



Press Release

27/05/2006

Qalhat LNG SAOC Welcomes its New Shareholders

Muscat - The Government of the Sultanate of Oman signed today agreements to transfer 9% share of Qalhat LNG S.A.O.C to three Japanese companies. According to the signed Share Transfer Agreement, Itochu Corporation, Mitsubishi Corporation, and Osaka Gas of Japan will each acquire 3% of the equity shareholding of Qalhat LNG SAOC. The agreements were signed by His Excellency Ahmed bin AbdulNabi Macki minister of National Economy and the Deputy Chairman of the Financial Affairs and Energy Resources Council and H.E. Mohammed bin Hamed Al Rumhi, Minister of Oil & Gas and representatives of the three Japanese companies.

In line and as a result of these agreements, Qalhat LNG SAOC is now owned by the Government of Oman 46.84%, Oman LNG 36.8%, Union Fenosa Gas 7.36%, Itochu Corporation 3%, Mitsubishi Corporation 3%, Osaka Gas Australia Pty. 3%. Meanwhile both Mitsubishi Corporation and Osaka Gas Corporation already have long-term LNG supply agreements with Qalhat LNG under which Qalhat LNG



supplies 0.8 million tonnes of LNG per year to each of these two companies. While Mitsubishi Corporation will transport its volume to both United States and Japan, Osaka Gas will transport its share to Japan only. Meanwhile, Itochu Corporation has sales and purchase agreement with Oman LNG for lifting similar volume on a long term basis.

In 2003 the Government of Oman decided, to initiate a new LNG company to own a third train in Qalhat, Sur and the Government incorporated Qalhat LNG SAOC. Nearly US\$ 700 million has been invested for the engineering, procurement and construction of Qalhat LNG 3.3 mtpa liquefaction train.

The Qalhat LNG train is located adjacent to the two identical trains of Oman LNG at Qalhat in Sur, and the two companies share certain common facilities and therefore, the new train along with the existing facilities are operated as an integrated plant to optimize the operation and efficiency of the complex.

Qalhat LNG has three long-term sale and purchase agreements (SPAs) for a total contracted volume of approximately 3.3 MMtpa. The agreements to supply LNG include a 20-year SPA with Spain's Union Fenosa Gas (1.65 MMtpa), a 17-year SPA with Japan's Osaka Gas (0.85 MMtpa) and a 15-years SPA with Mitsubishi Japan (0.8 MMtpa).

The success of Qalhat LNG is a proof of the high reputation and respect the Government of Oman in the international arena. This new agreement will also strengthen and enhance existing economic relations between Oman and Japan and will encourage further investments by foreign companies in Oman.