



**MGC establishes a new subsidiary to participate in  
a shale gas development & production and a LNG project  
in British Columbia, Canada**

 **MITSUBISHI GAS CHEMICAL COMPANY, INC.**

December 19, 2014

Mitsubishi Gas Chemical Company, Inc. (MGC) has decided to participate in a shale gas development and production project in British Columbia, Canada and a planned LNG project on the western coast of the same province, both of which are undertaken by Petroliaam Nasional Berhad (PETRONAS).

MGC has also decided to invest in JAPEX Montney Ltd. (JML), which is a subsidiary of Japan Petroleum Exploration (JAPEX) and owns a 10% interest of this project, through a newly established Canadian subsidiary, MGC Montney Holdings Ltd. (MML)

Through this investment, MGC will acquire a 10% interest of JML, including a commitment to offtake 120 KMtonnes/y of LNG (shale gas based Liquefied Natural Gas) which is under contemplation in the western coast of British Columbia, Canada (estimated LNG production volume: 12 MMtonnes/y).

PETRONAS, the operator of this project, has extensive experience in the LNG business and is currently undertaking development, production and sales of natural gas in Canada. PETRONAS is now planning to transport the gas to the west coast of Canada through pipelines and export it as LNG.

JAPEX has interests of petroleum and natural gas and is operating development, production and sales of them. JAPEX has rich knowledge of and technological strength in energy development. MGC cooperates closely with JAPEX as an energy development partner through the development of the Higashi-niigata and Iwafune-oki oil-gas fields in Japan.

In 1952, MGC was the first in Japan to succeed in synthesizing methanol from natural gas fields that exist underground in Niigata prefecture. Since then, MGC has been operating the prospection and development of natural gas resources with JAPEX and another mining company. And through the usage of natural gas as a raw material and fuel, MGC also has provided society with unique products from basic chemicals to high-performance products generated from its own technologies.

MGC believes that participation in this project will make a profit through the development, production and sales of natural gas. MGC also is aiming to improve the profitability of the domestic operation through the usage of competitive LNG obtained from this project as a raw material and fuel in its domestic plants.

#### **Outline of the new subsidiary**

Company name:	MGC Montney Holdings LIMITED (MML)
President:	Yukio Sakai (Senior managing executive officer of MGC)
Location:	Vancouver, British Columbia, Canada
Date of establishment:	December 2014
Business:	Investment to JML
Capital:	Approximately ¥ 9.6 billion
Investment ratio:	MGC 100%

#### **Reference:**

#### **Natural gas development and production project**

Location:	North Montney, British Columbia, Canada
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#### **LNG Project**

Plant location:	Lelu Island, within the District of Port Edward on land administered by the Port of Prince Rupert, British Columbia, Canada
LNG production:	12MMtonnes/y
First LNG production:	Planned end of 2018

#### **Outline of JML**

Company name:	JAPEX Montney Ltd.
Location:	Calgary, Alberta, Canada
President:	Osamu Watanabe (President of JAPEX)
Investment ratio:	JAPEX 45%, Japan Oil, Gas and Metals National Corporation 45%, MML 10%