

March 26, 2024

JX Nippon Oil & Gas Exploration Corporation

New Development Project for Gas Fields Using CCS Technology in Malaysia (BIGST Project) **Execution of Production Sharing Contract and Joint Operating Agreement**

JX Nippon Oil and Gas Exploration (BIGST) Sdn. Bhd. (President and CEO: Shinji Oka), a subsidiary fully owned by JX Nippon Oil & Gas Exploration Corporation (President and CEO: Toshiya Nakahara) is pleased to announce that we have signed a Production Sharing Contract ("PSC") with Petroliaam Nasional Berhad ("PETRONAS") and PETRONAS Carigali Sdn. Bhd. ("Carigali") for the development and production of the Bujang, Inas, Guling, Sepat and Tujoh ("BIGST") fields. The fields which are situated offshore Peninsular Malaysia are high CO₂ gas fields that were discovered but were unable to be developed, is now set for development by incorporating CCS (Note 1) technology. JX Nippon has acquired a 50% interest in the BIGST project, while Carigali has acquired the remaining 50%. In addition, JX Nippon has signed a Joint Operating Agreement (JOA) with the BIGST Operator, Carigali, where JX Nippon will participate as an active partner in the preparation of the field development plans for the BIGST fields.

Malaysia Petroleum Management, PETRONAS awarded the contract to Carigali and JX Nippon, as the custodian of petroleum resources in the country.

JX Nippon Oil & Gas Exploration Corporation has since April 2020 conducted a joint study with Japan Organisation for Metals and Energy Security using CCS technology to achieve a low environmental impact for the development of discovered and undeveloped gas fields. This joint study was highly regarded, leading to the signing of Heads of Agreement in December 2022 with Carigali to propose the development plan with CCS and to consider acquiring interests in the BIGST Project. Now, with the signing of the BIGST PSC and JOA, JX Nippon will proceed with further activities for development and production of BIGST.

Although BIGST has an estimated recovery of approximately 4 trillion standard cubic feet (Tscf), it has not been developed until now due to the high concentration of CO₂ along with gas. In the development of BIGST, we will utilize CCS technology to separate and recover CO₂ produced with natural gas and inject it into a depleted gas field nearby, making this a model case for a new era of petroleum and natural gas development business combining a conventional natural gas development with an environment-friendly initiative. JX Nippon will be leveraging on the knowledge and experience it has gained from the Petra Nova CCUS (Note 2) project in Texas, which has been already commercialized, to contribute to the increase in gas supply in Malaysia and work towards the realization of carbon neutrality through CCS implementation both domestically and internationally, with this project as one milestone.

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Note 1: CCS stands for Carbon Capture and Storage. Technology to capture emitted carbon dioxide and inject it underground.

Note 2: CCUS stands for Carbon Capture, Utilization and Storage. In addition to capturing and storing CO₂, this technology is used to generate new products and energy.



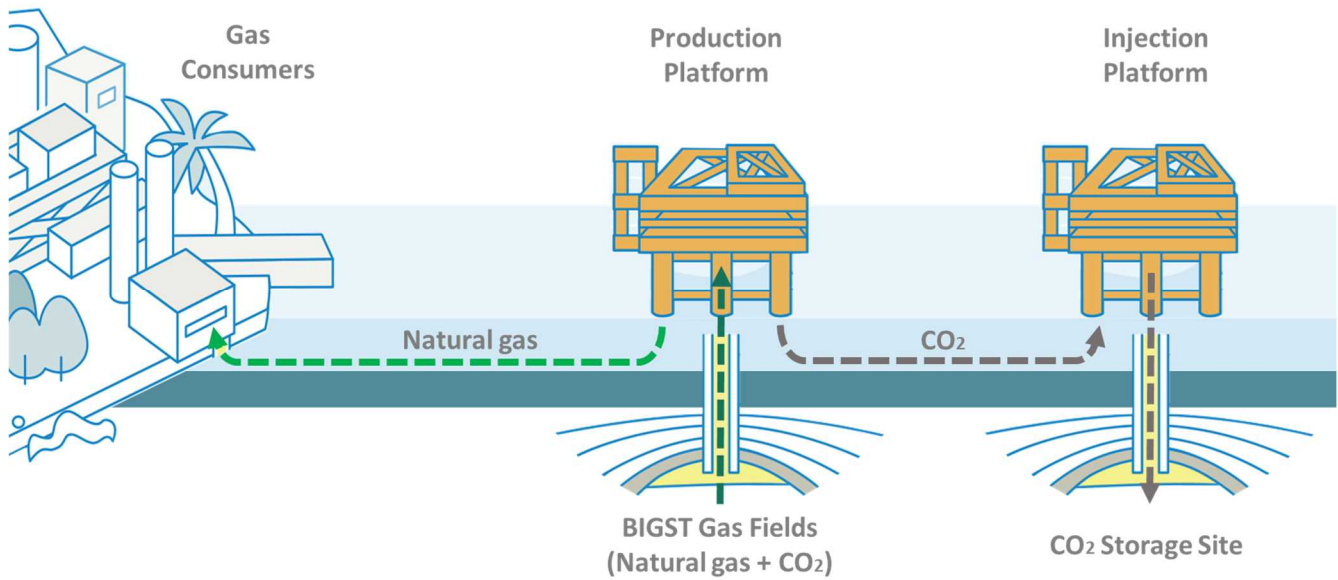
Signing Ceremony

From third left (PETRONAS) Datuk Ir. Bacho Pulong (Senior Vice President, Malaysia Petroleum Management (MPM)) From third right (PCSB) Hasliza Othman (Chief Executive Officer) , From second right (JX) Shinji Oka (Senior Vice President)



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<Conceptual Diagram of the project>



<Location of BIGST>

