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Press Release

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LPG Export from Ferndale Washington LPG Terminal

AltaGas Idemitsu Joint Venture Limited Partnership ("AIJVLP", a 50-50 joint venture between Idemitsu Kosan Co.,Ltd.(Representative Director & CEO: Takashi Tsukioka, hereinafter "Idemitsu") and AltaGas Ltd. (Chairman and CEO: David W. Cornhill, hereinafter "AltaGas"), and Petrogas Energy Corp. (President and CEO: Stanley Owerko, hereinafter "Petrogas"), owned two-thirds by the AIJVLP, are pleased to announce the first 100 percent dedicated LPG shipment by Petrogas from the Ferndale terminal. The Ferndale terminal, owned by Petrogas, is located in the State of Washington, USA.

This export will not result in any changes to the Idemitsu Group's projected consolidated business performance for the 2014 fiscal year.

1. Background

Idemitsu, in response to major changes in the world's current energy supply-demand structure, has been expanding its presence in the international LPG business as part of its Medium-term Management plans to diversify energy sources and to achieve stable energy supplies. The AIJVLP has acquired shares of Petrogas which owns and operates terminals and storage facilities for LPG and crude oil as its main business. In May 2014, Petrogas acquired the Ferndale LPG terminal. The acquisition advances a broader LPG export plan from the North American area that makes use of AltaGas' LPG production facilities, Petrogas' midstream infrastructure assets and Idemitsu group's trading and marketing network.

Securing LPG in North America contributes to the energy security of Japan due to diversification of its supply sources as well as supply stability and cost competitiveness compared with other traditional supply sources.

Idemitsu has an LPG affiliate company, Astomos Energy (hereinafter “Astomos”). Astomos handles LPG, which accounts for 15% of the world LPG seaborne trading volume, and controls 21 LPG vessels (VLGC). Idemitsu also uses LPG as feedstock in its petrochemical business. Deepening its cooperation with affiliate companies, Idemitsu aims to become the world leader in LPG, engaging in the entire supply-chain from producers to customers.

2. Transaction

Petrogas will export LPG (Butane) from the Ferndale LPG terminal. Astomos will purchase and transport the cargo using one of its vessels for delivery to Idemitsu Chiba refinery in Japan in the middle of August. Finally, Idemitsu will purchase it back from Astomos for petrochemical feedstock.

3. Ferndale Washington LPG Terminal

The Ferndale Terminal has facilities to handle exports and imports of LPG, and supply propane to the regional market for US domestic consumption. The Ferndale Terminal has rail, truck and pipeline capability and is connected to local refineries offering LPG balancing services.