



***Energy Security  
and Regional Cooperation  
in the Asia Pacific***  
***- Japanese Electric Power Companies' Perspective***

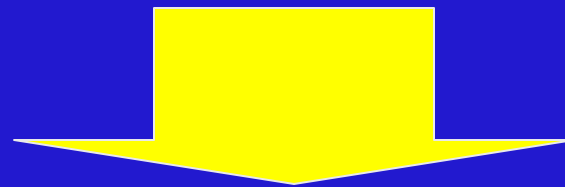
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**Tokyo Electric Power Company**

**September 2003, Brunei**



# Future Energy Situation in the Asia-Pacific Region

- Risk of Vulnerability in Self-Sufficiency in This Region
- Oil's Characteristics of Strategic Goods
  - ← Depending on the Geographical Factor



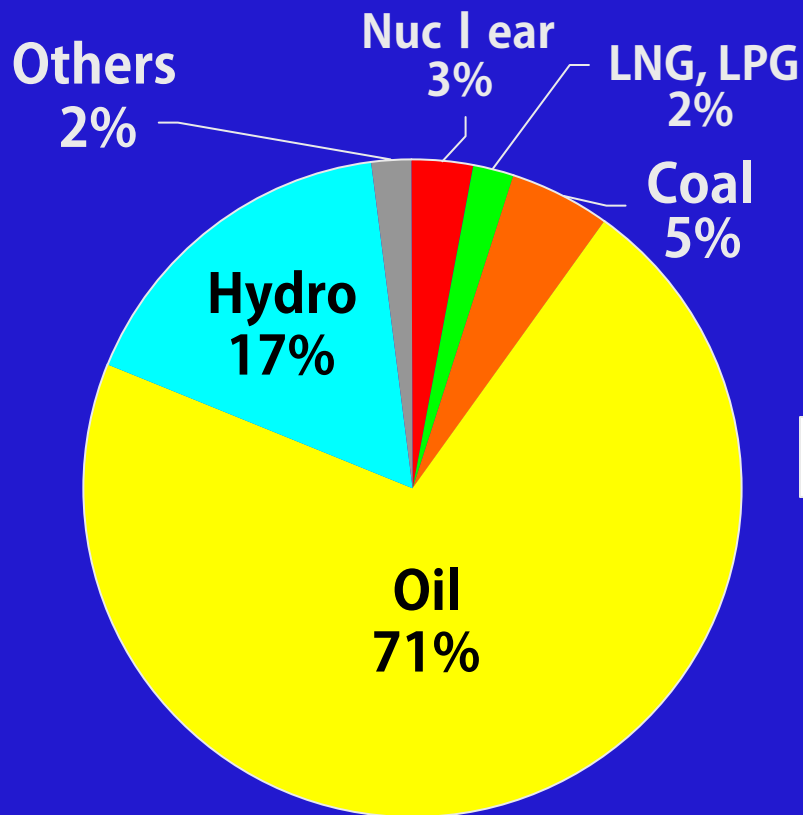
- Growing Importance for Asian-Pacific Economies to Work to Achieve the Security of Supply, by Actively Developing New Energy Resources



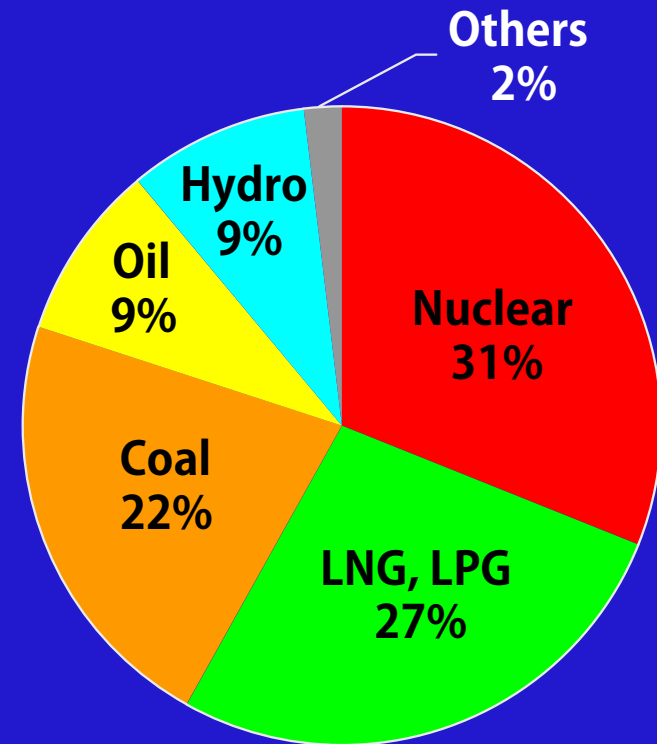
# Oil Crisis and Diversification of Energy

- Japanese Power Companies have structured a Best-Mix in order to reduce fuel risk and enhance supply security since the oil crisis.

1973FY(Before Oil Crisis)

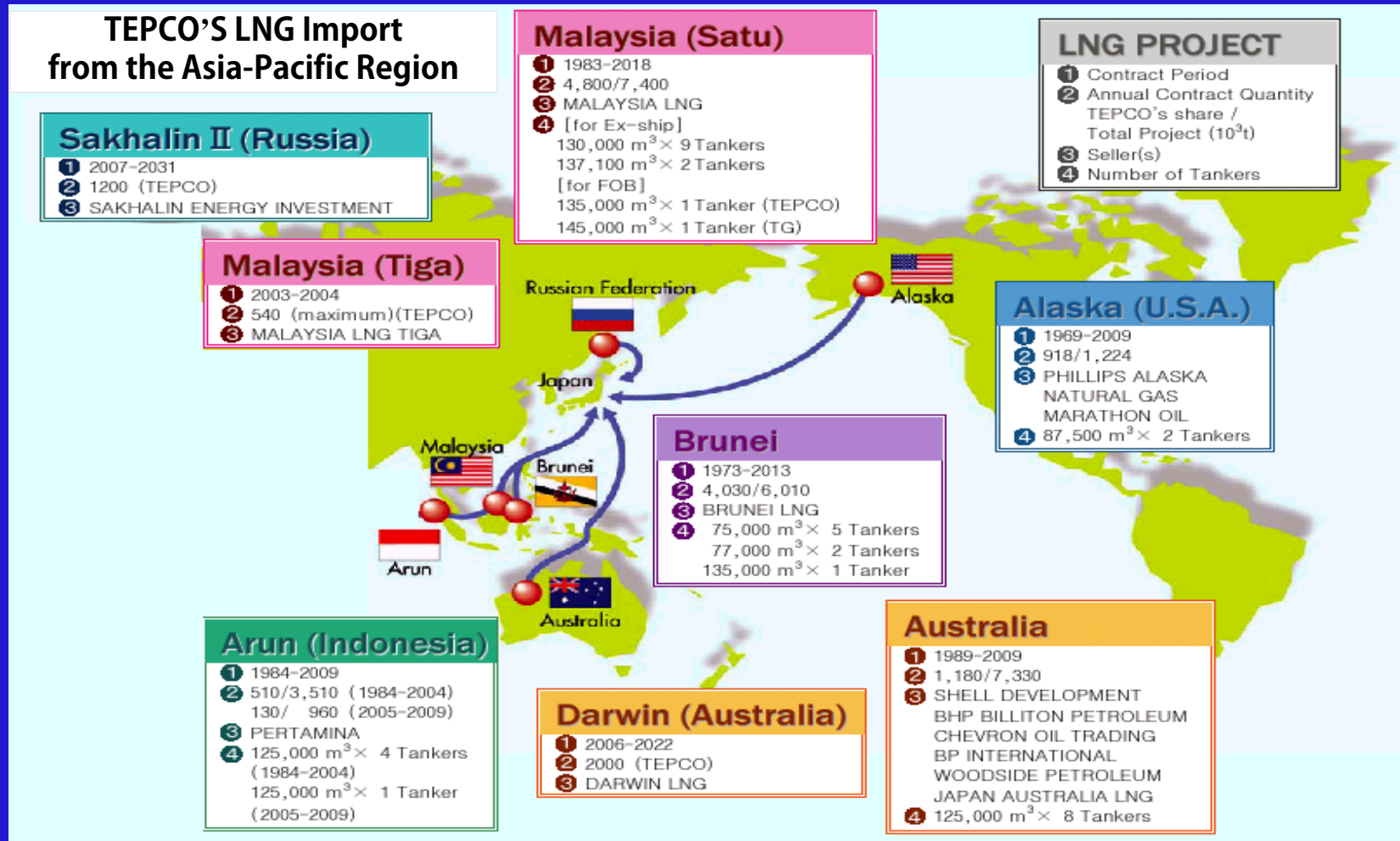


2002FY



# Best Mix and Fuel Procurement

- Diversification of energy has made our sources of fuel become more ubiquitous over various areas in the Asia-Pacific.





# Fuel Procurement and Resource Development

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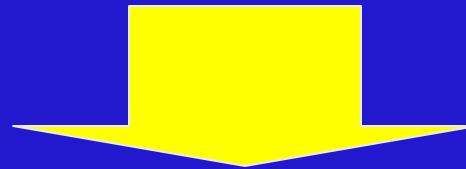
- Cooperation Between Buyers and Suppliers in LNG Projects

Buyers' Long-Term Commitment of Offtaking LNG

⇒Suppliers' Side : Mitigate Marketing Risk

Improve Funding Conditions

⇒Buyers' Side: The Stable Fuel Procurement



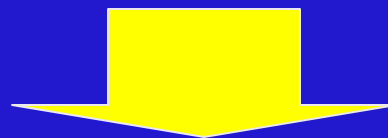
**Cooperation in Resource Development  
Is a Complementary, Win-win Relationship.**

# The Development of Liberalization and Changes in Business Models

- Deregulation of Utility Sector in the Asia-Pacific  
⇒ Uncertainty in Long-Term Power and Gas Demand



- Uncertainty in Long-Term LNG Demand
- Reluctance on Long-term Commitment of Rigid Contract



- Introduction of New Ideas for Resource Development  
⇒ Change of Risk Allocation  
Investment in Upstream and LNG Tankers by Buyer



# Partnership with Asia-Pacific Region as an Electric Power Company

- **From Cooperative Relationships in the Resource Development to a Higher Stage of Cooperation in the Energy Industry**
  - ⇒ Risk-Sharing in Resource Development Projects
  - ⇒ Providing Consultancy Services for Improving Management
    - : Reliability for Power Supply, Power System Efficiency, etc.
  - ⇒ Participating in Large-scale Power Supply Projects