



MITSUI & CO.



Energy

Hirotsu Fujiwara

Energy Business Unit II

Copyright © MITSUI & CO., LTD. ALL RIGHTS RESERVED.

Basic Strategies

01 Build a competitive asset portfolio

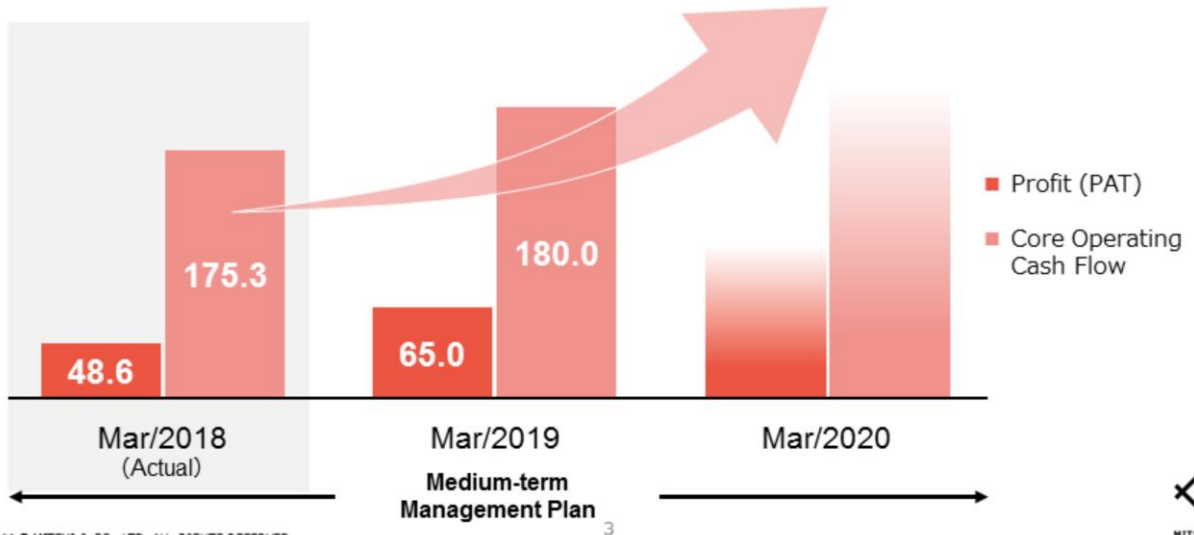
02 Develop a mid/downstream energy value chain

The first strategy is to Build a competitive asset portfolio. We will build a portfolio with downside resilience that can sustainably contribute to profit even amid fluctuation in the energy market.

The second strategy is to Develop a midstream and downstream energy value chain. We will pursue profitable sales of our equity production and develop business opportunities in distribution infrastructure.

Quantitative targets Profit(PAT)/Core Operating Cash Flow

Unit : ¥bn

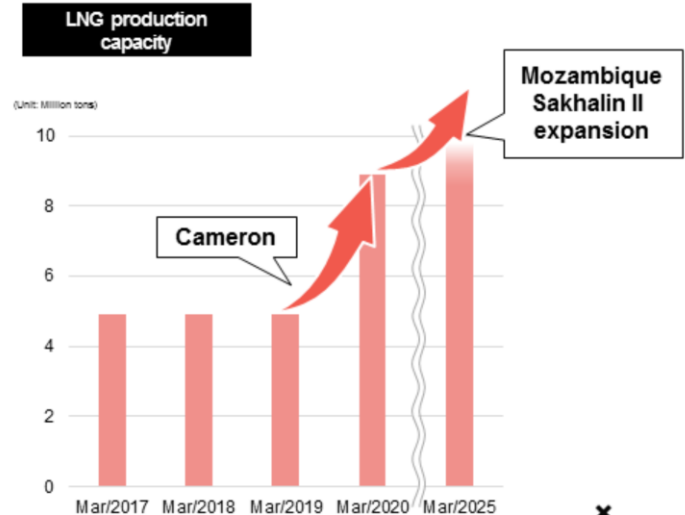
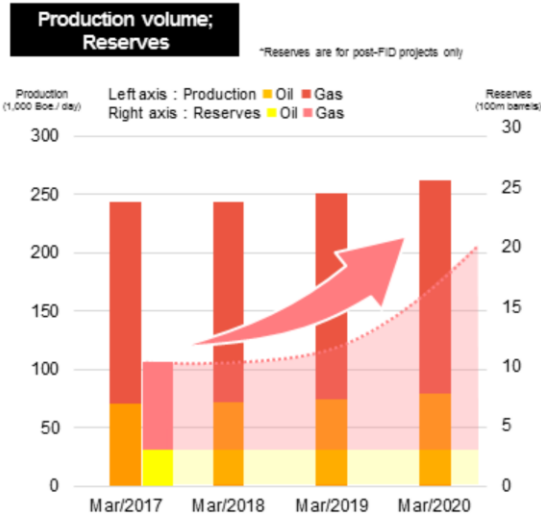


We are forecasting profit growth in the year to March 2019 due to market improvements and absence of a one-time loss recorded in the previous fiscal year.

In the fiscal year ending March 2020, we expect higher profits as projects under development start production and for Resources & Energy as a whole we are targeting profit of 240 billion yen.

Competitive advantages

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



Copyright © MITSUBI & CO., LTD. ALL RIGHTS RESERVED.

4



We forecast a gradual increase in production volume.

Reserves are expected to rise significantly as of end March 2020, mainly due to the expected final decision on investment in the Mozambique LNG project.

We currently have about 5 million tons per annum of production capacity in LNG but this is expected to rise to around 9 million tons in the fiscal year ending March 2020 as the Cameron project starts up.

This is equivalent to approximately 10% of Japan's total annual LNG imports.

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



Copyright © MITSUI & CO., LTD. ALL RIGHTS RESERVED.

6



Over the course of 20 years, Mitsui has expanded our E&P business in Australia and furthered our expertise.

AWE's Waitsia gas field is said to be the largest onshore gas field discovered in the past 40 years.

With the acquisition of operatorship capabilities we aim to strengthen our capabilities and drive value creation on a global scale.

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.**



Mozambique Area1 is one of the largest gas fields in the world to be developed in recent years. For the past 10 years we have been working with the operator, Anadarko, towards commercialization.

Last year, decree law on LNG development was enacted, and resettlement activities for residents who live in the planned construction site has already begun. The development plan was approved in February this year, and we are making steady progress towards a final investment decision.

2 Develop a mid/downstream energy value chain

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

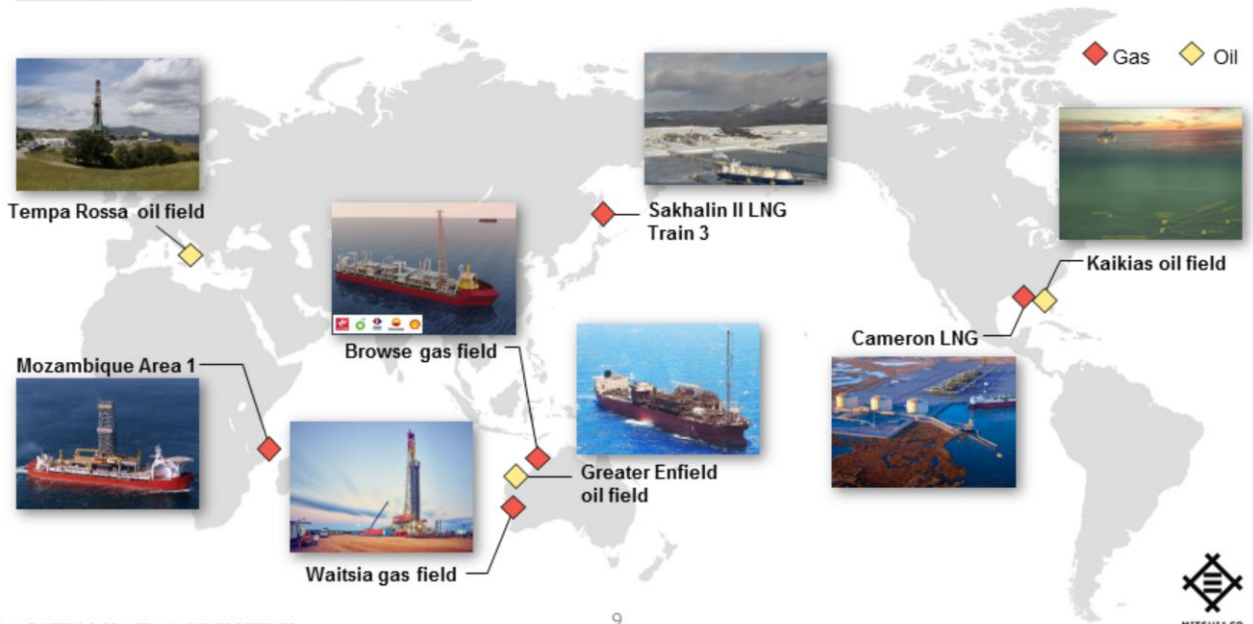


The Cameron LNG project, located in the US state of Louisiana, is in the phase of constructing liquefaction facilities with the aim of starting production in 2019.

We plan to supply our equity cargo of this LNG project to our newly constructed gas fired power plant in Soma City, Fukushima Prefecture, ultimately expanding into electricity retail.

With the demand for gas expected to grow, we plan to develop our midstream and downstream value chain.

Projects in the Pipeline



Copyright © MITSUI & CO., LTD. ALL RIGHTS RESERVED.

9

For oil, Kaikias in the Gulf of Mexico began production one year ahead of plan. Tempa Rossa, an Italian on-shore project and the largest in Western Europe, is scheduled to launch during the period of the current medium-term plan, and there is Greater Enfield, an off-shore oil project in Western Australia.

For LNG, we are pushing ahead with Train 3 of the Sakhalin II project in Russia and the Browse project in Western Australia. Both projects are cost competitive due to utilization of existing infrastructure.