Osaka Gas Involvement with Freeport LNG Project

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Osaka Gas (Daigas) Group at a Glance

Founded 1897  
# of Employees 20,224
Sales JPY1,371.8bil  
Customer Accounts 8.75Mil
Profit JPY33.6bil  
LNG Purchase 9.4MTA

March 2019

<Moving Beyond Gas Utility>

Three Guiding Principles
- Enterprising Spirit
- Customer-oriented Approach
- Wholeheartedness & a sense of mission

<Moving Beyond Osaka, Beyond Japan>

[Map of Japan with Osaka, Kobe, and Kyoto highlighted]
Osaka Gas Overseas Activities at a Glance

- Gas Distribution
- Water Distribution
- LNG Receiving Terminal

- Downstream Gas Marketing
- Infrastructure Investment (IPP, LNG Receiving Terminal)
- LNG Trading

- Upstream
- Midstream
- IPP

- Gas Distribution
- Water Distribution
- LNG Receiving Terminal

- Upstream
- IPP
- Freeport LNG

- USA

- Osaka, Japan

- Thailand
- Philippines
- Indonesia
- Australia
- Singapore

- Sagunto Receiving Terminal
- Gorgon Project
Osaka Gas USA at a Glance

<table>
<thead>
<tr>
<th>Company</th>
<th>OSAKA GAS USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation</td>
<td>2014 (※)</td>
</tr>
<tr>
<td>Office</td>
<td>Houston, New York, Silicon Valley</td>
</tr>
<tr>
<td>Employees</td>
<td>65 (As of 1.1.2020)</td>
</tr>
</tbody>
</table>

※ Originally, Osaka Gas entered into the US IPP business in 2004 through equity ownership in several IPPs. Since then, Osaka Gas has expanded its business fields (investment in LNG receiving terminal and upstream). In 2014, OGUSA was established to aggregate all the businesses in the US.

<Main Businesses>

| Upstream | Oil and gas production |
| Freeport | LNG production and export |
| Power | Power plant operation Asset management |
| Innovation | Business Exploration |
OG’s involvement with Freeport LNG Project

- Commercial operation of Freeport LNG Train-1 just started (December 8, 2019)
- Osaka Gas was involved with investment in and LNG offtake from this project and contributed to establishment of one of the LNG supply sources in the US

Investment: 10.8% of FLNG Corp / 25% of FLNG Liquefaction (Train 1)

- Long term, stable return
- Involvement in construction and operations

LNG Offtake: 20-year LNG tolling agreement

- Robust/stable/economical gas procurement with US gas price linked
- LNG originations/trading activity with destination-free LNG
Transition of Freeport Project

As of 2015

Now

LNG Vessel

Credit: Freeport LNG
LNG Supply Opportunity

- Osaka Gas is expanding its trading activity in not only domestic but also overseas market, contracted LNG sales volume in 2020 is approximately 4MTPA.
- Destination-free LNG from Freeport will enhance OG’s LNG supply options.
More involvement in the US

- Involvement with FP established OG’s long-term presence in the US.
- FP business is a good example of our “hands-on” approach to business operations.
- FP business should create potential synergies with our other businesses in the US.

3 Offices (Houston, New York, Silicon Valley)
2 Shale gas assets
1 LNG export facility
13 Power plants (net capacity: 2.2GW)

Sabine Oil & Gas (100% acquired in 2019)
OG's global LNG portfolio consists of both long and short-term/spot contracts, currently amounting to 10+ MTPA in 2020.
### Background: LNG Fleet

- Owning and chartering (long-term) vessels has reduced transportation costs and expanded business opportunities
- OG actively charters in/out vessels in accordance with shipping requirements

<table>
<thead>
<tr>
<th>LNG JAMAL</th>
<th>LNG DREAM</th>
<th>LNG BARKA</th>
<th>LNG JUPITER</th>
<th>LNG VENUS</th>
<th>LNG MARS</th>
<th>LNG SATURN</th>
<th>LNG JUNO</th>
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<tr>
<td>Capacity</td>
<td>135Km³</td>
<td>145Km³</td>
<td>153Km³</td>
<td>153Km³</td>
<td>153Km³</td>
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<td>Feature</td>
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<td>Ice Class Grade 1D</td>
<td>Ice Class Grade 1C</td>
<td>Continuous Tank Cover “Sayaendo”</td>
<td>Continuous Tank Cover “Sayaendo”</td>
<td>Continuous Tank Cover “Sayaendo”</td>
<td>Post Panamax STaGE</td>
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※Charter start from 2020