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Press Release

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Representative Director & Chief Executive Officer:
Noriaki Sakai
(Company Code: 5019, TSE Prime Market)
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Manager

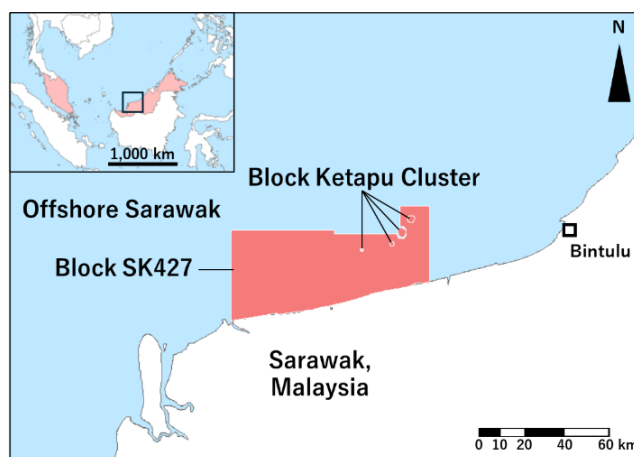
Entry into oil and gas field exploration and development blocks in Malaysia

Acquisition of interests in two offshore Sarawak blocks

Idemitsu Kosan Co.,Ltd. (Head office: Chiyoda-ku, Tokyo; Representative Director, President: Noriaki Sakai, hereinafter referred to as “Idemitsu”) has acquired interests in two blocks located off the coast of Sarawak, Malaysia (SK427 and Ketapu Cluster; hereinafter referred to as “the blocks”) from South Korean SK earthon Co., Ltd.*¹ (hereinafter referred to as “SK earthon”), and has signed a Production Sharing Contract*² for the blocks with Petroliaam Nasional Berhad (PETRONAS), a national oil company in Malaysia (hereinafter referred to as “PETRONAS”), Petroleum Sarawak Exploration and Production Sdn. Bhd., a subsidiary of Petroleum Sarawak Berhad (PETROS), a state-owned oil and gas company in Sarawak (hereinafter referred to as “PSEP”), and SK earthon. The Block SK427 was awarded under Malaysia Bid Round (MBR*³) 2021, while the Ketapu Cluster was awarded under MBR Plus Round I. The acquired interest is 40%, and as a result, Idemitsu has the right to explore, develop, and produce oil and natural gas in the blocks proportionate to its participating interests.



Signing ceremony



Location of the blocks

Idemitsu is currently conducting oil and gas upstream business in Vietnam and Norway as our main focus areas. We expect that this acquisition in Sarawak, Malaysia, where multiple oil and gas fields have been discovered and developed historically to serve as a foothold for us to establish a new core. In the blocks participated in this time, several promising structures have been identified by the subsurface data acquired in 2023, and Idemitsu will continue to contribute to mature the possibility towards the development phase through collaboration with its partners in the evaluation and drilling of exploration wells.

This participation was made through our subsidiary Idemitsu Sarawak E&P Co.,Ltd. (hereinafter referred to as “Idemitsu Sarawak”). With respect to the exploration project expenditure of the interests, Idemitsu Sarawak plans to receive an investment from the Japan Organization for Metals and Energy Security covering up to 50% of the expenditure that Idemitsu Sarawak will bear in the future.

Our Medium-term Management Plan calls for Idemitsu to contribute to the realization of a carbon-neutral society by 2050 while fulfilling our responsibility to provide a stable energy supply. We have positioned the oil and gas upstream activities in and around Southeast Asia as a core business during the transition period to achieve

this goal, which is important for Japanese energy security and holds promising demand potential. By participating in the blocks in Malaysia, in which PETRONAS is also providing cooperation, we aim to further expand oil and gas upstream activities using the blocks as a foothold while also actively attempting and pursuing carbon-neutral initiatives in the region, including CCS*4.

<Overview of Block SK427>

Name of block	Block SK427
Area of block	About 3,324 km ²
Water depth	10-50 m
Partners and participating interests	SK earthon: 45% (Operator) PSEP: 15% Idemitsu Sarawak: 40%

<Overview of Ketapu Cluster>

Name of block	Ketapu Cluster
Area of block	About 27 km ²
Water depth	10-50 m
Partners and participating interests	SK earthon: 45% (Operator) PSEP: 15% Idemitsu Sarawak: 40%

*1 SK earthon: Wholly owned subsidiary of SK innovation Co., Ltd., the largest private energy company in the Asia-Pacific region.

*2 Production Sharing Contract: A contract between an oil-producing country and a foreign oil company for the distribution of production in oil and gas development.

*3 MBR is an annual bid exercise organised by PETRONAS, through Malaysia Petroleum Management (MPM), as the custodian of Malaysia's petroleum resources.

*4 Carbon Capture and Storage: Technology for separating and capturing CO₂ contained in exhaust gases from power plants and other sources, and storing it safely underground.

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