Energy

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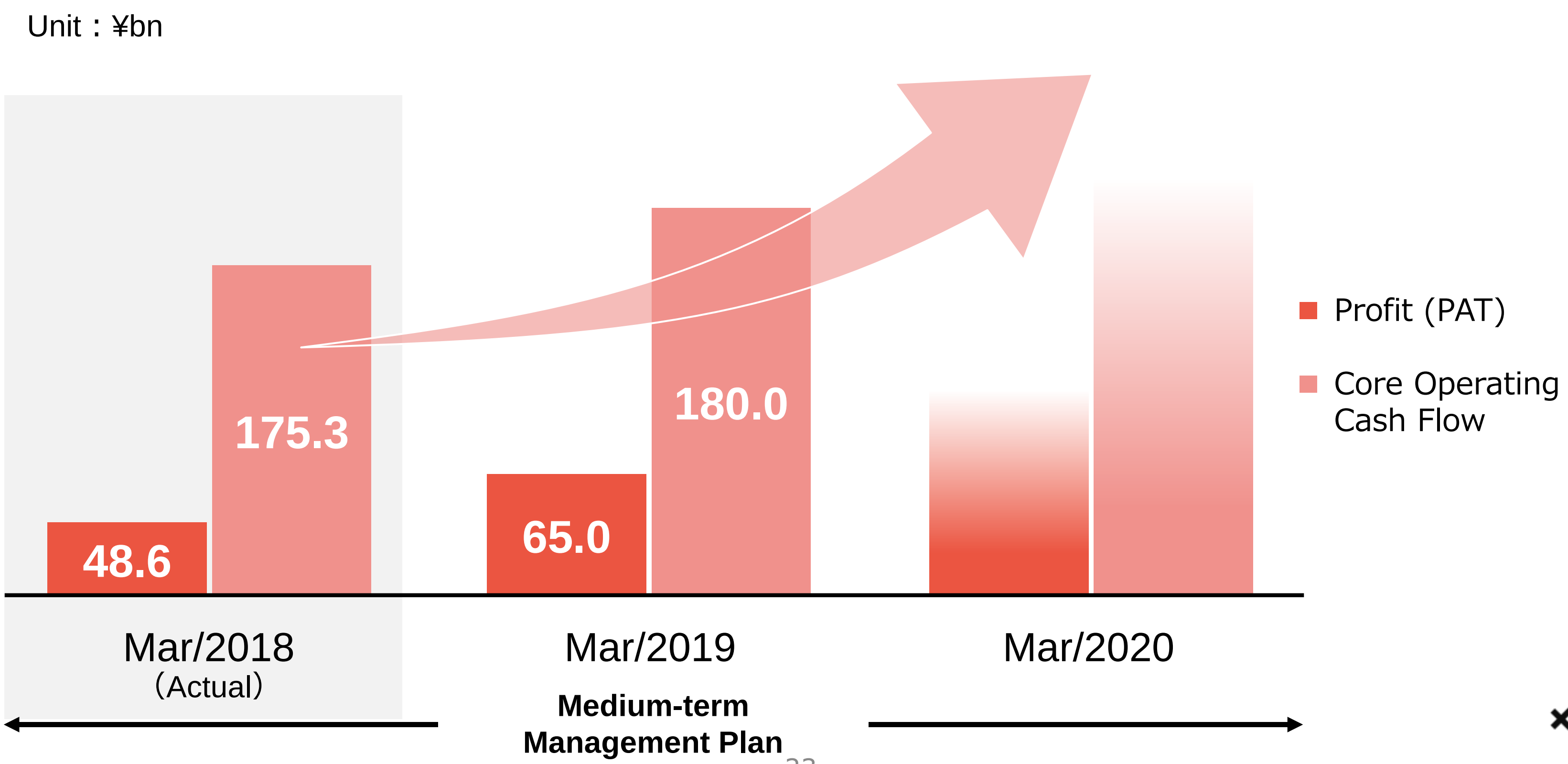
Energy Business Unit II

Basic Strategies

01 Build a competitive asset portfolio

02 Develop a mid/downstream energy value chain

Quantitative targets Profit(PAT)／Core Operating Cash Flow

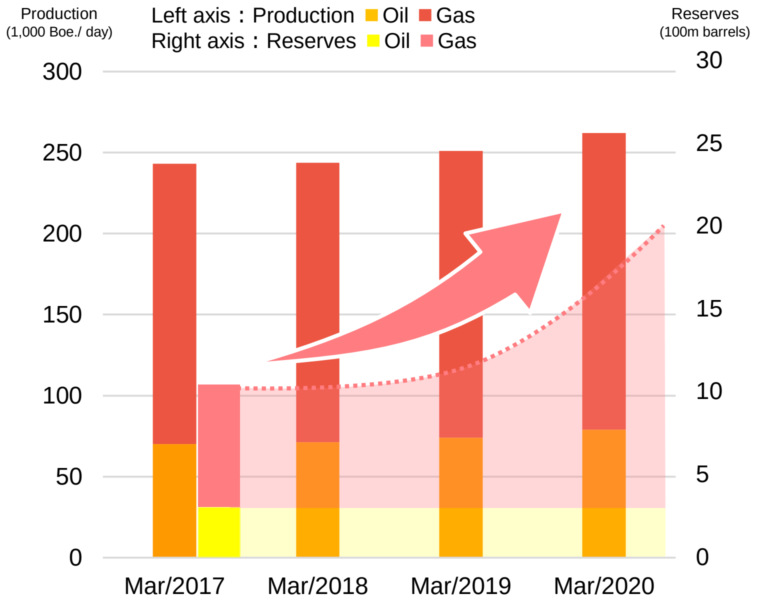


Competitive advantages

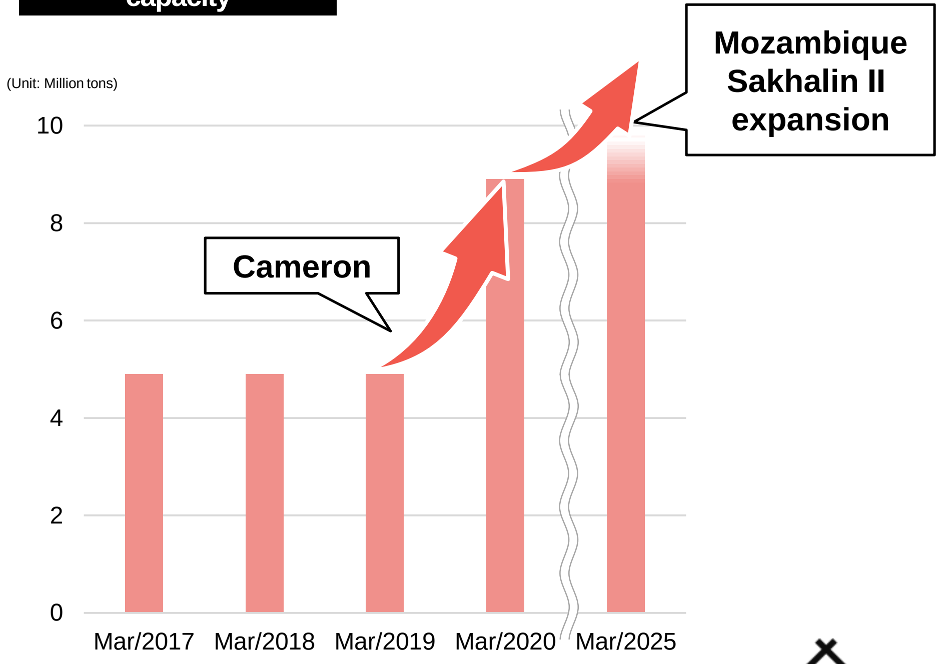
Equity share of crude oil & gas production and reserves; LNG production capacity

Production volume; Reserves

*Reserves are for post-FID projects only



LNG production capacity



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Business Environment

Energy demand will increase along with economic and population growth

Fossil fuels

Main source of primary energy for some time

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

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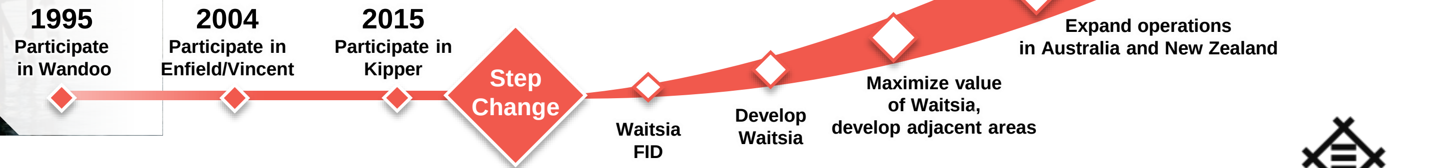
1 Build a competitive upstream asset portfolio

◆ 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



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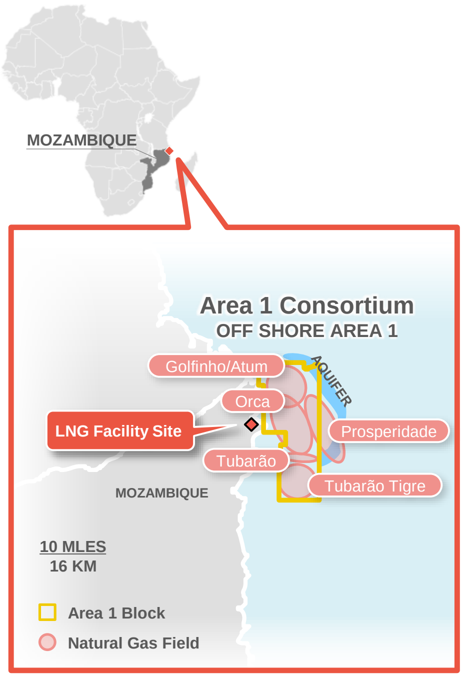
1 Build a competitive upstream asset portfolio

◆ Mozambique Area1

Top-class Resources	Restrained entry cost
Approximately **75tcf** – this amounts to **over 15 years' worth** of natural gas consumption in Japan	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.**



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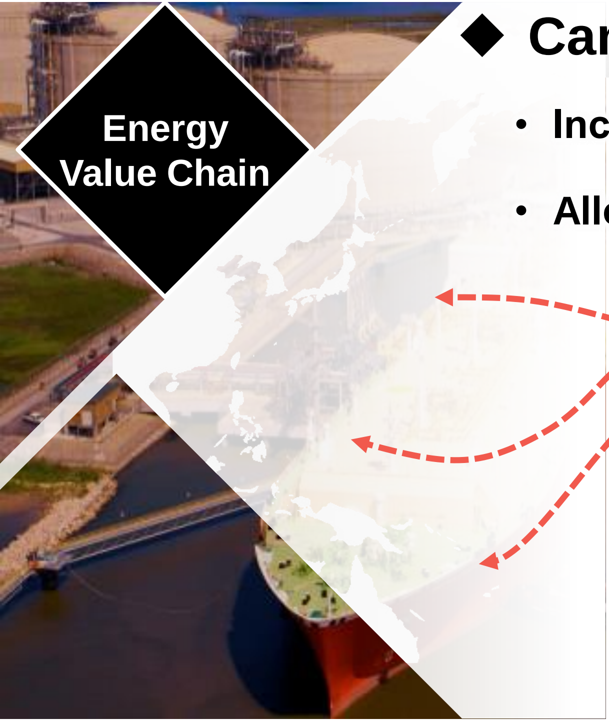
2 Develop a mid/downstream energy value chain



◆ Cameron LNG

- **Increase in Mitsui's handling volume of LNG by <u>4million tons/year*</u>**

  *Approximately the annual gas consumption of 12million Japanese households

- **Allocate 7 newly built LNG carriers to expand global trading**

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Projects in the Pipeline