

July 29, 2019

Osaka Gas Increases Upstream Presence with Agreement  
to Acquire Sabine Oil & Gas in Texas, USA

Osaka Gas is pleased to announce today that it has entered into a definitive agreement with Sabine Oil & Gas Holdings to acquire 100% of the outstanding shares of its subsidiary, Sabine Oil & Gas Corporation (“Sabine”). Upon receiving required governmental permits and transaction closing, this marks the first time that a Japanese company purchases a U.S. based shale gas developer. As this acquisition has enhanced Osaka Gas’ energy business portfolio in North America, the company intends to continue developing its three U.S. core businesses consisting of Freeport LNG liquefaction project, IPP projects and Sabine’s shale gas project, to expand its income for coming years.

Sabine holds acreage in East Texas located in Harrison, Panola, Rusk, and Upshur counties, among others, totaling 175,000 net acres which is producing shale gas in the amount of 210 MMcfed with approximately 1,200 wells at present, showing a significant drilling inventory in the Haynesville and Cotton Valley formations. Since July 2018, when Osaka Gas acquired 35% of the working interest in acreage in the east half of the entire asset area being developed by Sabine, the wells have been producing more than the expected volumes, generating stable cash flow. This acquisition of the outstanding shares has given Osaka Gas the entire acreage position of Sabine.

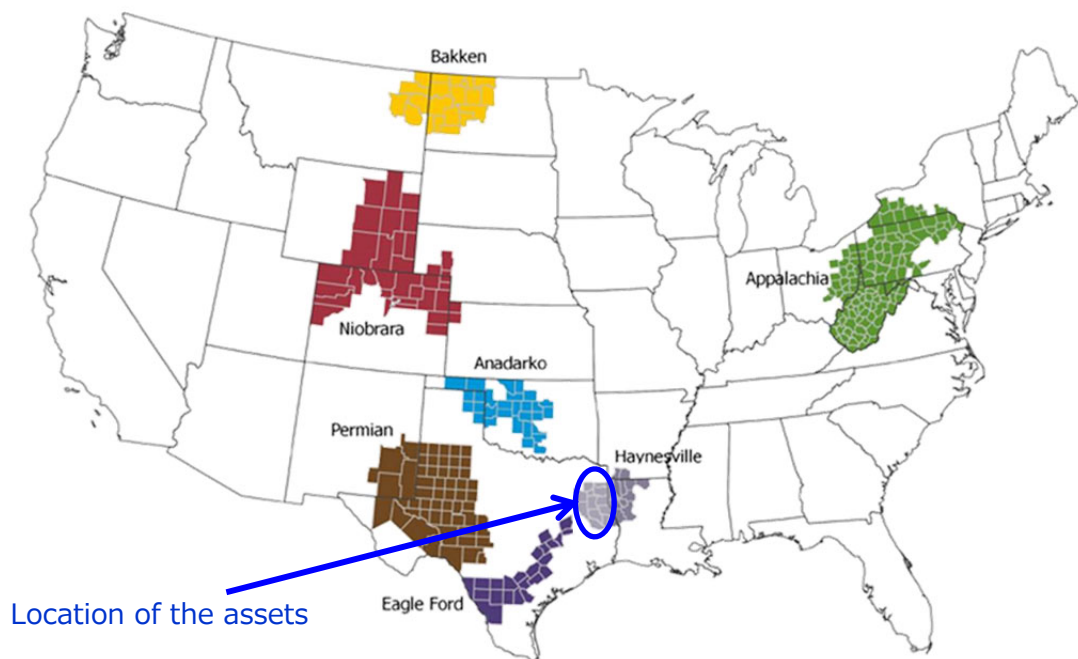
Through this acquisition, Osaka Gas has also gained operatorship of the upstream business along with Sabine’s excellent management and operation capabilities. Integration of Sabine into Osaka Gas’ existing shale gas development business will enhance the efficiency and sustainability of the company’s U.S. upstream business growth.

Under its long-term management vision “Going Forward, Beyond Borders 2030,” which focuses on overseas energy markets as one of the growth areas, the Daigas Group aims to accelerate its endeavor to expand its energy businesses globally along the energy value chain from upstream to mid- and downstream businesses including LNG trading.

## Corporate overview

Company name	Sabine Oil & Gas Corporation
Address of principal office	1415 Louisiana Street, Suite 1600, Houston, Texas 77002
Representative	Doug Krenek (CEO)
Establishment	2006
Description of business	Shale gas development in East Texas

## Maps



Source: U.S. Energy Information Administration

## Photos



Drilling rig



Completion Site

Website “ENTERPRISE FUTURE” is introducing challenges on a global scale and technological development by Daigas Group

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