Investment in FPSO Charter Projects for Petrobras in Brazil

May 14th, 2018
Mitsui & Co., Ltd.
Agenda

1. Core Business of the Infrastructure Project Business Unit
2. Activities in offshore Oil & Gas infrastructure sector
3. Project Outline
4. What is FPSO?
5. Business Environment
6. MODEC - Strategic Partner for FPSO/FSO Business -
7. Mitsui FPSO/FSO Projects
1. Core Business of the Infrastructure Project Business Unit

**Power**
Balanced portfolio of 9.3GW of power generation capacity in 20 countries

**Offshore Oil & Gas Infrastructure**
MODEC collaboration
- 5 countries
- 18 FPSOs
- 2 million bpd production

**Gas Distribution**
Brazil: approx. 30 million m3/d capacity (roughly 50% of domestic supply total)
2. Activities in offshore Oil & Gas infrastructure sector

**Strength**
- Strong collaborative framework with MODEC
- Abundant project achievements for Petrobras (Brazil)
- Stable earnings from 18 FPSO*/FSO

**Growth Initiatives**
- Raise operating rates, lower costs
- Win new orders for FPSO
- Extend offshore energy domains (subsea business* etc.)

*FPSO: Floating Production, Storage & Offloading System
*Subsea business: Service business for subsea oil and gas production equipment
3. Project Outline

Mitsui is participating in two project companies for a long-term charter business for the purpose of providing FPSOs for use in the Sepia field and Mero field off the coast of Brazil operated by Petrobras. Mitsui’s equity interest in both FPSO projects is 32.4%.

<Field Location>

<Project Structure>
## 3. Project Outline

<table>
<thead>
<tr>
<th>Participation Date</th>
<th>FPSO for Sepia field</th>
<th>FPSO for Mero (former Libra) field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Jan 9th, 2018</td>
<td>May 11th, 2018</td>
</tr>
</tbody>
</table>

| Field               | Sepia pre-salt field, in Santos Basin (Offshore Brazil) | Mero pre-salt field, in Santos Basin (Offshore Brazil) |

| Field Owner         | Petrobras           | Libra Consortium (Petrobras 40%、Shell 20%、Total 20%、CNPC 10%、CNOOC 10%) |

| Charterer/Operator  | Petrobras           | Petrobras                           |

<table>
<thead>
<tr>
<th>FPSO Major Specification</th>
<th>Vessel type</th>
<th>Storage Capacity</th>
<th>Oil Production</th>
<th>Gas Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FPSO for Sepia field</td>
<td>VLCC Conversion</td>
<td>1,400,000bbls</td>
<td>180,000bbls/day</td>
<td>6,000,000Sm3/day</td>
</tr>
<tr>
<td>FPSO for Mero field</td>
<td>VLCC Conversion</td>
<td>1,400,000bbls</td>
<td>180,000bbls/day</td>
<td>12,000,000Sm3/day</td>
</tr>
</tbody>
</table>

| Contract Term          | Firm 21 years    | Firm 22 years    |

<table>
<thead>
<tr>
<th>Shareholding Ratio</th>
<th>Mitsui 32.4%</th>
<th>MODEC 20.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MOL 20.6%</td>
<td>Marubeni 17.6%</td>
</tr>
<tr>
<td></td>
<td>Mitsui E&amp;S 9.3%</td>
<td>same as on the left</td>
</tr>
</tbody>
</table>

Copyright © MITSUI & CO., LTD. ALL RIGHTS RESERVED.
4. What is FPSO?

FPSO = Floating, Production, Storage and Offloading System

1. Production (Process system)
The fluid from the reservoir is separated into oil, gas, and water.

2. Storage
Processed crude oil is stored in the tanks.

3. Offloading
Crude oil stored in the tanks is periodically offloaded to shuttle tankers.

To shuttle tanker

Oil Flow

Anchor chain

Fluid Riser

Storage Tanks
4. What is FPSO?

Low-risk business without taking exploration risk

- Upstream Field Concession
- Exploration
- Test drilling
- Commercial Feasibility Assessment

- Subsea Production System
- Surface Production & Storage

- Offloading & Transportation
- Refining
- Marketing

- Onshore oilfield
- Offshore oilfield

- Floating Production Facilities
- FPSO/FSO
  - TLP
  - Semi-sub
  - Spar
5. Business Environment

- Numbers of projects using floating oil & gas production facilities -

<table>
<thead>
<tr>
<th>Region</th>
<th>Bidding &amp; Final Design</th>
<th>Planning</th>
<th>Appraisal</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Total</td>
<td>56</td>
<td>135</td>
<td>48</td>
</tr>
<tr>
<td>North Sea</td>
<td>2</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>6</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Africa</td>
<td>9</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>China</td>
<td>2</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>7</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>Southwest Asia &amp; Middle East</td>
<td>11</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Australia &amp; New Zealand</td>
<td>1</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>Other South America &amp; Caribbean</td>
<td>9</td>
<td>7</td>
<td>2</td>
</tr>
</tbody>
</table>

(as of September 2017)

Source: 2017 Q4 FPS Report (EMA) *Australia & New Zealand includes one project in bidding and final design stage in Pacific.
6. MODEC - Strategic Partner for FPSO/FSO Business -

Company Name: MODEC, Inc.
Capital: 30,122.49 million yen
No. of Employees*: 157 (Consolidated: 4,065) * Including contract employees
Main Business**: Own, Operation and EPCI of FPSO, FSO, FLNGs, TLPs, Semi-Submersibles, Mooring Systems and new technologies which will meet the challenges of oil and gas production floaters.

Financials

<table>
<thead>
<tr>
<th>(mil JPY)</th>
<th>2014/12</th>
<th>2015/12</th>
<th>2016/12</th>
<th>2017/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>378,523</td>
<td>295,596</td>
<td>229,987</td>
<td>191,182</td>
</tr>
<tr>
<td>Net Profit</td>
<td>5,422</td>
<td>5,824</td>
<td>21,012</td>
<td>19,454</td>
</tr>
<tr>
<td>Total Asset</td>
<td>348,447</td>
<td>354,464</td>
<td>333,249</td>
<td>321,165</td>
</tr>
<tr>
<td>Net Asset</td>
<td>109,631</td>
<td>114,983</td>
<td>134,609</td>
<td>148,387</td>
</tr>
</tbody>
</table>

Shareholding Structure (2018/4/1)

- Mitsui & Co., Ltd: 14.86% (2nd Largest)
- Mitsui E&S Holdings Co., Ltd: 50.1% (Largest)
- MODEC: 3.15%

** FPSO: Floating Production, Storage and Offloading system
** FSO: Floating Storage and Offloading system
** FLNG: Floating LNG
** TLP: Tension Leg Platform

Source: MODEC's web page.
7. Mitsui FPSO/FSO Projects

**Southeast Asia**

- **Time Charter**
  - FSO Rang Dong MV17
  - FSO Rong Doi MV12

- **Contract terminated**
  - FPSO Stybarrow Venture MV16

**West Africa**

- **Time Charter**
  - FPSO Baobab Ivoirien MV10
  - FPSO Prof. John Evans Atta Mills

**Brazil**

- **Time Charter**
  - 11 FPSOs
  - 3 FSOs
  - Under Operation: 14 units
  - Under Construction: 3 FPSOs
  - Contract Terminated: 1 FPSO

**Oceania**

- **Time Charter**
  - FPSO MODEC Venture 11
360° business innovation.