

Announcement of Transfer of Shares of Osaka Gas Niugini Pty Ltd

October 26, 2020
Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (OG) announced today its decision to sell 100% of Osaka Gas Niugini Pty Ltd (OGN) shares, which was held by OG's wholly owned subsidiary Osaka Gas Australia Pty Ltd, to Arran Energy Investments Pty Ltd (Arran).

1. Reason for Transfer of Shares

OGN was established by OGA as a specified subsidiary of OG for the purpose of owning assets related to an oil and natural gas development project in Papua New Guinea. In light of the results of discussion with Arran, OG has agreed to sell the entire portion of its shares in OGN.

2. Outline of Subsidiary

1. Name	Osaka Gas Niugini Pty Ltd		
2. Address	Level 22, 108 St Georges Terrace, Perth, WA 6000, AUSTRALIA		
3. Representative	Yo Otsuka, Managing Director		
4. Description of Business	Development of oil and natural gas assets, and investment		
5. Capital (thousand USD)	150,695 (as of December 2019)		
6. Date of Establishment	May 17, 2013		
7. Major Shareholders and Shareholding Ratios	Osaka Gas Australia Pty Ltd (100%)		
8. Relationship between Listed Company and Subsidiary	Capital Relationship	OG indirectly owns a 100% share of OGN through OGA.	
	Personnel Relationship	OG seconds its personnel as directors to OGN.	
	Business Relationship	N/A	
9. Financial conditions and business performance			
Fiscal Year	2017.12	2018.12	2019.12
Net Assets (thousand USD)	3,391	2,560	1,992
Total Assets (thousand USD)	18,403	14,627	14,070

Revenue (thousand USD)	0	0	0
Operation Profit (thousand USD)	-358	-122	-5
Ordinary Profit (thousand USD)	-2,195	112	244
Net income (thousand USD)	-87,314	-831	-568

3. Outline of Buyer

1. Name	Arran Energy Investments Pty Ltd	
2. Address	147 Macquarie Street, MEREWETHER NSW 2291, AUSTRALIA	
3. Representative	Michael McGowan, Managing Director	
4. Description of Business	Exploration and development of oil and natural gas in Oceania and Asia	
5. Capital	Not disclosed due to Buyer's request	
6. Date of Establishment	September 14, 2020	
7. Major Shareholders and Shareholding Ratios	Michael McGowan 50%, Kathryn McGowan 50%	
8. Relationship between Listed Company and Buyer	Capital Relationship	N/A
	Personnel Relationship	N/A
	Business Relationship	Arran is a joint venture partner of the oil and natural gas assets that OG participates in Papua New Guinea.

4. Number and Price of Shares Sold and Shareholdings (before and after the Change)

1. Number of Shares Held Before the Change	173,110,409 shares (Number of voting right represented: 173,110,409, Shareholding ratio: 100%)
2. Number of Shares Sold	173,110,409 shares
3. Number of Shares Held after the Change	0 share (Shareholding ratio: 0.0%)

Note: OG will not disclose the transfer price of shares considering the confidentiality clause in the share and asset purchase deed. OG recognized the transfer price as fair value decided through negotiation with the buyer and based on the buyer's financial statement as of December 31, 2019.

5. Date of Change

1. Date of Decision	October 26, 2020
2. Date of Contract	October 26, 2020
3. Date of Share Transfer	January 2021 (Planned)

6. Prospective Impact on Performance

This sale has only a limited impact on OG's consolidated financial results for the fiscal year ending March 31, 2021.

An announcement will be made in case of an event related to this sale deemed to have impact on the financial results for this fiscal year.