

Waitsia Stage 2 Development Final Investment Decision



23 December 2020
Mitsui & Co., Ltd.

Thank you very much for taking time out of your busy schedule to join us today.
My name is Masaharu Okubo, COO of Energy Division 1.

Today, I would like to explain Waitsia Gas Project Stage 2 Development which we released today, and our E&P Business Strategy.

Progress from Acquisition of AWE



[Acquisition of AWE]

- ✓ Mitsui acquired AWE in 2018 primarily to
 - (i) gain operatorship capabilities
 - (ii) expand cost competitive oil & gas portfolio in Australia including Waitsia

[Progress from Acquisition of AWE]

- ✓ Operatorship capabilities obtained and expanded through integration of AWE and Mitsui E&P Australia (MEPAU)
 - Waitsia Stage 1 (Xyris) expansion project completed (10TJ/d→20TJ/d)
 - Waitsia & Beharra Springs reserves increase through exploration (777Bcf→Total 1,111Bcf)
- ✓ Value maximization of existing gas asset through large scale development of Waitsia

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Before we dive into the details of the Waitsia Gas Project Stage 2 Development, let me explain the progress after acquisition of AWE.

The purpose of our acquisition of AWE was to gain operatorship capabilities in the upstream oil and gas business and to expand cost competitive oil & gas portfolio in Australia including Waitsia. Since then, we have successfully achieved these goals, so I would like to explain the current situation.

Since the acquisition of AWE, operatorship capabilities are obtained and expanded through the integration of AWE and Mitsui E&P Australia (MEPAU), our existing E&P business base in Australia. Furthermore, we have expanded the production capacity of Waitsia Stage 1 (Xyris) from 10 TJ per day to 20 TJ per day, and the total gas reserves of the Waitsia and Bahara Springs is increased through exploration activities. We have demonstrated operator's function and achieved good results.

Based on these developments, as a result of project scheme review, we have reached to large-scale development (Stage 2) of Waitsia. This development will further enhance the value of our existing gas assets.

Waitsia Gas Project Stage 2 Development

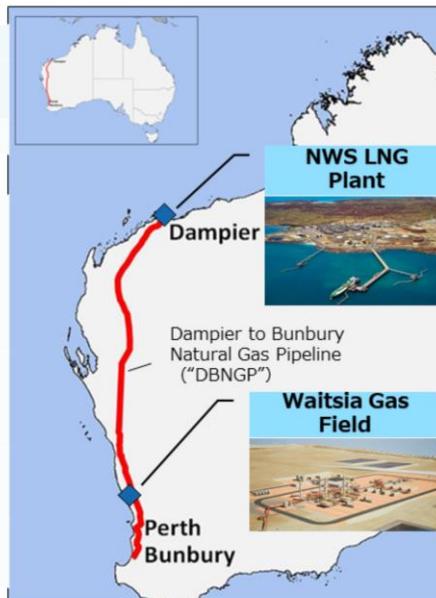


Waitsia Asset Overview

Location	350km North of Perth, WA, Australia
Recoverable Reserves	1,111Bcf (Waitsia & Beharra Springs*1 Total)
Equity holders	AWE 50%, Beach Energy 50%

Waitsia Gas Project Stage 2 Development Overview

Gas Development	<ul style="list-style-type: none"> ✓ Drilling of producing/exploration wells ✓ Construction of gas plant (250TJ/d) ✓ Total CAPEX (Gross): A\$768mil (Mitsui Net: A\$384mil, JPY29.7Billion) ✓ Start-up: 2H 2023
Gas Transportation	<ul style="list-style-type: none"> ✓ DBNGP GTA*2 executed with AGIG ✓ Gas transportation to North West Shelf ("NWS") LNG
Gas Liquefaction	<ul style="list-style-type: none"> ✓ GPA*3 executed with NWS LNG ✓ LNG exported through NWS facility
Gas Marketing	<ul style="list-style-type: none"> ✓ LNG export through NWS LNG ✓ Gas sales in Western Australia



*1: Beharra Springs : gas field close to Waitsia (Equity holders / interests are same as Waitsia) *2: GTA = Gas Transportation Agreement *3: GPA = Gas Processing Agreement

Let me touch upon Waitsia Asset Overview.

Waitsia gas field is an onshore gas field located approximately 350km north of Perth, Western Australia. Estimated recoverable reserves is 1,111 Bcf (Waitsia & Beharra Springs Total). AWE is the operator and holds 50% interests, while Beach Energy, an Australian E&P company, holds the remaining 50% interests.

Next, I would like to explain Waitsia Gas Project Stage 2 Development Overview.

We will launch a project based on gas sales to the LNG market, where it is easy to secure sales channels, and then sell gas in the domestic market in Western Australia, where supply shortage is expected in the future. This new gas supply will supplement the gas already being produced from Waitsia Stage 1 to domestic consumers.

The development includes drilling of producing / exploration wells and construction of a new gas processing plant with a processing capacity of 250 TJ/d. For the construction of the gas plant, an EPC lump-sum contract will be executed. Gross development cost is A\$768 million (approximately ¥59.3 billion) and Mitsui net development cost is A\$384 million (approximately ¥ 29.7 billion). Production is scheduled to start in the second half of 2023.

The gas produced from the Waitsia project will be transported to North West Shelf LNG through the Dampier to Bunbury Natural Gas Pipeline, which is the main gas pipeline in Western Australia, then liquefied and exported as LNG. From 2023 to the end of 2028, we will export 1.4 million tons of LNG annually (Net to Mitsui: 0.7 million tons). Produced LNG will be sold to the Asia market. After the LNG export period, we will sell gas to the domestic

market where supply / demand balance is expected to be tight. We will continue contributing to the stable energy supply in Western Australia for use by local consumers.

Waitsia Project Value Proposition



Waitsia is a strategic project which we create unique value as operator, in pursuit of 'Value over Volume' in E&P business.

E&P Business Strategy "Value over Volume"

- Pursue 'Value over Volume', corresponding to social demand for decarbonization and energy transition.
- Pursue the business where Mitsui create its unique value, to respond to "Dual Challenge".

Waitsia Project Value Proposition:

- Commercialization of Waitsia by value maximization through creation of gas value chain as operator (utilization of existing infrastructure, LNG marketing in Asia and stable gas supply into Western Australia).
- Pursue wide range of business opportunities including further expansion of gas reserves and carbon management business (CCS, carbon offset etc.) by combination of functions of E&P operator and "Sogo Shosha".

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Waitsia project has high strategic importance to us and Stage 2 development align with Mitsui E&P Business Strategy.

First, let me explain E&P Business Strategy.

In correspondence with social demand for decarbonization and energy transition, we will pursue 'value over volume'.

While doing so, to respond to 'dual challenge' of demands for more energy and cleaner energy, we will pursue the business where Mitsui create its unique value.

Second, let me explain Waitsia Project Value Proposition.

This project demonstrates our unique value. We commercialize Waitsia, one of the largest onshore natural gas fields in Australia, by value maximization through creation of gas value chain as operator. We have utilized gas infrastructure, LNG marketing capability in Asia and fulfill our responsibility of stable gas supply into Western Australia.

Further, through this development, we can pursue the wide range of business opportunities including realization of additional profit from gas reserves expansion and development of carbon management business such as CCS and carbon offset,

by combination of functions of E&P operator and “Sogo Shosha”.

Response to Climate Change



To achieve the Mitsui's goal of 2050 net-zero emissions, we will provide gas supply whilst mitigating greenhouse gas emissions.

Contribute to reducing environmental burden over the world through gas supply

- ✓ Contribution to a low-carbon society by promoting fuel conversion to gas in the medium term

Reduce greenhouse gas emissions from the project

- ✓ Adoption of efficient design to mitigate emissions
- ✓ Reduction and/or offset of emissions related to reservoir CO₂ removal(*) during the project life, in alignment with the Western Australian State Government's Policy

(*) Calculated as approximately 60% of total GHG emissions of the project

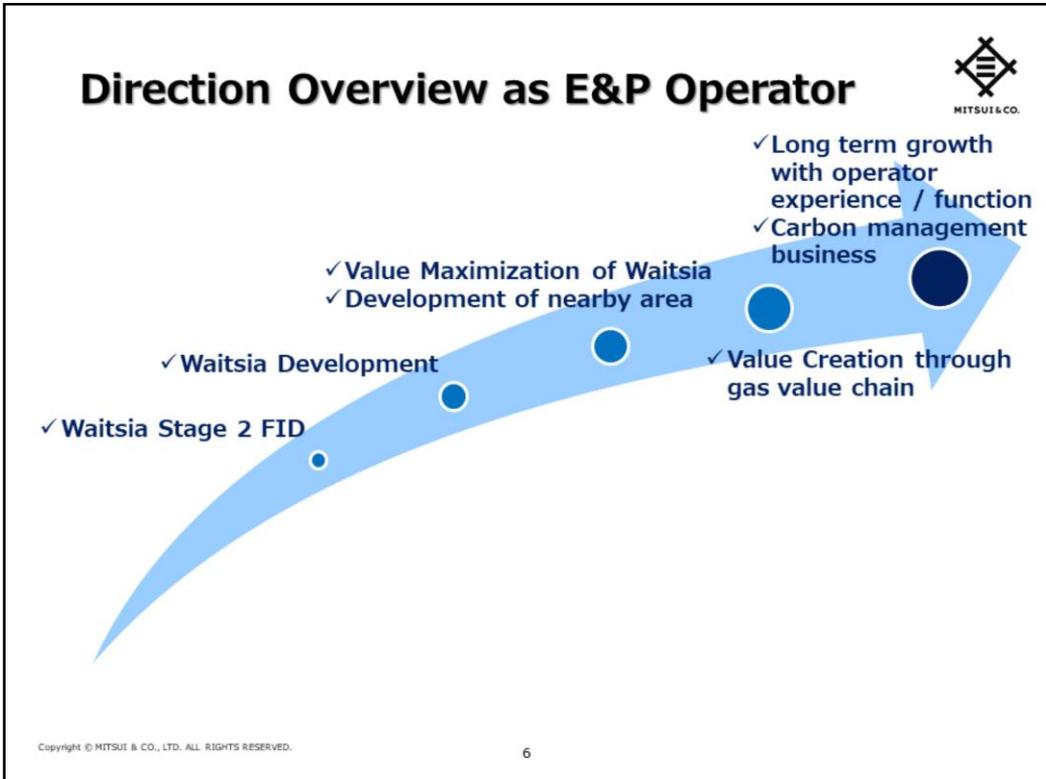
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Next, let me explain our response to climate change.

To achieve Mitsui's goal of 2050 net-zero emissions, one of the measures we are promoting is "Transition", which aims to contribute to a low-carbon society by promoting fuel conversion to Natural Gas, etc., in the medium term, and the Waitsia project will be part of this measure.

With regard to greenhouse gas emissions from the Waitsia project, we've adopted efficient design to avoid and reduce emissions. Further, in alignment with Western Australian state Government's policy, we will reduce and/or offset emissions related to reservoir CO₂ removal during the project life. (Emissions related to reservoir CO₂ removal are calculated as approximately 60% of total GHG emissions of the project)



Finally, I would like to explain the direction of business development with utilization of operator function.

After the stage 2 development of the Waitsia, we will continue to maximize the value of Waitsia by exploration and development of nearby area and optimization of the gas sales portfolio. In addition, after LNG export period, we will continue to work on creating a gas value chain with an eye to utilize hydrogen etc. Also, in response to social demand for decarbonization, We will work on developing carbon management business such as CCS and carbon offset.

We will realize the long-term growth of our energy business by embarking on these new businesses by utilizing the operator experience / function accumulated through E&P business.

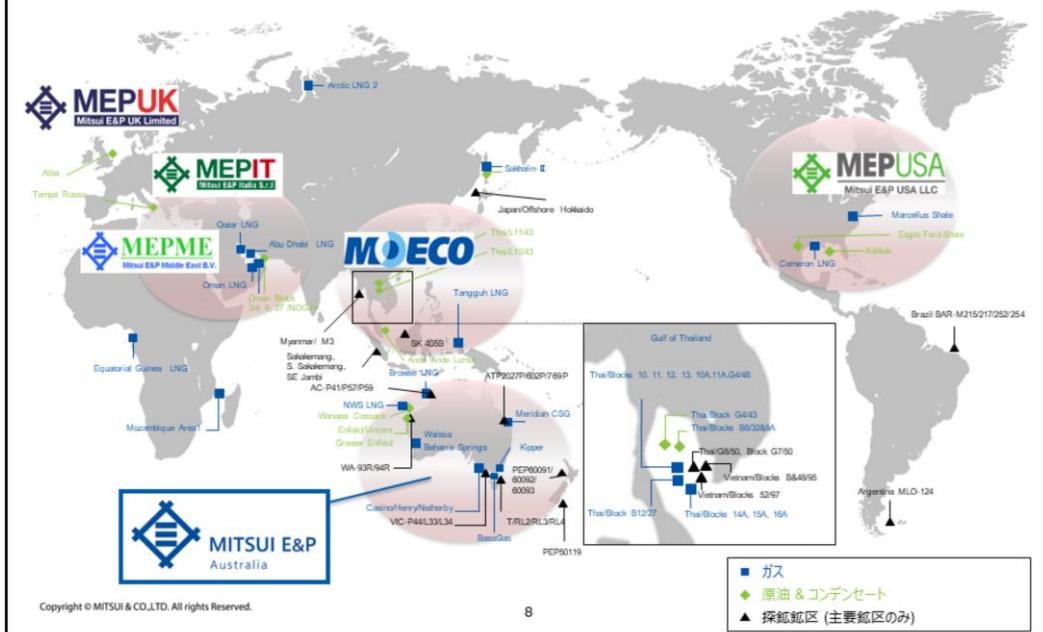


Appendix

Mitsui E&P / LNG Portfolio

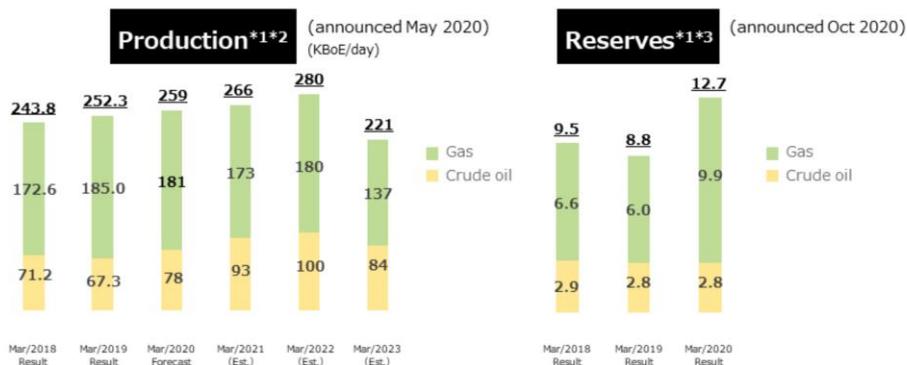


(As of Dec, 2020)





Mitsui's Crude oil & Gas – Equity share of production & reserves



*1. Oil equivalent
Mitsui's equity share of interests of consolidated subsidiaries, affiliates, and non-consolidated interests

*2. Mitsui's share of sales is applied to certain projects
(Est.) assumes that the impact of the novel coronavirus has not been factored into some figures

*3. According to Mitsui's assessment standards

360° business innovation.

