

# **Waitsia Stage 2 Development Final Investment Decision**



23 December 2020  
Mitsui & Co., Ltd.

# 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

# Waitsia Gas Project Stage 2 Development

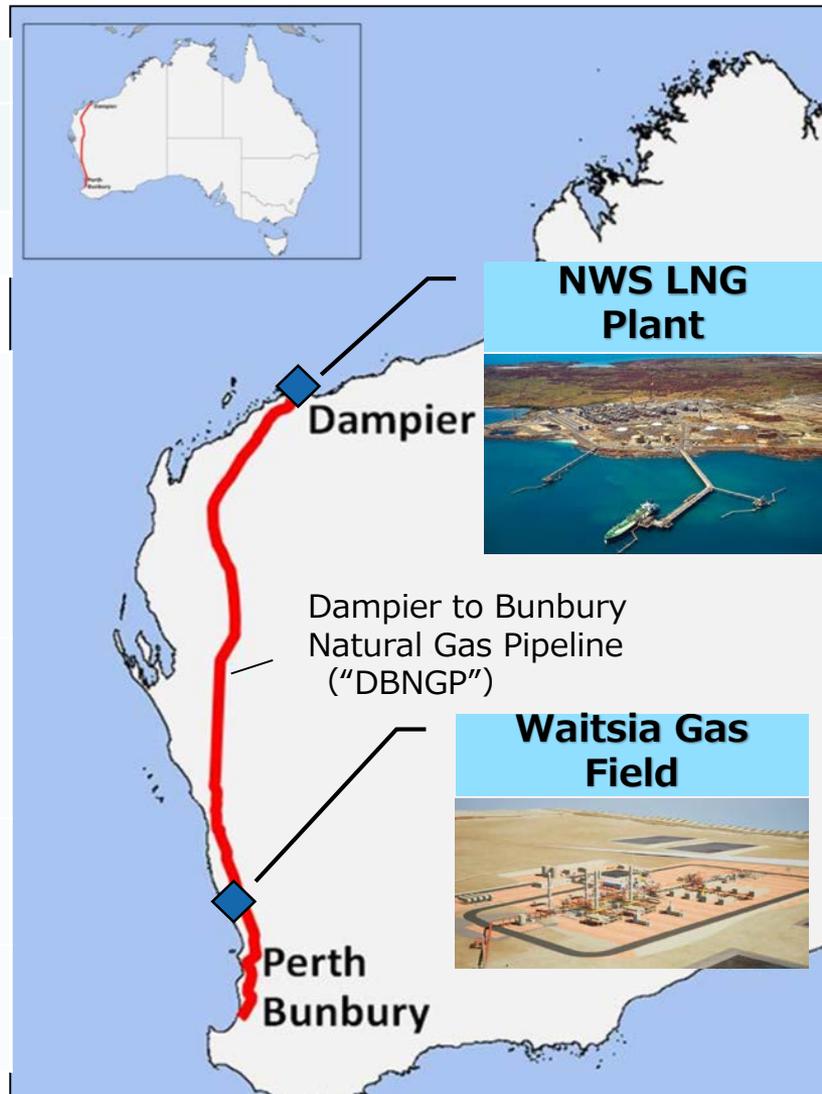


## Waitsia Asset Overview

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

## Waitsia Gas Project Stage 2 Development Overview

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



\*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

# 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".

# 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**

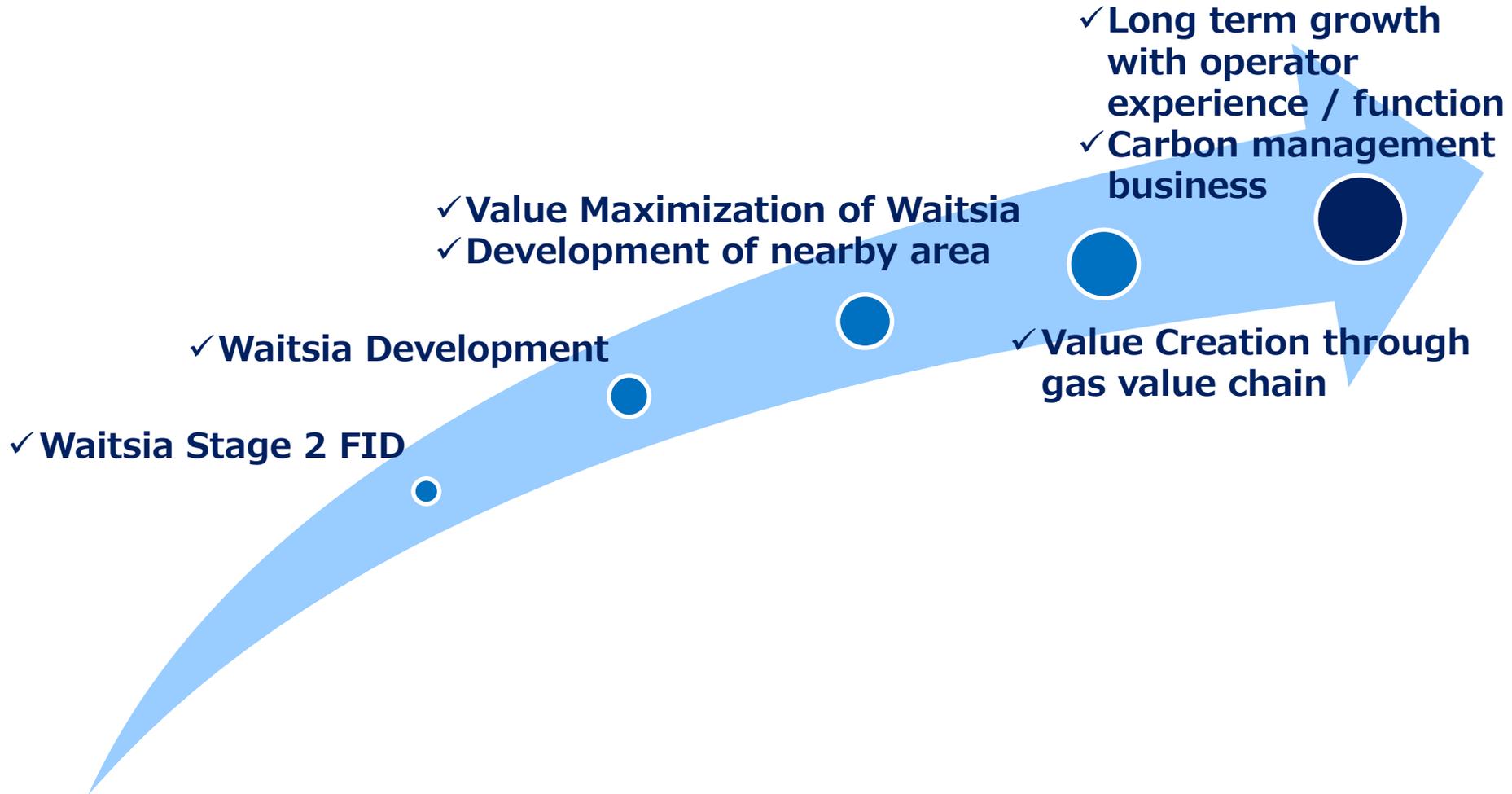
- ✓ Contribution to a low-carbon society by promoting fuel conversion to gas in the medium term

## **Reduce greenhouse gas emissions from the project**

- ✓ Adoption of efficient design to mitigate emissions
- ✓ Reduction and/or offset of emissions related to reservoir CO<sub>2</sub> 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

# Direction Overview as E&P Operator

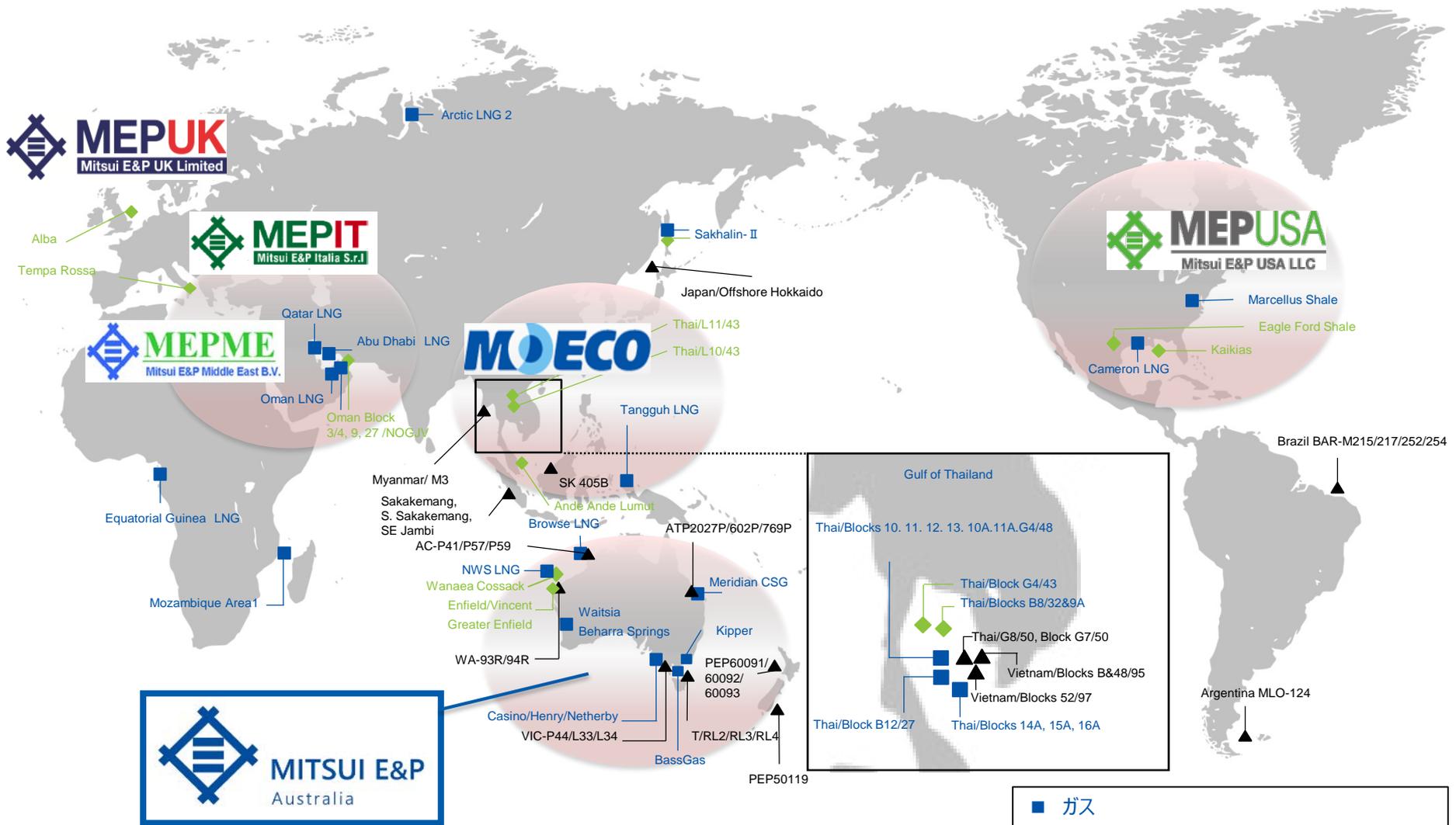


# Appendix

# Mitsui E&P / LNG Portfolio

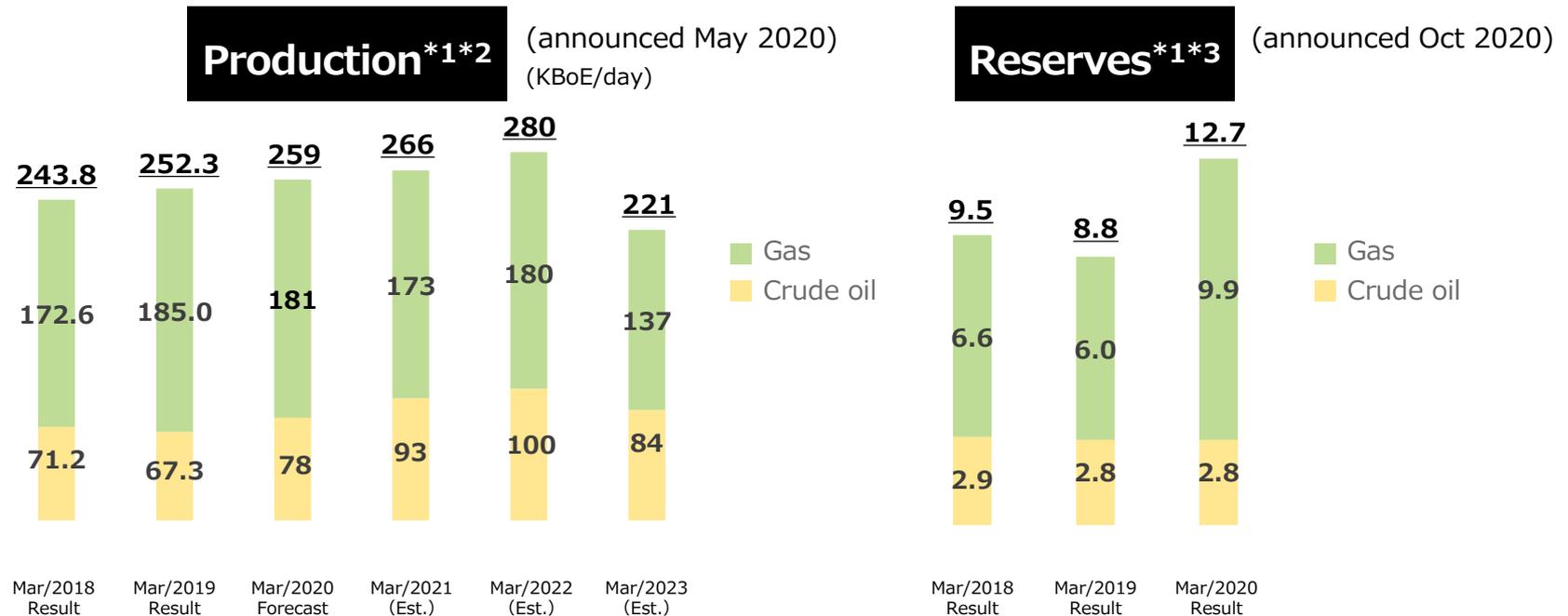


(As of Dec, 2020)



- ガス
- ◆ 原油 & コンデンセート
- ▲ 探鉱区 (主要鉱区のみ)

# 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.



MITSUI & CO.