21 January 2022

NEWS RELEASE www.jogmec.go.jp

Japan Oil, Gas & Metals National Corporation
Division in Charge: Coal Development Division: Nishimura
Tel: +81-3-6758-8002 Fax: +81-3-6758-8066
PR in Charge: Public Relations Division
Tel: +81-3-6758-8106 Fax: +81-3-6758-8008

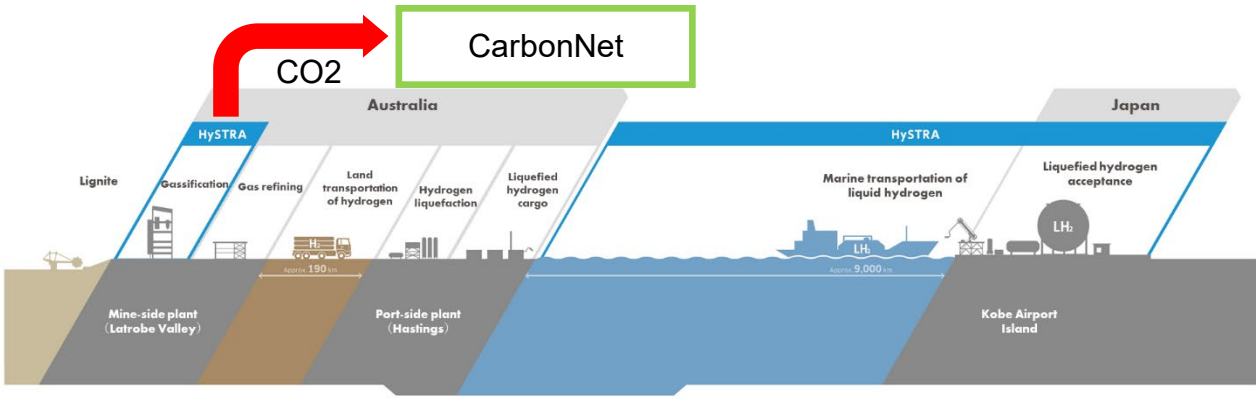
Japan and Australia Jointly Promote the World's First International Lignite Hydrogen Value Chain Building

-Engagement with the CCS project will contribute to the storage of CO2, which is essential for clean commercial hydrogen production-

JOGMEC（Headquarters: Minato-ku, Tokyo; Chairman & CEO: Tetsuhiro Hosono）signed an agreement for JOGMEC's engagement with the CCS project (CarbonNet) planned for the State of Victoria with the Department of Jobs, Precincts and Regions of the State of Victoria, Australia (hereinafter: “the VIC Government”) on January 20, 2022. JOGMEC will contribute to the Front End Engineering and Design (hereinafter; “FEED”) of the CCS project being conducted by the Victorian Government, and will work with the Victorian Government to proceed with the commercialisation of CarbonNet project.

In 2018, JOGMEC and the Victorian Government signed a Memorandum of Understanding (MOU) and since then have been building a comprehensive and strategic partnership to strengthen the bilateral relationship and collaborations on energy and natural resources businesses and projects. In the past, on the lignite hydrogen business in the Victorian Government, Japan and Australia have been jointly conducting the marine transportation of lignite gasification toward Japan by New Energy and Industrial Technology Development Organization (NEDO) and Japanese companies. Storage of CO2 is essential to the production of blue hydrogen, which is made from fossil fuels.

JOGMEC will now engage with the CCS project in response to a proposal from the Victorian government, and as a result, the world’s first international blue hydrogen value chain derived from lignite coal will be attained jointly by Japan and Australia for the first time in the world.



CarbonNet is a project to conduct CCS (Carbon Capture and Storage) into the Pelican site of the offshore Gippsland Basin, which is located in the Bass Strait off the south-eastern coast of Australia. It is a major project which aims to store 5 million tons of CO2 per year for 25 years.

FEED on the CarbonNet project is a project which will utilize the data accumulated by the Victorian Government, to capture CO2 which is emitted by producing hydrogen and to store underground. This is a project aiming for large-scale commercialisation globally even out of CCS projects.

On January 20, 2022, Mr. Hirokawa, Executive Director of JOGMEC and The Hon. Jaala Pulford, Minister for Resources, Victoria, Australia signed the agreement. The signing was timed to coincide with a ceremony to celebrate the arrival of a hydrogen carrier to the State of Victoria at the Port of Hastings on January 21.

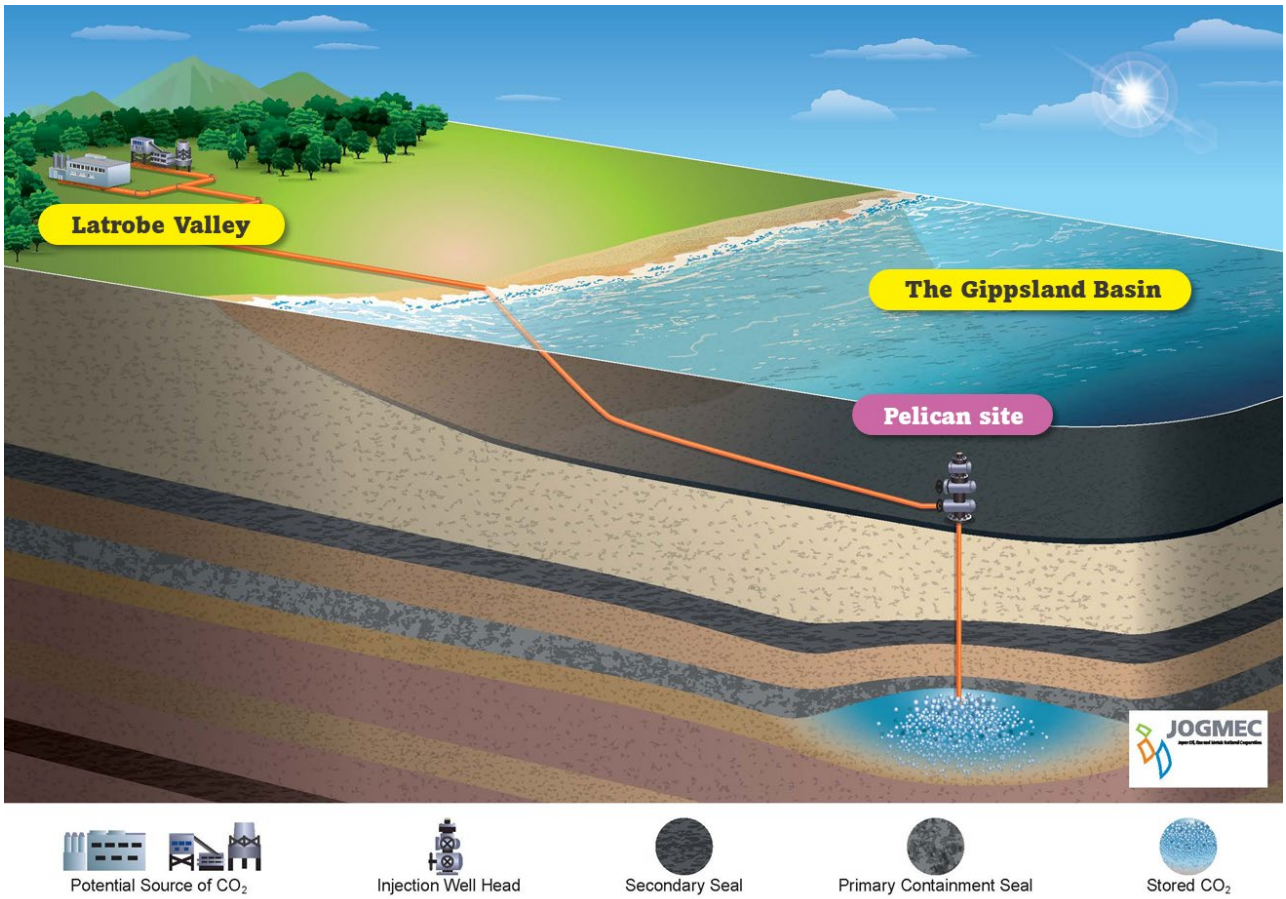
This execution of agreement will be expected to promote the development of lignite as a raw material for new clean energy sources such as inexpensive hydrogen and to encourage Japanese companies to engage CCS businesses on a commercial scale.

Furthermore, it is also expected that the supply of hydrogen energy to Japan will be further developed in cooperation with the lignite hydrogen business promoted by NEDO.

Under this agreement, JOGMEC will proceed advanced initiatives in the coal field, such as lignite resources and CCS, to further strengthen bilateral relationship and collaborations with the State of Victoria. In addition, JOGMEC will contribute to energy security in our country, aiming to realize a low-carbon society, which is one of the Sustainable Development Goals (SDGs).

Location of the CarbonNet project in the Gippsland Basin, Victoria

The CarbonNet project will involve the underground injection of CO2 at the Pelican site in the Gippsland Basin, Victoria.



Conceptual diagram of the CCS (CarbonNet) project

CO2 will be transported by pipeline from onshore to the injection site in the sea, where CO2 will be injected at a rate of 5 million tons per year.