



Energy

# Hirotsu Fujiwara

Energy Business Unit II

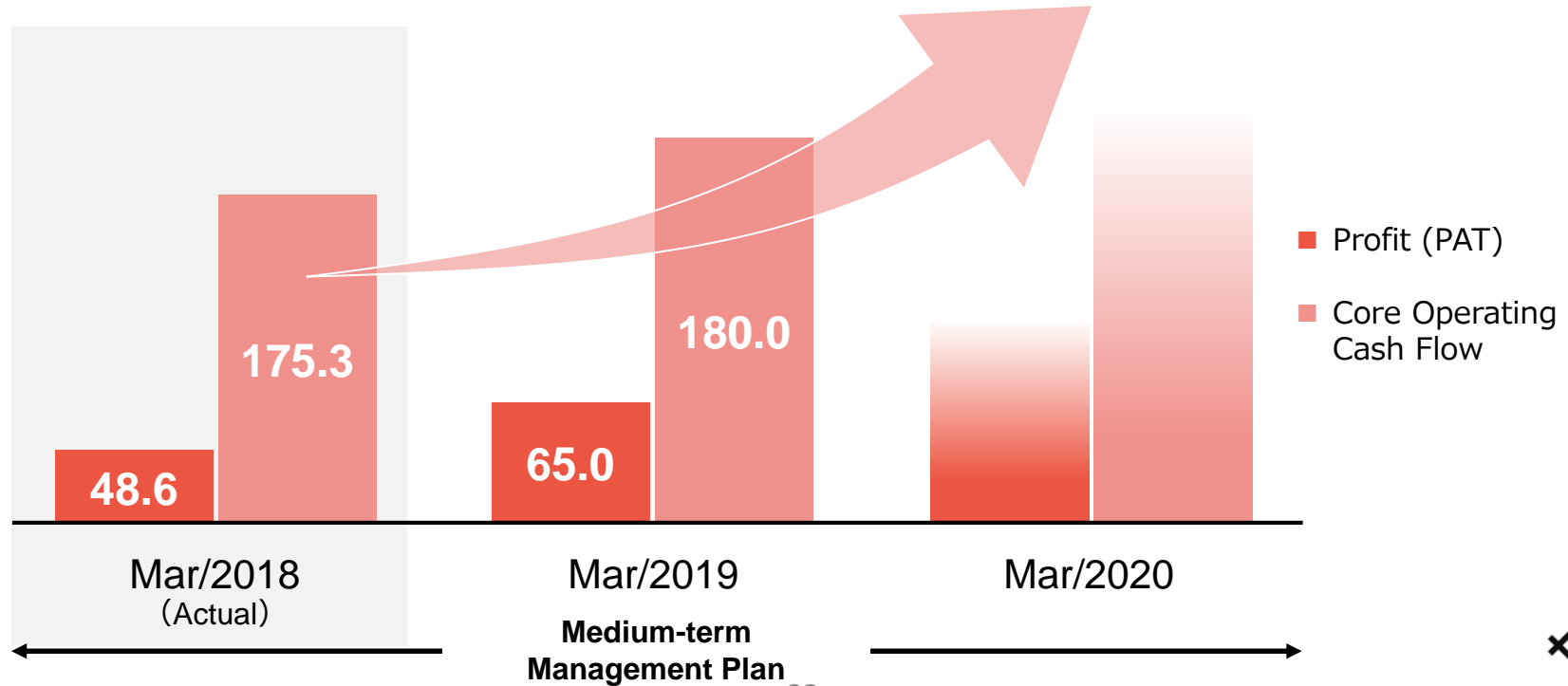
## Basic Strategies

**01 Build a competitive asset portfolio**

**02 Develop a mid/downstream energy value chain**

# Quantitative targets Profit(PAT)/Core Operating Cash Flow

Unit : ¥bn



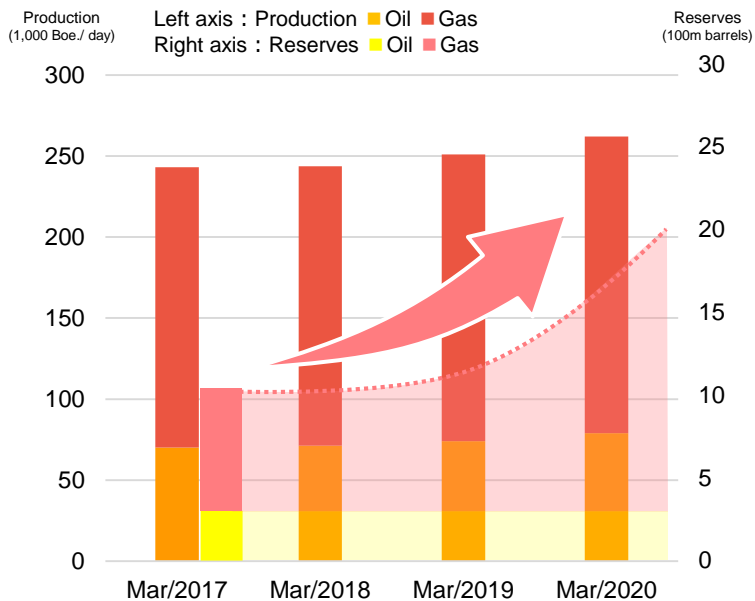


# Competitive advantages

## Equity share of crude oil & gas production and reserves; LNG production capacity

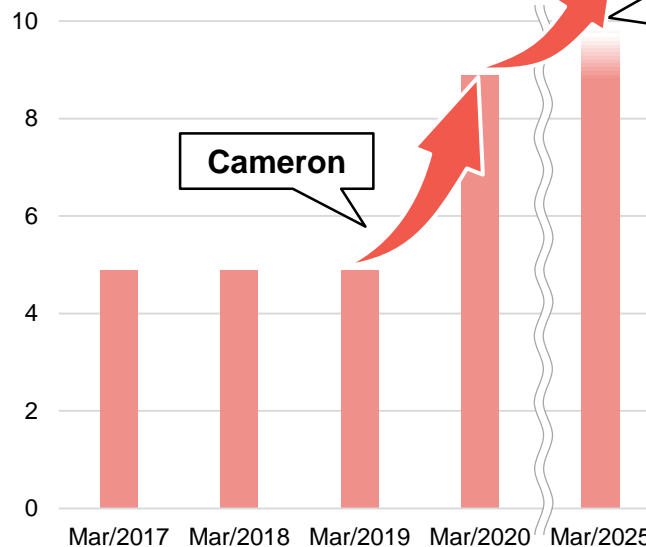
### Production volume; Reserves

\*Reserves are for post-FID projects only



### LNG production capacity

(Unit: Million tons)



**Mozambique  
Sakhalin II  
expansion**

**Cameron**

## Business Environment

Energy demand will increase along with economic and population growth

### Fossil fuels

Main source of primary energy for some time

#### Crude Oil

There are scenarios that anticipate crude oil demand to reach a plateau between 2030-2040

#### Gas

Strong growth of demand over a protracted period

### Non-fossil fuels/ Renewable energy

Growing needs of society  
Lower cost resulting in market penetration

Manage asset portfolio with emphasis on long-term view  
Further expansion of gas business

Initiatives related to new and renewable energy

# 1 Build a competitive upstream asset portfolio

E&P  
Business

## ◆ Acquisition of AWE Limited, an Australian oil and gas company

- Expansion of asset portfolio  
2P reserves 82m BOE (December 2017), Production 2.5m BOE (forecast for 2018)
- Acquired operatorship capabilities

## Waitsia gas field

- Currently planning for 2018 FID and 2020 start-up
- Cost competitive onshore gas field due to its proximity to demand and existing infrastructure
- Upside potentials for production and reserves

Synergies and positive impact  
on the entire E&P business

1995  
Participate  
in Wandoo

2004  
Participate in  
Enfield/Vincent

2015  
Participate in  
Kipper

Step  
Change

Waitsia  
FID

Develop  
Waitsia

Maximize value  
of Waitsia,  
develop adjacent areas

Expand operations  
in Australia and New Zealand

# 1 Build a competitive upstream asset portfolio

LNG  
Business

## ◆ Mozambique Area1

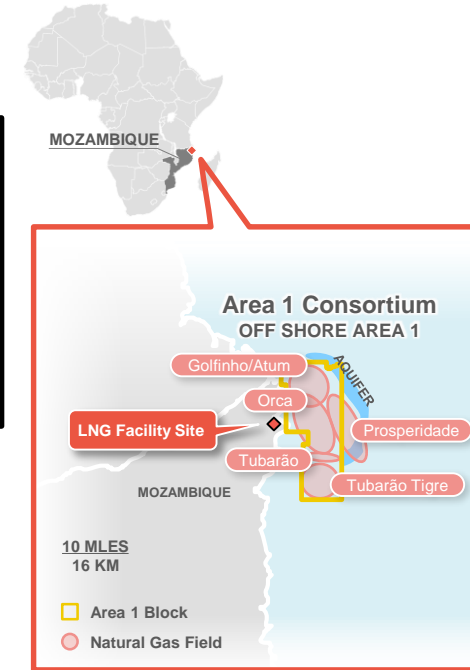
### Top-class Resources

Approximately **75tcf**  
– this amounts to **over 15 years' worth** of natural gas consumption in Japan

### Restrained entry cost

Participation from the exploration stage (approx. 10 years ago)

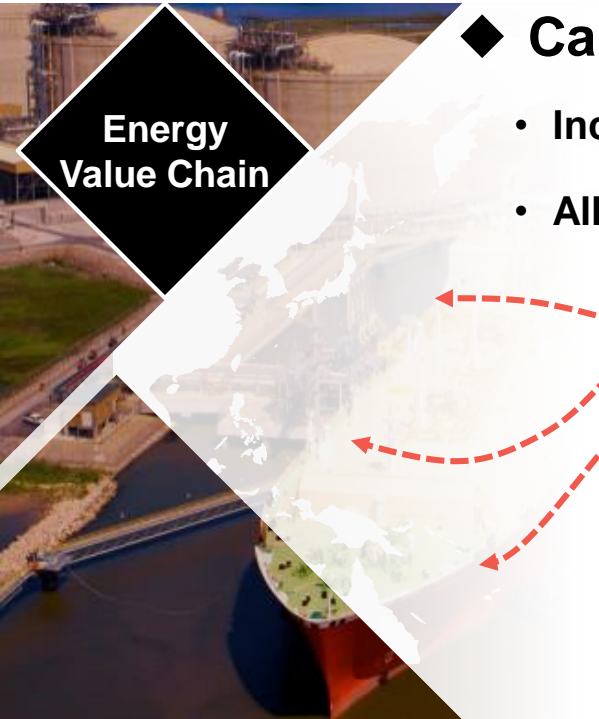
- **Plan to start production at a capacity of 12million tons/year from the early 2020s, potential for further expansion.**
- **Expect to be a major LNG supply base, contributing to profit in the long-term.**



## 2 Develop a mid/downstream energy value chain

### ◆ Cameron LNG

- Increase in Mitsui's handling volume of LNG by 4million tons/year\*  
\*Approximately the annual gas consumption of 12million Japanese households
- Allocate 7 newly built LNG carriers to expand global trading





# Projects in the Pipeline

