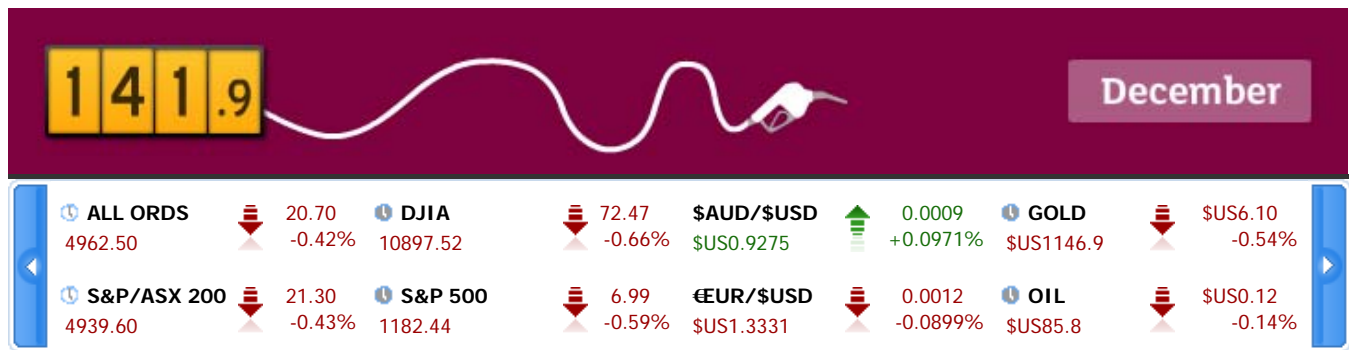


The Australian



Markets Open Markets Closed 1:38 PM 08/04/2010 AEST

ASX Find a broker

Enter ASX code or company name for the latest stock quotes information

GO

BG Group signs 20-year gas deal with Tokyo Gas

- **Mari Iwata**
- From: Dow Jones Newswires
- March 31, 2010 5:04PM

TOKYO Gas said today it has signed a preliminary agreement with BG Group to purchase liquefied natural gas made from coal bed methane (CBM) in Queensland and to buy stakes in the project.

Under the agreement, Tokyo Gas aims to buy 1.2 million metric tonnes a year of LNG for 20 years from 2015. It will buy a 1.25 per cent stake in a gas block and a 2.5 per cent stake in the number two liquefaction train.

The gas will be liquefied and exported from the Gladstone facility, Tokyo Gas said. It declined to specify the investment value.

Many Japanese LNG buyers have so far been cautious about committing to CBM LNG as they will need to reconfigure their equipment to accommodate the gas or boost calorific value by adding more liquefied petroleum gas than usual.

Satoru Yasuoka, general manager of the Gas Resources Department at Tokyo Gas, said: "We have enough experience in handling lean gas, as we have bought LNG from Alaska for about 40 years."

The Alaskan LNG is almost the same as CBM LNG, composed of mostly methane, Mr Yasuoka said.

Tokyo Gas will add 10 per cent liquefied petroleum gas to 90 per cent of lean LNG to boost the calorific value, he added.

Tokyo Gas is Japan's largest gas utility by sales volume and uses more than 1 million tonnes of LNG a year.

Ads By Google

- ***Coal Bed Methane***
Providing technical solutions to unconventional operators

www.farleyriggs.com.au
- ***Airwell Oil & Gas***
Completely Optimise Your Stripper Well

www.airwelloilandgas.com
- ***Want to buy Liq. Nat Gas?***
Buy/Sell LNG using a lic'd Aust broker. Trade today using Halifax.

www.halifax.com.au

More related coverage

- **LNG shares soar on Arrow deal revamp** *Adelaide Now, 16 Mar 2010*
- **Shell's Pickard in for Arrow** *The Australian, 10 Mar 2010*
- **LNG projects face delays** *Perth Now, 18 Jan 2010*
- **Woodside faces cost blowout on Pluto** *Adelaide Now, 20 Nov 2009*

- **ConocoPhillips comes clean on price issue** *Adelaide Now, 16 Mar 2010*
- **2016 start for floating LNG** *The Australian, 10 Mar 2010*

More related coverage

Related Searches

- **China National Offshore Oil,**
- **Arrow Energy,**
- **Papua New Guinea,**
- **Barrow Island,**
- **Britain's BG Group,**
- **Woodside Petroleum,**
- **Tokyo Gas,**
- **Queensland Curtis LNG,**
- **Queensland Curtis,**
- **Origin Energy**

A lot can change in 2 years.

Copyright 2010 News Limited. All times AEST (GMT +10).

All times are EST. © MarketWatch, Inc. 2008. All rights reserved. Subject to the **Terms of Use**. Designed and powered by **Dow Jones Client Solutions**. MarketWatch, the MarketWatch logo, BigCharts and the BigCharts logo are registered trademarks of MarketWatch, Inc. Dow Jones is the registered trademark of Dow Jones & Company, Inc. Intraday data delayed at least 15 minutes. "Intraday data is provided by **Interactive Data Real Time Services** and subject to the **Term of Use**." FXQuote™ provided by GTIS, an Interactive Data Company "Historical and current end-of-day data provided by **Interactive Data Pricing and Reference Data**". FTSE (Footsie) is a trade mark of the London Stock Exchange and the

Financial Times and is used by FTSE International under license.