

## **Osaka Gas Becomes the First Japanese Company to Participate in City Gas Distribution Business in India**

December 20, 2021

Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (“Osaka Gas”) today announced its participation in the City Gas Distribution (CGD) business in India through its wholly-owned subsidiary Osaka Gas Singapore Pte., Ltd. (“OGS”) by investing in AG&P CGD HoldCo SPV3 (Singapore) Pte., Ltd. (“AG&P SPV3”), together with Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (“JOIN”). AG&P City Gas is developing the 12 CGD geographical areas it was awarded in South India and Rajasthan. Osaka Gas is the first Japanese company to participate in the CGD sector in India through this investment.

As a successful bidder for the city gas development projects supported by the Government of India, AG&P City Gas obtained exclusive gas sales rights and infrastructure ownership rights (“exclusive rights”) in India for a fixed period of time for its 12 concessions. India promotes greater use of natural gas<sup>1</sup> through the development of city gas infrastructure that supports the wider use of compressed natural gas vehicles (“CNG vehicles<sup>2</sup>”) in response to the increasing energy demand and a need to reduce carbon emissions and air pollution resulting from economic growth in the country.

This city gas venture has been developed by the AG&P Group led by AGP International Holdings Pte., Ltd. (“AGPIH”), AG&P SPV3’s parent company, in which Osaka Gas also invests in<sup>3</sup>. With exclusive rights for a vast swath of southern India, roughly equivalent to  $\frac{3}{4}$  the area of Japan, the venture aims to develop into a business in a scale of 3.5 billion m<sup>3</sup> in gas sales volume, which is approximately half of Osaka Gas’ city gas sales volume in Japan<sup>4</sup>. The venture also plans to promote city gas demand for CNG vehicles as well as for household, commercial, and industrial uses, and utilize LNG lorries as one of the main gas supply system, which is introduced for the first time to India, to reduce the time for the development and roll-out of the city gas infrastructure.

AG&P CGD, the operator of this city gas business, is jointly owned by AGPIH, the leading downstream LNG platform and infrastructure development company, is rapidly expanding its business in new and emerging demand centers in Southeast Asia and India, I Squared Capital Advisors, LLC. (“ISQ”), a US infrastructure investment fund with a successful track record for

projects in India, JOIN, a public-private fund supporting Japanese businesses for developing infrastructure projects overseas with their knowledge, technology, and experience accumulated in Japan, and Osaka Gas, which is dispatching its members to provide support to the venture for engineering solutions and commercial know-how of a city gas business.

Osaka Gas has been expanding its business of gas distribution, gas sales to industrial customers, energy services, rooftop solar power generation in Southeast Asia. Following the investment in AGPIH and the Collaboration Agreement signed with AGPIH in 2019, Osaka Gas has been building a natural gas value chain that includes LNG receiving terminal, power plant, and LNG supply businesses in emerging LNG markets in the region. Osaka Gas aims to develop this city gas venture in India into one of its core businesses in Asia and to contribute to carbon emissions reduction and stable energy supply in India.

<sup>1</sup>In December 2019, the Indian government announced a goal of increasing the percentage of natural gas as a primary energy source from 6% in 2019 to 15% by 2030.

<sup>2</sup>More than 4 million CNG vehicles were registered in India as of FY2020 (cf. just under 50,000 in Japan).

<sup>3</sup>As announced in *Osaka Gas Co., Ltd.: Investments and a Conclusion of Collaboration Agreement with AGP International Holdings Pte. Ltd., as Development of Natural Gas Infrastructure Proceeds.* (<https://www.osakagas.co.jp/en/whatsnew/icsFiles/afiedfile/2019/09/18/190722.pdf>)

<sup>4</sup>Osaka Gas' city gas sales volume (45MJ/m<sup>3</sup>) on a non-consolidated basis for FY2020 was 7.121 billion m<sup>3</sup>.

## 1. Venture Overview

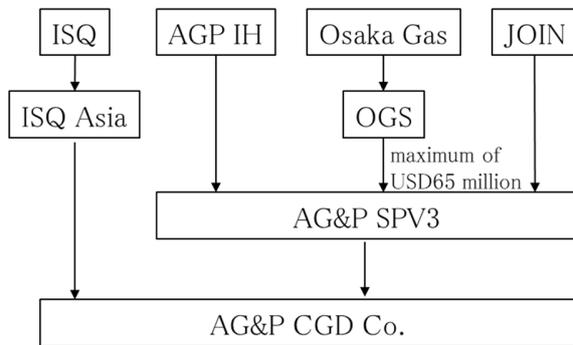
Company	AG&P LNG CGD HoldCo Pte., Ltd. (AG&P CGD Company)
Address	65 Chulia Street, #47-04 OCBC Centre, Singapore 049513
Date Established	October 2017
Shareholders	ISQ Asia Midstream Investment Pte., Ltd. (ISQ Asia), AG&P SPV3 <sup>5</sup>
Business Overview	Natural gas transport, receiving, storage, distribution, sales, and demand development for an area centered in southern India (12 GAs <sup>6</sup> ) <sup>7</sup>

<sup>5</sup>The shareholders for AG&P SPV3 are AGP IH, OGS (expected to invest a maximum of USD65 million), and JOIN.

<sup>6</sup>GA stands for *geographical area* and is the unit by which urban gas business rights were assigned.

<sup>7</sup> See the map below for the location of the 12 GAs..

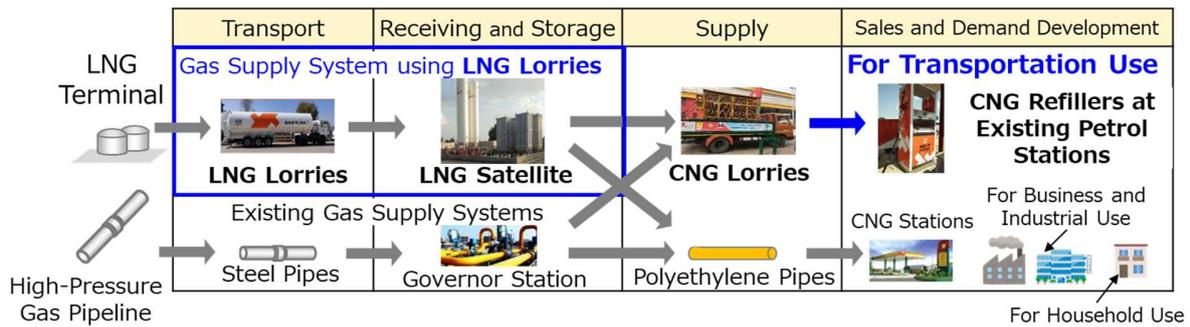
< Investment Structure >



< Project Area >



2. Gas Supply Systems



3. Company Overview

OGS

Company Name	Osaka Gas Singapore Pte., Ltd.
Date Established	March 2013
Address	182 Cecil Street, #30-02 Frasers Towers, Singapore 069547
Representative	Motoyuki Hirabayashi
Business Description	Assessments, development, and investment specific to energy-related businesses, as well as the management and operation of group companies in Southeast Asia and South Asia

## **JOIN**

Company Name	Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development
Date Established	October 2014
Address	2-2-3 Marunouchi, Chiyoda Ward, Tokyo Metropolitan District
Representative	Tatsuhiko Takesada
Business Description	Investment support for Japanese companies involved in overseas infrastructure business projects

## **AG&P SPV3**

Company Name	AG&P CGD HoldCO SPV3 (Singapore) Pte., Ltd.
Date Established	April 2021
Address	8 Marina View, #13-02A Asia Square Tower 1, Singapore 018960
Business Description	Holding company for city gas operating companies

## **ISQ**

Company Name	I Squared Capital Advisors (US), LLC
Date Established	April 2012
Address	Delaware, United States
Business Description	Global infrastructure fund focusing on energy, utilities, telecom and transport