

**Towngas deploys natural gas as feedstock beginning October 2006**  
**bringing savings on gas bills to customers**

(1 October 2006) The Hong Kong and China Gas Company Limited (Towngas) announced today that effective from October 2006, natural gas and naphtha are used as dual feedstock for producing town gas. Under the existing fuel cost adjustment mechanism, Towngas brings about 10% savings on gas bills to customers.

Beginning this month, customers' gas charges are calculated under a fuel cost adjustment mechanism based on new dual feedstock mix. In response to this change, Towngas has introduced a newly designed gas bill to display clearly updated gas charges information and savings to customers upon introduction of natural gas.

Towngas has signed a 25-year agreement with a supplier and using dual feedstock – natural gas and naphtha – ensures a reliable supply of town gas. As the contract price of natural gas agreed upon with the supplier is lower than the current naphtha price, Towngas is able to pass on cost savings to customers through the fuel cost adjustment mechanism.

Customers who have any enquiries about the new charges and the new gas bill can call Towngas customer hotline at 2880 6988.

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