

Acquisition of Shares of Japan Drilling Co., Ltd.

JX Nippon Oil & Gas Exploration Corporation ("JX", President & CEO: Toshiya Nakahara) is pleased to announce that it has reached an agreement with the funds related to Aspirant Group Inc. (Chief Executive Officer: Akitoshi Nakamura) to acquire the entire issued shares of Japan Drilling Co., Ltd. ("JDC").

We will proceed with the procedures to obtain the required regulatory approvals with the aim of completing the acquisition around the end of April of this year. Upon completion of the acquisition, JDC will become a consolidated subsidiary of JX, and we will continue to work with JDC as a partner to increase the corporate value of JDC and pursue its stable and continuous growth.

JDC is the only one company in Japan engaged in the offshore drilling business, and has built up an excellent reputation internationally for its technical capabilities as well as its professional personnel having highly specialized skills and knowledge. Through our collaboration to date, we have placed a great deal of trust in the human resources and technological capabilities of JDC, particularly in its drilling operations and safety management capabilities. We believe that, once JDC, which is also a valuable asset to Japan, joins with our group, our competitiveness in the oil and natural gas development business will further strengthen.

The ENEOS Group, of which our company is a member, has set a goal in its 2040 Long-Term Vision that it will contribute to a low-carbon, recycling-oriented society, and has announced that it will work toward achieving carbon neutrality for its own emissions by FY2040. JX has accumulated the knowledge and technologies in respect of the CCS/CCUS through its relevant projects, especially the Petra Nova CCUS Project in U.S.A. and the CCS/CCUS is regarded as an effective measure for achieving the carbon neutrality. Drilling wells to inject and store CO₂ underground is an important technological component of the CCS/CCUS value chain, and JDC's participation will further reinforce the CCS/CCUS value chain offered by the ENEOS Group and enhance its set-up and capabilities to help Japan achieve its carbon neutrality plan.



- (Note 1) Petra Nova CCUS Project: One of the largest CCUS projects in the world, which aims to increase crude oil production by capturing 1.6 million tons of CO₂ annually from flue gas of thermal power plants and injecting it into oil fields near Houston, U.S. Petra Nova will become a wholly owned subsidiary in September 2022.
- (Note 2) CCS: Carbon dioxide capture and storage, a technology for capturing CO₂ emissions and storing it underground.
- (Note 3) CCUS: Carbon dioxide Capture, Utilization and Storage. In addition to capturing and storing CO₂ emissions, this technology is used to generate new products and energy.

