



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

June 22, 2021

Japan Petroleum Exploration Co., Ltd.

**Agreement for Joint Feasibility Study of CCUS Project**  
**Using Joint Crediting Mechanism at Sukowati Oil Field in Indonesia**

Japan Petroleum Exploration Co., Ltd. (JAPEX, President: Masahiro Fujita, Headquarters: Chiyoda-ku, Tokyo) has agreed to conduct a feasibility study of CCUS (Carbon dioxide Capture, Utilization and Storage) project using Joint Crediting Mechanism (JCM)\*<sup>1</sup> at the Sukowati oil field in East Java Province of Republic of Indonesia, with PT Pertamina Power Indonesia (hereinafter “Pertamina”), the subholding for power, new and renewable energy of national energy company of Indonesia Pertamina, and LEMIGAS, the Research and Development Center of Oil and Gas Technology of Indonesia.

Pertamina and LEMIGAS, aiming to achieve the reduction of actual CO<sub>2</sub> emission and enhancement of oil production at the same time in Indonesia, and JAPEX, having expertise in demonstration tests of CCS and CCUS including CO<sub>2</sub>-EOR (Enhanced Oil Recovery using CO<sub>2</sub>) as well as experience in oil and gas E&P (exploration, development, production, and transportation) operations, has conducted the wider researches regarding CCUS implementation using the Joint Crediting Mechanism (JCM) in Indonesia. Based on these researches, the three parties agreed to proceed to more specific study, aiming early implementation of CCUS.

In this study, the three parties will consider the possibility of a demonstration test for transportation of CO<sub>2</sub> from nearby gas field using supercritical CO<sub>2</sub> pipeline\*<sup>2</sup>, and injection and storage of CO<sub>2</sub> into the oil reservoir of the Sukowati oil field, operated by a subsidiary of Pertamina. We will work together to clarify the CO<sub>2</sub> storage capacity and integrity, as well as to research regulations concerning CCUS by JCM.

This study is being adopted the “FY2021 Study on the infrastructure development project for acquisition of JCM credits” of the Ministry of Economy, Trade and Industry (METI). Also, JAPEX participates in “Asia CCUS Network Initiative” proposed by METI, and will contribute to the development of CCUS in the region.

JAPEX has formulated the direction “JAPEX 2050: Toward a Carbon-Neutral Society” and has positioned turning carbon neutral into a profitable business based on CO<sub>2</sub> injection and storage technology as one of the focused effort in the direction. We will continue to aim growth as a comprehensive energy company and improvement of corporate value, by solving challenges and realizing business for carbon-neutral society in Japan and overseas.

Note)

\*1: Joint Crediting Mechanism (JCM) is established by the Japanese Government to contribute to the reduction and absorption of greenhouse gas emissions around the world, by building structure for technology transfer and measures depending on emerging country's situations.

\*2: Supercritical CO<sub>2</sub> pipeline: A pipeline that transports CO<sub>2</sub> in a supercritical state. Transportation efficiency is improved compared to a conventional CO<sub>2</sub> pipeline.

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