

Vietnam Block B Gas Field Development Final Investment Decision



April 1, 2024
Mitsui & Co., Ltd.

Thank you very much for taking the time to attend this meeting.

I am Toru Iijima, Chief Operating Officer of Energy Business Unit I.

On March 29, we made a timely disclosure with regard to our final investment decision on the Vietnam Block B gas field development.

Block B Project Overview

Project Overview	Investment through Mitsui Oil Exploration Co., Ltd. (MOECO) in upstream gas field and pipeline development project to deliver gas to domestic power plants
Gas Field Location	Vietnam - 330km offshore southeast (offshore gas field)
Estimated Recoverable Reserves	3.95TCF (approx. 680MMboe)
Gas Field Interest Holders (Upstream(E&P))	Vietnam Oil and Gas Group* ¹ (PVN) : 42% PetroVietnam Exploration Production (PVN's subsidiary) : 27% MOECO subsidiaries (JVs with JOGMEC*²) : 23% PTTEP : 8%
Pipeline Interest Holders (Midstream)	PV Gas (PVN's subsidiary) : 51% PVN : 29% A MOECO subsidiary (wholly owned) : 15% PTTEP : 5%



*¹ Operator (Commonly known as PetroVietnam or PVN)

*² JOGMEC owns 41.26% and 38.72% in two separate MOECO subsidiaries holding Block B Project upstream interests

I will begin by providing an overview of our ownership interest in the Block B Project. The Block B gas field is an offshore field located about 330 kilometers southwest of Vietnam with estimated recoverable reserves of 3.95TCF. This reserve amount, when converted to LNG, equals a volume of gas sufficient to supply approximately 4 million tons per year for 20 years.

Through our wholly owned subsidiary, Mitsui Oil Exploration (MOECO), Mitsui is investing in an upstream project to develop the gas field, as well as a midstream project to build pipelines to send the gas to onshore power plants.

The Vietnamese state-owned company Vietnam Oil and Gas Group, commonly known as PetroVietnam, holds 42% interest in the upstream business as the operator. From Japan, MOECO, together with JOGMEC, represent the largest foreign ownership with 23% interest.

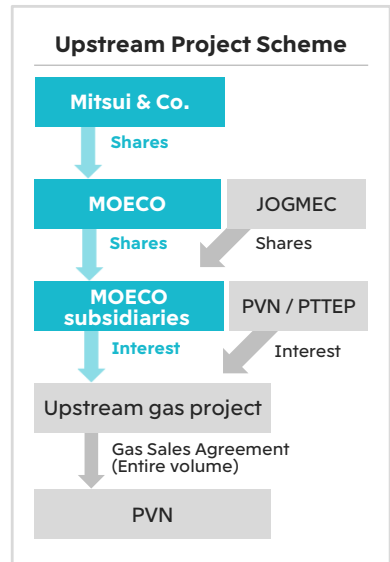
The gas field is geographically close to the offshore Thai gas upstream projects in which MOECO has already invested in, and has a similar geological structure. We believe that we will be able to utilize the expertise accumulated through such projects.

PetroVietnam is also the operator for the midstream project with a 29% interest, while MOECO is the largest among foreign investors with a 15% interest.

Block B Project Development Plan



Development Cost* Upstream (E&P) and Midstream Project	<ul style="list-style-type: none"> ● Approx. USD 740 mil (approx. JPY 110 bn)
Gas Field Development Plan Upstream (E&P) Project	<ul style="list-style-type: none"> ● Production Wells: Drill 37 wells pre-production and 861 wells in total during project life ● Gas Production: 490 mmcf/d during plateau period approx. 84,500 boe/d ● Development Cost*: USD 560 mil (approx. JPY 84 bn) ● Production Period: Late-2026 ~ (Over 20 years)
Pipeline Development Plan Midstream Project	<ul style="list-style-type: none"> ● Total Length: 433km (offshore 330km, onshore 103km) ● Maximum Transportation Capacity: 640 mmcf/d approx. 110,000 boe/d ● Development Cost*: USD 180 mil (approx. JPY 27 bn)
Gas Sales	<ul style="list-style-type: none"> ● PVN to be the sole buyer ● PVN to on-sell entire volume to domestic power plants



*1 MOECO subsidiaries' share of development cost which only includes pre-production CAPEX, FX rate USD/JPY 150

I will next outline the Vietnam Block B Project's development plan.

The development plan for the gas field project will involve the drilling of 37 wells by the time production begins, and a planned 861 wells in total.

Gas production will start before the end of 2026 and will continue for over 20 years. We estimate that output will reach 490 million cubic feet per day during the plateau phase.

MOECO's subsidiaries' share of development cost prior to production start in the upstream and midstream businesses will be approximately USD 740 million.

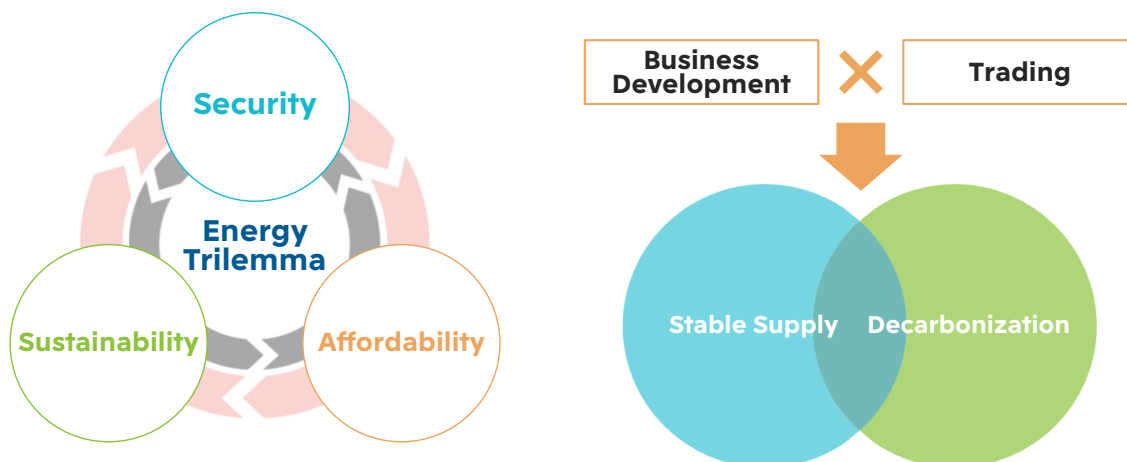
The entire volume of gas produced in the field will be sold to PetroVietnam at the wellhead of the upstream project. It will be sent by pipelines to onshore gas-fired thermal power plants in Vietnam and be used for power generation.

Through this project, Mitsui will contribute to Vietnam's economic development while also helping to address the urgent issue of ensuring a reliable energy supply.

Natural Gas and LNG Business Initiatives



Pursuit of Responsible Energy Transition



In the context of making this investment, I would now like to reiterate our initiatives in the natural gas and LNG businesses.

There are continuing concerns regarding the shortage of natural gas supply to meet the recovery in demand in the post-COVID environment. We are aware of the growing need to ensure a stable supply and to adjust supply and demand.

At the same time, the social need for decarbonization is unchanging and irreversible. Mitsui faces the vital and difficult challenge of achieving a high level of success in both the maintenance of reliable energy supply and the pursuit of decarbonization.

The expression *energy trilemma* has been used to describe the social requirement on the energy sector. We are keenly aware of the importance of maintaining *energy security*, *affordability*, and *sustainability* as we work toward the energy transition.

The energy transition cannot be achieved overnight and will require a phased approach based on careful consideration of differences in the circumstances of individual countries and regions.

We believe that natural gas and LNG have a very important role to play in providing a practical solution in this transition process as an affordable and reliable energy resource with, in relative terms, a lower burden on the environment.

Natural gas and LNG has long been a core business for Mitsui. We will continue to position this business as a core strategic area as we work toward a responsible energy transition.

In addition to its strengths in the business development, Mitsui is also utilizing its trading functions to strengthen its trading business. We are focused on the reduction of carbon emissions from both existing and new businesses. As I explained earlier, we are determined to apply our unique capabilities to the achievement of a responsible energy transition by ensuring reliable supply of energy while also working to reduce carbon emissions.

Block B Project's Strategic Value



Enhancing quality of life through the stable power supply in Vietnam



Supporting Vietnam's sustainable energy transition*¹



Enhancing the project value through Mitsui's expertise and realizing long-term stable earnings

*¹ In order to achieve carbon neutrality by 2050 in accordance with Paris agreement, the Vietnamese government developed the Eighth National Power Development Plan (PDP8), which includes power plants that will receive gas from Block B Project.

I would now like to address the specific strategic significance of this project, keeping in mind the initiative just explained as our response to the external environment challenged by the energy trilemma.

1. By developing gas fields, we will contribute to the enhancement of quality of life in Vietnam by playing a part in securing a stable power supply to address power shortage, which is becoming an urgent issue as the economy develops.
2. Vietnam has set a goal of achieving carbon neutrality by 2050 and aims to reduce its dependence on coal. Last year it adopted its Eighth National Power Development Plan (PDP8). This plan includes the development of the O Mon Power Complex, which will receive gas from Block B Project. Through this project, Mitsui will support Vietnam to achieve a sustainable energy transition.
3. Lastly, MOECO has invested in this project from the exploration phase without paying any premium, which therefore ensures the competitiveness of this project. As the leading foreign interest holder, we will work to improve the value of the gas field utilizing the expertise gained from the neighboring upstream gas projects in offshore Thailand in which MOECO has invested in while realizing stable long-term earnings.

Through these activities, Mitsui will continue to pursue a responsible energy transition in line with our initiatives on the natural gas and LNG businesses.

MOECO's Corporate Strategy



Stable Earnings Foundation



Next Generation Earnings Foundation



Achieving Materiality



Lastly, I will explain MOECO's corporate strategy.

MOECO will build a stable earnings base by adding the Vietnam Block B Project to its existing E&P assets such as the upstream offshore gas business in Thailand.

These stable earnings will be used to create a future earnings base through new investments in next-generation projects, including CCS and CCUS, especially in Southeast Asia.

In addition, we will continue to secure sustainable supply while helping to create an eco-friendly society through sophisticated initiatives that combine MOECO's E&P expertise with Mitsui's integrated strengths.

MOECO will remain the core company in our E&P group as we work to create social value through the realization of our materiality.

That concludes my presentation. Thank you very much.

360° business innovation.

