

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

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[Press Release]

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Implementation of Exploratory Drilling for CCS Project in the Tomakomai Area

Japan Petroleum Exploration Co., Ltd. (JAPEX) announces that it has received the license from the Minister of Economy, Trade and Industry to conduct exploratory drilling as the operator to confirm the existence of formations suitable for CO₂ storage within the specified area, in order to advance the Tomakomai CCS (*1) Project.

This exploratory drilling concerns the designation by the Minister of Economy, Trade and Industry in February of this year of a specific area off the coast of Tomakomai City, Hokkaido, pursuant to the Act on Carbon Dioxide Storage Business (CCS Business Act). Following the commencement of the acceptance of applications for exploratory drilling in the specified area, JAPEX applied and has now received the license.

After necessary preparations, JAPEX will commence exploratory drilling around November 2025. During the exploratory drilling, JAPEX plans to drill a total of two test wells using drilling rig (drilling equipment). Based on the results, JAPEX intends to make a final investment decision within 2026 fiscal year. Please refer to the appendix for an overview of the exploratory drilling.

Tomakomai CCS Project is the business which considering to separate and capture CO₂ from Idemitsu Kosan Co., Ltd.'s Hokkaido refinery and Hokkaido Electric Power Co., Inc.'s Tomato Atsuma power station by each company, and to inject and storage the CO₂ underground by JAPEX. We are advancing efforts toward storage commencement by 2030 fiscal year in the "Engineering Design Work for Advanced CCS Projects" (*2) commissioned by the Japan Organization for Metals and Energy Security (JOGMEC).

JAPEX will proceed with the exploratory drilling with safety as its top priority, working towards commercialization while seeking the understanding and cooperation of local stakeholders, including those in the fishing industry, as well as relevant municipalities and organizations.

Notes)

*1: Abbreviation for Carbon Dioxide Capture and Storage. A technology that separates and recovers CO₂ from gases emitted by factories, power plants, etc., and injects and stores it deep underground.

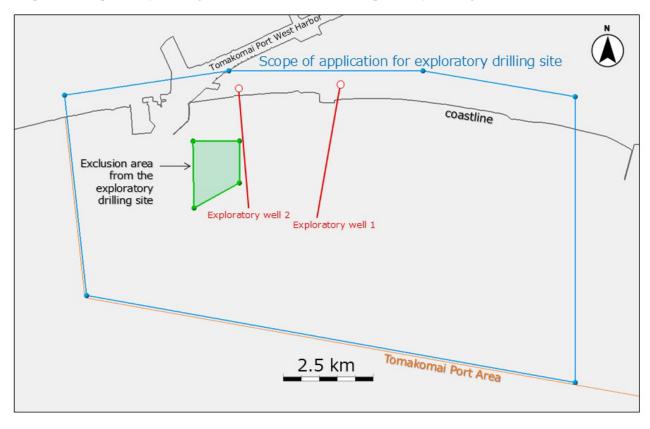
*2: "JAPEX, Idemitsu, HEPCO Commission an engineering design work toward the Launch of CCS Project in Tomakomai Area as the "Japanese Advanced CCS Project" released on October 15, 2024.

<Appendix>

(Overview of exploratory drilling)

Location	Yufutsu and Masago-cho, Tomakomai City, Hokkaido, and its offshore
Period	Exploratory well 1: November 2025 to May 2026 (210 days)
(Planned)	Exploratory well 2: July 2026 to January 2027 (210 days)
Planned Depth	Approximately 1,540m below mean sea level
Method	Install a drilling rig onshore near the coast and drill directionally
	downward toward the seabed

(Scope of the exploratory drilling area and locations where exploratory drilling will be conducted)



(Image of drilling rig used for exploratory drilling)



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