

**April 28, 2004**

**Acquisition of IPP Interest in Texas, USA**

Gas and Power Investment Co., Ltd., a wholly owned subsidiary of Osaka Gas Co., Ltd., entered into an agreement with two subsidiaries of Shell US Gas & Power LLC on April 27, 2004, to acquire their interest in the Tenaska Gateway Generating Station located in Texas, U. S. A.

Located in Mt. Enterprise, Texas, and driven by the gas-fired combined cycle plant Tenaska Gateway Generating Station has a maximum generating capacity of 845 megawatts (MW) whose entire output is sold to Coral Power, L.L.C., a gas and power marketer and a subsidiary of Shell, under a long-term contract. Tenaska Gateway has maintained a stable and profitable operation since its commencement of business in July 2001.

Gas and Power Investment will acquire the entire 40% interest in the project owned by the subsidiaries of Shell US Gas & Power LLC. Upon approval by the U. S. federal government, the transfer of the partnership interest is expected to be completed in June 2004. The investment will be made through investment vehicles established in the U. S. by Gas and Power Investment.

As outlined in its Innovation Centennial Mid-Term Business Plan released in January 2003, Osaka Gas intends to expand its scope of operations from the gas-based energy business to a multi-energy business entity, going beyond its conventional service territory. In its business portfolio, domestic and international independent power production (IPP) businesses have been given a top priority. Overseas IPP projects are of particular interest to Osaka Gas as they offer opportunities to gain expertise and know-how in power business in the world's most advanced power market as well as a secure revenue stream.

**< Overview of Tenaska Gateway Generating Station >**

Location: Mt. Enterprise, Texas, U.S.A.

Partners: Subsidiaries of Shell US G&P, Tenaska, Diamond Generating Corporation

Generating capacity: 845 MW

Type of plant: gas-fired combined cycle

Start of operation: July 2001

Off-taker of generated electricity: Coral Power, L.L.C.

### < Corporate Profiles >

Osaka Gas Co., Ltd.

President : Hirofumi Shibano

Shareholder's equity : 132.2 billion yen

Customer base : 6.63 million

Gas Sales : 7.8 billion m<sup>3</sup> (2003)

Consolidated annual sales : 951.3 billion yen

Gas and Power Investment Co., Ltd.

President: Mr. Susumu Mita

Lines of business: operation and management of IPP and district heating/cooling plants

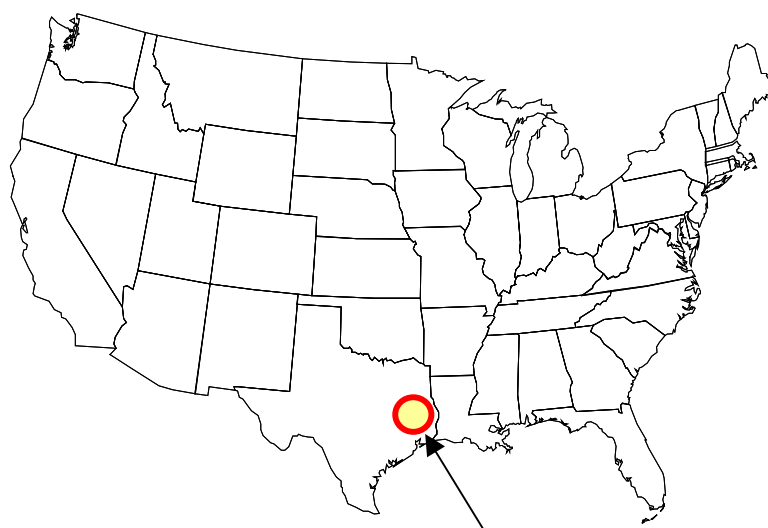
Shell US Gas & Power LLC

Address : 1301 McKinney, Houston, Texas

President and CEO : Mr. A. Y. Noojin, III

Lines of business: Gas and power business in US.

### < MAP >



Tenaska Gateway Generating Station