

**Final Investment Decision for the Ruwais LNG Project in UAE
Online Briefing: Q&A Session**

[Date] July 16, 2024 (Tuesday), 16:00-17:00

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Q1: You explained that you expect stable earnings from the project, but please tell us specifics about the expected returns, namely profit after tax (PAT) and Core Operating Cash Flow (COCF).

A1: Although I cannot provide specific figures such as PAT and COCF, we expect that the returns will be comparable to other LNG projects we have invested in. Please also note that other international partners who have their own hurdle rates for their investments have also decided to invest in this project.

Q2: There may be concerns about a potential increase in development costs associated with developing a clean LNG project. Please tell us about added value regarding clean LNG.

A2: I cannot go into details of individual LNG sales discussions with each buyer due to confidentiality related reasons.

Q3: While you explained that you expect the project will contribute to substantial and stable earnings, I would like to know if the project has already secured a certain amount of long-term purchase commitments. Additionally, please tell us the pricing conditions, such as whether they are linked to oil indexes, etc. If the contract pricing is linked to oil indexes, please tell us your view on the long-term forecast for oil prices and the project's earnings, given the project is expected to end sometime close to 2050.

A3: We recognize the importance of securing long-term purchase commitments to ensure stable income for the project. Please note that the project marketing team has been actively working to secure a certain amount of long-term purchase commitments, however, I cannot provide details on the progress on individual sales activities with customers and pricing due to confidentiality related reasons.

Q4: Are there any significant differences in the terms and conditions of the LNG sales contracts for this project compared to other conventional LNG projects in the Asia-Pacific region?

A4: The project marketing team is negotiating with each buyer based on their requirements, and to a certain extent, the sales negotiations are proceeding in line with industry trends. However, we would like to refrain from commenting on the details of discussions with individual buyers.

Q5: The EPC contract price of approximately USD 5.5 billion for a 9.6 million tons per year project seems relatively low. Would I be correct in saying that this EPC contract price will contribute to the competitiveness of the project? Also, how do you perceive the risk of EPC cost overrun?

A5: We think that the EPC contract price is competitive to a certain extent, and will be one of the factors contributing to the project's competitiveness. Regarding the risk of EPC cost overrun, we have comprehensively assessed the risks from various perspectives and incorporated appropriate contingencies into the evaluation of the project economics. For your reference, ADNOC has already ordered some long-lead items, which helps mitigate the uncertainty associated with the EPC cost.

Q6: You mentioned that the project will purchase feed gas from ADNOC. Can we understand that the feed gas cost from ADNOC is more competitive than the gas price in the general market?

A6: The feed gas price is crucial for the profitability of the project, thus we carefully evaluated the terms and conditions of the feed gas procurement from ADNOC before making our final investment decision.

Q7: It has been reported in the media that Mitsui will purchase 0.6 million tons of LNG per year. Please tell us why Mitsui's offtake volume is smaller than the proportionate quantity based on Mitsui's 10% shareholding in the project.

A7: The sales from this project is conducted in a project marketing scheme by the project company, instead of an equity lifting scheme in which shareholders offtake volume in proportion to their investment ratio. Mitsui has negotiated with the project company as a buyer and has reached a basic agreement to offtake 0.6 million tons of LNG per year. We believe that this offtake enables us to strengthen our LNG trading function, as well as enhance the stable earnings of the project from a shareholder perspective.

Q8: On page 6 of the presentation material, it is mentioned that there are three LNG projects under development, and one project under preparation for development. Please tell us which project is anticipated to come online and start production first?

A8: It is our belief that natural gas and LNG will play an important role as a *real solution* in the energy transition. While we would like to refrain from providing specific information about individual projects, we are making efforts to achieve early production commencement of each project in line with the expected demand growth for LNG.

Q9: Please provide your assessment of the development status of the upstream interests that will supply feed gas to the project.

A9: As this project is a midstream business that liquefies feed gas purchased from ADNOC and sells LNG, ADNOC will supply the feed gas from its gas asset portfolio without any linkage with a specific upstream oil and gas field. Mitsui intends to appropriately monitor the development status of upstream gas assets in Abu Dhabi.

Q10: Regarding the project schedule, you explained that production is scheduled to commence in 2028. Please provide an estimated timeline for the commencement of production from Train 2, and when production will plateau.

A10: As stated in the presentation, the project is scheduled to start production from Train 1 in 2028. As with a normal LNG plant, production from Train 2 is expected to commence several months after Train 1.

The period until the plateau is reached is unique to each project and cannot be disclosed in detail, but if the start of production from Train 1 is delayed, it will affect the start of production from Train 2 and subsequently the plateau period will also be impacted, so we will monitor and respond appropriately.

Q11: You mentioned that this project will produce a low-carbon LNG. Please provide a quantitative comparison of the GHG emissions from the project compared to other LNG projects with a similar production capacity.

A11: While I cannot disclose any detailed information, GHG emissions from this project at the liquefaction process are materially lower than conventional LNG projects.

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