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Framework Agreement signed between JOGMEC and INK on new joint exploration project

Japan Oil, Gas and Metals National Corporation (JOGMEC) and Irkutsk Oil Company (INK) signed Framework Agreement on new joint exploration project in East Siberia on September 7, 2017 at venue of Eastern Economic Forum in Vladivostok.

JOGMEC and INK agreed the basic ideas for new joint exploration project in East Siberia for 5 new blocks, and signed the Framework Agreement on September 7, 2017 at venue of Eastern Economic Forum in Vladivostok.

Framework Agreement is a legally binding document, which formalizes previously achieved arrangements between JOGMEC and INK. As part of new joint project, the parties participate joint stock company INK-Krasnoyarsk.

JOGMEC and INK started the joint exploration projects in East Siberia in 2007 (INK-Sever) and 2009 (INK-Zapad), and four hydrocarbon fields have been discovered since then. Following successful achievements of the projects, JOGMEC invited Japanese private companies to join one of the JVs in 2013, and now JOGMEC still provides strong support to this project. It should be specially mentioned that Ichyodinskoye oil field, which is one of the field discovered by INK-Zapad, migrated to the Production Phase in December 2016 and has started commercial production.

For further development of cooperative partnership between JOGMEC and INK, the parties signed the Memorandum of Understanding (December 2016) and Heads of Agreement (April 2017) on new joint exploration project.

JOGMEC expects this project contribute to the further progress of cooperation between Japan and Russia and to the improvement of energy security for Japan.

■ Background Information

- Corporate Data: Irkutsk Oil Company LLC
(Russian: Irkutskaya Neftyanaya Kompaniya (“INK”))
- Date of Establishment: November 27, 2000
- Head Office: Irkutsk, Russia

- Chairman of the Board of Directors: Mr. Nikolay Buynov
- CEO: Ms. Marina Sedykh

INK holds a group of companies (INK Group) conducting geological study, exploration and production of hydrocarbons in 25 license blocks in East Siberia including Irkutsk region and Yakutia (Republic of Sakha). The Group has a record of four shareholders – the European Bank for Reconstruction and Development, Goldman Sachs International, and two Russian entities.

INK Group is a private organization which employs more than 6,500 people and has in-house drilling and work-over units.

Since its foundation in 2000 the INK Group has been demonstrating extraordinary results. The 2016 production of the Group reached 7,802,000 tons of oil and gas condensate. As of today, the Group's cumulative production is more than 28 million tons of oil and gas condensate and current monthly production exceeds 700,000 tons.