

April 9, 2024

JX Nippon Oil & Gas Exploration Corporation

Sumitomo Corporation

JX to Join Forces with Sumitomo Corporation at Large Scale SAF/BECCS Project in Louisiana

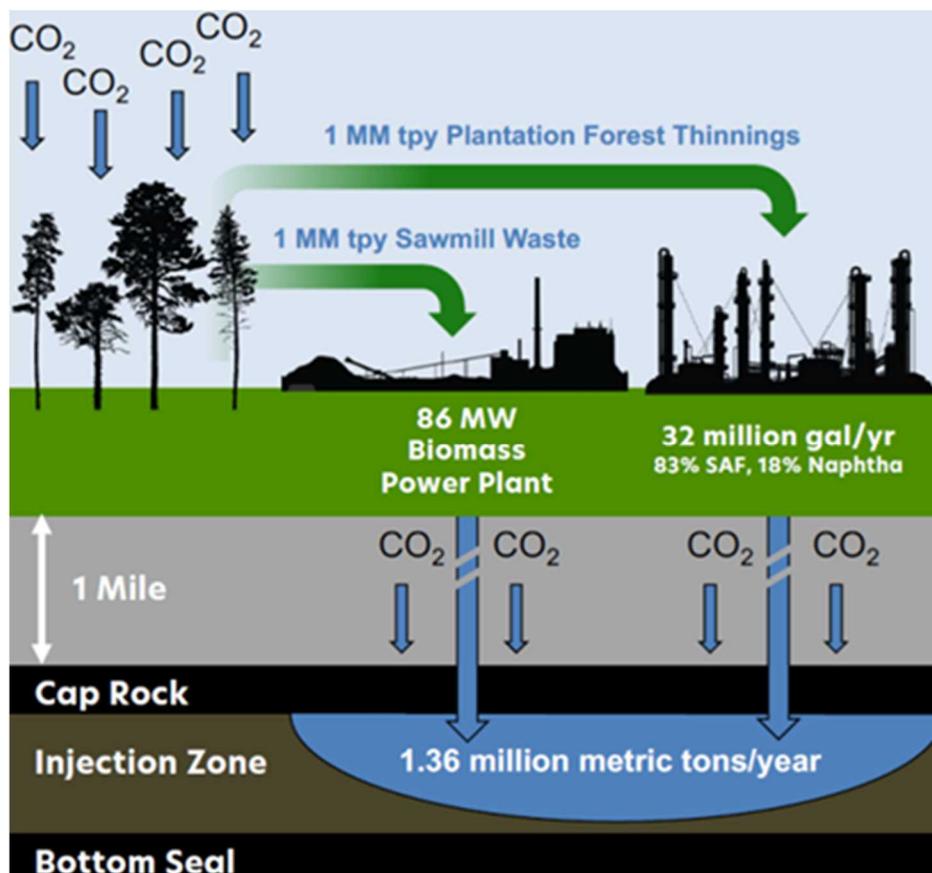
JX Nippon Oil & Gas Exploration Corporation ("JX") (President and CEO, Toshiya Nakahara) and Sumitomo Corporation ("Sumitomo") (President and CEO, Shingo Ueno) executed consortium agreements to manage investment in the Louisiana Green Fuels BECCS^{*1} project ("Project") at Port of Columbia, Caldwell Parish, Louisiana.

The Project is developing a sustainable aviation fuel ("SAF") production plant with renewable Naphtha as a byproduct utilizing woody biomass waste, such as thinning, with the production capacity of 32 million gallons (120,000 kiloliters) per year and the scheduled commercial operation date in 2029. The Project will convert woody biomass waste into synthesis gas, and then synthesize and upgrade it into SAF and Renewable Naphtha ("RN"). The Project is powered by a biomass-fired power plant using sawmill and other woody biomass waste attached with carbon dioxide ("CO₂") capture and storage ("CCS") facility addressing CO₂ emitted from the Project, both installed onsite and owned by the Project. As a result, the SAF and RN produced from this integrated Project achieves deeply negative carbon emission (equivalent to removing nearly 300,000 passenger cars from the road every year). Once complete, the Project will create approximately 150 direct jobs onsite, while five to six times as many indirect job opportunities are also expected and will contribute to the improvement of the local quality of life.

This project, which contributes to the reduction of greenhouse gas emissions and the enhancement of energy security, will accelerate the development based on the utilization of various U.S. government support measures, including the Inflation Reduction Act and the Department of Energy's Title 17 Clean Energy Financing Program established to promote clean energy technologies.

Sumitomo, through its subsidiary Sumitomo Corporation of Americas (“SCOA”) entered into Joint Development Agreement (“JDA”) with Strategic Biofuels on the Project in February 2024. JX, through its subsidiary JX Nippon Oil Exploration (U.S.A.) Limited (“NOEX USA”), and SCOA will jointly establish a consortium Magnolia Sustainable Energy Partners (“M-SEP”) to manage and make investment in the Project. Additionally, SCOA and NOEX USA will explore further business opportunities in DACCS*², BECCS, and other CCS and CDR fields by leveraging the Sumitomo Corporation Group's global initiatives in the CCUS sector and the abundant expertise and technological capabilities of the JX Nippon Oil & Gas Exploration Corporation Group.

<Project concept>



<Image of plant layout >



Toshiya Nakahara, President, and CEO of JX: "JX is excited to join this journey with Strategic Biofuels and Sumitomo, who possess remarkable technical, project management, business, and financing expertise and leadership, to jointly lead this Project to a success leveraging on our expertise in CCS built at Petra Nova CCUS*⁴ project and other projects. We believe CCS will play a vital role in energy transition and realization of carbon neutrality, and this Project also presents an excellent opportunity to enhance our capability for energy transition, including BECCS."

Koji Aso, Managing Executive Officers of Sumitomo / Head of Energy Innovation Initiative We are deeply honored to have JX, which possesses abundant expertise and technological capabilities in the CCUS field through projects like the world's largest Petra Nova CCUS project, participate in this project. Together with Japanese companies possessing unique technologies, experiences, and knowledge in the decarbonization field, we will provide various functions and values not only in terms of funding but also in collaboration with public and private stakeholders in both Japan and the United States, contributing to the success of the project. Our group has designated the United States, the world's largest consumer of jet fuel, as one of the focus regions for our SAF business, and will contribute to decarbonizing the aviation industry through the expansion of the SAF supply chain by developing SAF production and sales businesses (including feedstocks for SAF) on a global scale, starting with this project.



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About Strategic Biofuels:

Strategic Biofuels LLC is a team of highly experienced energy, petrochemical and renewable fuels technology experts focused on developing a series of deeply negative carbon footprint plants in northern Louisiana that convert waste materials from managed and sustainable forests into renewable fuels. The fuels qualify for substantial Carbon Credits under the Federal Renewable Fuel Standard Program and under the California Low Carbon Fuels Standard. For more Information, visit www.strategicbiofuels.com.

About Louisiana Green Fuels:

Louisiana Green Fuels is the first biomass waste-to-fuels project by Strategic Biofuels LLC in northern Louisiana at the Port of Columbia in Caldwell Parish. The biofuel refinery and adjacent power plant and their accompanying Class VI Carbon Capture and Sequestration (CCS) Wells will be the first SAF project in the world to achieve “deeply negative” carbon emissions.

About JX Nippon Oil & Gas Exploration Corporation:

JX Nippon Oil & Gas Exploration Corporation have engaged in energy exploration and production (E&P) business around the world for over 40 years, as a core operating company in the ENEOS Group, one of Japan's leading company groups of comprehensive energy, natural resources, and materials. JX is operating Petra Nova CCUS project in Texas, United States, which captures 1.4 million tons of CO₂ per year, and is the only Japanese company that has commercialized CCUS, to expand its role beyond the existing business to contribute to the achievement of carbon neutral world. For more information, please visit <https://www.nex.jx-group.co.jp/english/>.

About Sumitomo Corporation:

Sumitomo Corporation is a leading global trading company, with 108 locations in 65 countries and 20 locations in Japan. The entire Sumitomo Corporation Group consists of 900 companies and more than 80,000 personnel. The Sumitomo business is continuously expanding into a diverse range of products and services. As of December 31, 2023, Sumitomo had total assets of over \$72 billion and cash-on-hand of over \$4.26 billion (please refer to our website at www.sumitomocorp.com).



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- (*1) BECCS: Abbreviation for Bioenergy with CCS, a technology combining biomass energy and CCS.
- (*2) DACCS: Abbreviation for Direct Air Capture with CCS, technologies combining extraction of CO₂ directly from the atmosphere and CCS.
- (*3) CDR: Abbreviation of Carbon Dioxide Removal, a process in which CO₂ is removed from the atmosphere by deliberate human activities and durable storage.
- (*4) CCUS: Abbreviation of Carbon Dioxide Capture, Utilization and Storage. In addition to capturing and storing, it utilizes CO₂ to generate product and energy.

