



TOHOKU ELECTRIC POWER CO., INC.

May 19, 2008

Memorandum of Understanding Signed on Purchasing LNG from Indonesia's Tangguh LNG Project

We signed today a Memorandum of Understanding on the purchase of LNG from Indonesia's Tangguh LNG Project with its eleven participants.

Based on this agreement, we will import approximately 120,000 tons of LNG per annum from the Project for 15 years starting 2010.

The Tangguh Project will gather natural gas from three fields: Berau, Wiriagar and Muturi in West Papua province (New Guinea), liquefy the gas at the LNG plant now being built in the southern part of Berau Bay, and export the LNG to countries in the Asia Pacific region. The plant will be capable of producing 7.6 million tons of LNG per annum and is scheduled to commence export in 2009.

We have been importing LNG from Indonesia (the Arun II contract extension), Malaysia, Qatar and Australia. The supply of LNG from the Tangguh Project, in addition to that from Russia's Sakhalin II project, from 2010 will help stabilize our sources of LNG.

We will continue to ensure the stable, economical and flexible supply of electricity by diversifying fuel supply sources.