



October 25, 2013

Press Release

Company Name: Idemitsu Kosan Co.,Ltd.
Representative Director
& Chief Executive Officer: Takashi
Tsukioka
(Company Code: 5019, TSE, First Sect.)
Contact person:
Taiji Hashidoko, Manager, Investor
Relations Office, Treasury Department
(TEL: +81-3-3213-9307)

Idemitsu and AltaGas Acquire Interests in Canadian Oil & Gas Company Petrogas

Idemitsu Kosan Co.,Ltd. (Representative Director and CEO: Takashi Tsukioka, hereinafter “Idemitsu”), AltaGas Ltd. (Chairman and CEO: David W. Cornhill, hereinafter “AltaGas”), and Petrogas Energy Corp. (hereinafter “Petrogas”) are pleased to announce that they have reached an agreement wherein AltaGas Idemitsu Joint Venture Limited Partnership (“AIJVLP”), a 50-50 joint venture between Idemitsu and AltaGas, will acquire two-thirds of all outstanding shares of Petrogas, as detailed below.

This acquisition will not result in any changes to the Idemitsu Group’s projected consolidated business performance for the 2013 fiscal year.

1. Background of Acquisition

Capturing major changes in world’s current energy supply-demand structure, Idemitsu has reached a decision to enter the gas business in its fourth consolidated Medium-term Management Plan (FY2013-2015) in order to diversify energy sources and to achieve stable energy supply.

Under this plan, Idemitsu, through its joint venture with AltaGas, plans to pursue opportunities involving exports of LNG (liquefied natural gas) and LPG (liquefied petroleum gas) from Canada to Asia.

2. Purpose of Acquisition

Petrogas is a leading midstream company with a focus on natural gas liquids (NGL), LPG and crude oil. It was established in Calgary, Canada in 1986 and has its business operations mainly in Western Canada and the USA. It owns and operates extensive terminals and storage facilities along with a logistics network.

This acquisition will make a significant contribution to Idemitsu’s and AltaGas’ LPG export opportunities, with combination of AltaGas’ LPG production facilities, Petrogas’ midstream infrastructure assets, and Idemitsu’s marketing network. At the same time, there will be synergies with Idemitsu’s existing businesses whereby it can create new business opportunities such as export of crude oil and petroleum products to Asian countries as well as Japan.

With growing demands for transportation of NGL and crude oil in North America, combined with Petrogas’ cash flows from the existing businesses, the acquisition can enhance value across our businesses and accelerate future growth.

AIJVLP will acquire a two-thirds interest in Petrogas’, including the one-fourth interest in Petrogas acquired by AltaGas on October 1, 2013, in which AltaGas plans to transfer its portion to AIJVLP. Idemitsu’s one-third interest in Petrogas will be acquired for

approximately 440 million Canadian dollars (approximately 42 billion Japanese Yen).

Idemitsu expects the acquisition can contribute to the national interests of both Canada and Japan through the export of a reliable and economically-competitive source of energy to Asia including Japan.

TD Securities Inc. acted as the exclusive financial advisor to AIJVLP.

3. Overview of Acquisition

(1) Acquiring Company

AltaGas Idemitsu Joint Venture Limited Partnership

(Limited partnership jointly formed by Idemitsu and AltaGas in January 2013, pursuant to the laws and regulations of Canada)

(2) Target Shares

Petrogas Energy Corp.

(3) Shares to be Acquired

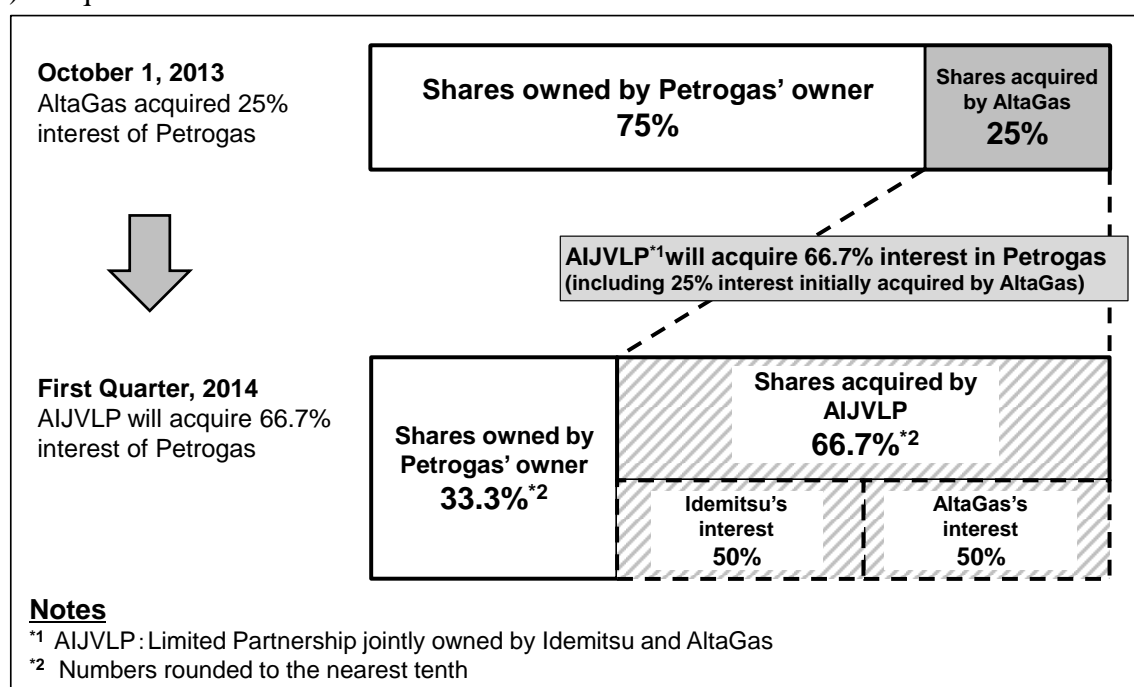
6,666,667 shares

(including the 25 percent interest in Petrogas initially acquired by AltaGas on October 1, 2013)

(4) Closing Date

Scheduled for the First Quarter of 2014

(5) Acquisition Scheme



4. Overview of Petrogas

Company Name	Petrogas Energy Corp.
Head Office	Suite 3900, Bow Valley Square 2, 205 – 5th Avenue, Calgary, Alberta T2P 2V7 Canada
Areas of Operation	Western Canada, parts of the USA
Representative	Stanley Owerko (President & CEO)
Foundation	September 10, 1986
Revenue	CAD 2,725 million (approx. ¥258.8 billion, 2012 actual)
Business Activities	Marketing for NGL, LPG and crude oil, logistics, storage, rail & truck transportation and production & sales of wellsite fluids
Website	http://www.petrogasmarketing.com/