

Outline of Sakhalin II LNG Project

(1) Description

A project to transport natural gas produced at the Piltun-Astokhskoye field and Lunskeye field in the north of Sakhalin Island through a pipeline to Prigorodnoye, and ship LNG.

(2) Parties of Contract

Seller: Sakhalin Energy Investment Company Ltd.

Buyer: Tokyo Electric Power Co.

(3) Term of Contract

22 years from April 2007

(4) Contract Quantity

1,500,000 tons per year with buyer's option

(5) Terms and Conditions for Delivery

FOB (LNG ships to transport LNG are arranged by TEPCO)

