

January 4, 2024

JX Nippon Oil & Gas Exploration Corporation

2024 New Year's Message by President Nakahara

Happy New Year to everyone.

Please be informed of New Year's Message from our president Mr. Nakahara to employees, which was addressed on January 4, 2024 as follows;

1. The environment surrounding us

Looking back at the past year, we can say that it was another year of VUCA (Volatility, Uncertainty, Complexity, Ambiguity). We finally escaped the impact of COVID-19, however, the Israel-Hamas war broke out in October. The situation in Ukraine has been more and more uncertain. The price of oil, which significantly affects our business, remains volatile.

Since becoming the president, I have stated that shifting from "management by predicting the future" to "management based on the assumption that we cannot predict the future" is essential in this business environment characterized by VUCA.

In these circumstances, to make the 2020s the period to acquire the capability of CCS, we will be devoted to 'Two-pronged approach' with Japan Drilling Company (JDC), which we acquired at the end of April.

2. Beliefs and expectations for each project

In Vietnam, we are in the transition period of entering New PSC to replace the current one that will expire in 2025. This year, we will vigorously pursue efforts to conclude new PSC.

In Malaysia, we celebrated the 20th anniversary of producing natural gas in SK-10 in October. We will focus on additional development of the Helang gas field. Also, we are continuing further study of the BIGST project, a large-scale project that combines the development of high-CO₂ gas fields and CCS, in collaboration with Petronas.

Petra Nova CCUS project in Texas in the United States finally resumed operation of CO₂ recovery unit in September last year, making us one of the world's top CCUS operators that store over one million tons of CO₂ annually.

In Japan, we established a joint venture 'West Japan Carbon dioxide Storage' with ENEOS and Electric Power Development Co. in January. We will accelerate preparations for commercialization of domestic CCS targeting 2030. We also aim to develop CCS projects outside of Japan including Malaysia and Australia.

3. Finally

I have been firmly requesting everyone to "Do Agile", but the prerequisite of "Agile" is "compliance" and "HSE." Let us continue to focus on our compliance and HSE efforts.

I would like to wish all employees and partners, as well as their families, both domestically and internationally, good health and prosperity.

Safety Starts With me!



Video message by President Nakahara