



Note: The following is an English translation of the Japanese-language original

September 21, 2023

[Press Release]

Japan Petroleum Exploration Co., Ltd.
+81-3-6268-7110 (Media Relations)
<https://www.japex.co.jp/en/contact/>

JAPEX Signed MOU with SKK Migas on Joint Collaboration toward Realization of CCS/CCUS Hub & Clusters in Indonesia

Japan Petroleum Exploration Co., Ltd. (JAPEX) signed a memorandum of understanding (MOU) with SKK Migas (Special Task Force for Upstream Oil and Gas Business Activities, established by the Government of the Republic of Indonesia) on September 21, 2023, regarding joint collaboration toward development and implementation of CCS (Carbon dioxide Capture and Storage)/CCUS (Carbon dioxide Capture, Utilization, and Storage) hub and clusters in the Republic of Indonesia (hereinafter "Indonesia").

The Government of Indonesia has formulated and unveiled its targets to reduce greenhouse gas (GHG) emissions by 43.2%*¹ by 2030 and to achieve net-zero CO₂ emissions by 2060, in light of the accelerating requirement for energy transition associated with the global trend towards decarbonization. To achieve these targets, SKK Migas, the governmental organization that supervises upstream oil and gas operations in Indonesia, is expected to play a leading role in GHG reduction as well as in expanding oil and gas production for sustainable economic growth.

With the aim of contributing to the realization of a carbon-neutral society by 2050, JAPEX has been proceeding with studies for early commercialization of CCS/CCUS by leveraging our expertise in survey, drilling, monitoring, and others, which we have accumulated in oil and gas E&P*² in Japan and overseas. Particularly in Indonesia, we have over 30 years of experience in oil and gas E&P projects. In addition, as the decarbonization-related initiatives, we have been working on the studies on the realization of CCUS since 2017 and have started a feasibility study of the CCUS project in 2021, utilizing the Joint Crediting Mechanism (JCM), at the Sukowati oil field in East Java Province of Indonesia, with Pertamina group and LEMIGAS, the Research and Development Center of Oil and Gas Technology of Indonesia.

In light of these backgrounds and the perspective of further cooperation between the two countries based on the "Memorandum of Cooperation between The Ministry of Economy, Trade and Industry of Japan and The Ministry of Energy and Mineral Resources of Republic of Indonesia on the Realization of Energy Transitions", which was signed on January 10, 2022, we confirmed the consistency of each other's future direction and reached the consensus in the MOU this time.

Based on the MOU, with a view to launching future CCUS projects by utilizing CO₂-EOR (Enhanced Oil Recovery) method and establishing the CCS/CCUS hubs and clusters*³ in Indonesia that can accept CO₂ from other countries including Japan, SKK Migas and JAPEX will share their respective information and support each other in technical and business aspects. Furthermore, JAPEX will discuss and coordinate with related parties on required institutional designs and formulation of outreach activity*⁴ plans, in cooperation with SKK Migas.

Through solving social problems and realizing businesses towards carbon neutrality in Japan and abroad, JAPEX will continue to aim for growth and further enhancement of corporate value as a "Comprehensive Energy Company", which supplies a variety of energy sources that meet the needs of the era.

Notes)

*1: Comparison with the case where no additional measures are taken and the current status is maintained (BAU: Business As Usual). The reduction target of 43.2% is based on the condition of using international support. The reduction target without international support is 31.89%.

*2: Abbreviation of Exploration and Production.

*3: A kind of network in which multiple CO₂ emitting sites and storage sites are connected with pipelines.

*4: Activities to obtain social acceptance from the local communities, such as providing information on safety and CSR activities, including education and provision of medical care.

(Reference Photo)



MOU Signing Ceremony

(Reference: Signers related in the above photo)

Right: Dr. Tomomi Yamada, Executive Management Officer, President of Overseas Business Division II, JAPEX

Third from right: Dwi Soetjipto, Chairman, SKK Migas

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