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### **JOGMEC Provides Equity Financing to INPEX's Exploration Project Offshore Shimane and Yamaguchi Prefectures**

Japan Oil, Gas and Metals National Corporation ("JOGMEC", Chairman & CEO: Tetsuhiro Hosono) announced today that it will provide equity financing to INPEX San'in Offshore Development Co., Ltd. ("INPEX San'in Offshore"), a wholly owned subsidiary of INPEX CORPORATION ("INPEX"), which operates the exploration project offshore Shimane and Yamaguchi prefectures in Japan.

Since the early 2010s, INPEX has conducted geophysical exploration and evaluation activities in areas offshore Shimane and Fukuoka prefectures where the establishment of oil and gas fields is expected. As an example, INPEX was contracted by JOGMEC in 2012 to interpret 3D seismic data which JOGMEC shot off Yamaguchi as a part of the "Domestic Basic Seismic Survey Program" commissioned by Japan's Ministry of Economy, Trade and Industry ("METI"). Based on the results of these activities, INPEX conducted exploratory offshore drilling operations in this area in 2016 as part of the "Heisei 26~28 Domestic Offshore Drilling Program" commissioned by METI. The results of these drilling operations as well as subsequent geophysical exploration and evaluation activities have raised expectations for the location of oil and natural gas resources offshore Shimane and Yamaguchi prefectures, where INPEX San'in Offshore plans to implement the exploratory drilling operations from March 2022.

This project is the first JOGMEC-assisted domestic exploration, and the first valid transfer of the results of the governmental programs to the industry-operating exploration activities. If this project leads to the commercial production of oil and natural gas, it is expected to directly enhance Japan's stable energy supply, and to enrich INPEX's continued works towards the effective and efficient utilization of domestic energy resources with contributing to INPEX's sustainable growth.

■ Background Information

1. Corporate Data: INPEX San'in Offshore Development Co., Ltd.

Date of Establishment: December 9, 2019

JOGMEC's funding: Covering up to 75% for the exploratory drilling operations subject to adjustment afterwards for JOGMEC' shareholding being no more than 50%. JOGMEC's voting right is always less than 50%.

2. Location of the exploratory well

Approximately 150 kilometers offshore north of Yamaguchi Prefecture and approximately 130 kilometers offshore northwest of Shimane Prefecture, water depth is approximately 240 meters

3. Participating Interest

INPEX San'in Offshore Development Co., Ltd. 100.0%

4. JOGMEC Assistance

Date of Approval: December 27, 2021

Estimated Amount of Equity Financing: Approximately JPY16.5 Billion

Note: Approval has been made in accordance with JOGMEC's technical, economic, and business-environment criteria and the consent from the Minister of Economy, Trade and Industry has been obtained.

Eligible for up to 75% equity finance for the exploratory drilling operations (subject to adjustment mentioned above) in light of sustainable growth of Japanese upstream industry through domestic exploration in addition to significant expected reserve and operatorship.

【Map of Location】

