous areas, sharing the expertise and experience as a utility company each have in their respective regions.

Tokyo Gas received Japan’s first ever LNG cargo on November 4th, 1969, and 2019 will mark the 50th anniversary. Tokyo Gas Group will continue to provide stable and safe source of energy to all our customers.

About the HOA

- Seller: Sempra LNG & Midstream and Infraestructura Energetica Nova S.A.B. de C.V.
- Buyer: Tokyo Gas Co., Ltd.
- Term: 20 Years
- Volume: up to 0.8 million tons per annum

- Delivery terms: Free-on-Board

About Sempra

- Sempra Energy
- Established : 1998
- Head Office: San Diego, United States of America
- Business Description: Sempra Energy is an energy services holding company that serves over 40 million customers worldwide and is the utility holding company that has the largest United States customer base serving 25 million consumers in the country.

About IEnova

- Infraestructura Energetica Nova S.A.B. de C.V.
- Established : 1996
- Head Office: Mexico City, Mexico
- Business Description: IEnova develops, builds and operates energy infrastructure in Mexico and has become one of the largest private energy companies in Mexico.