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

July 19, 2023

[Press Release]

Japan Petroleum Exploration Co., Ltd.
Idemitsu Kosan Co.,Ltd.
Hokkaido Electric Power Co., Inc.

JAPEX, Idemitsu, and HEPCO Commission a CCS Study in Tomakomai Area as the "Business Feasibility Study on Japanese Advanced CCS Project" in FY2023

Japan Petroleum Exploration Co., Ltd. (JAPEX), Idemitsu Kosan Co.,Ltd. (Idemitsu), and Hokkaido Electric Power Co., Inc. (HEPCO) (hereinafter the "Three Study Companies" for the three companies together) signed a contract with Japan Organization for Metals and Energy Security (JOGMEC) for a feasibility study of CCS(*1) in the Tomakomai area (hereinafter the "Study"), which is one of the public solicitation regarding the Request for Proposal on the "Business Feasibility Study on Japanese Advanced CCS Project" in the fiscal 2023 (hereinafter the "Public Solicitation").

The public solicitation is held by JOGMEC, based on the policy of the Japanese Government to support advanced projects as role models for developing the business environment toward the launch of CCS projects by 2030 stated in the "Basic Policy for Realization of GX(*2)." As a result of the examination, the seven feasibility studies, including the Study, have been selected by JOGMEC in June as the candidates to be role models of the "Japanese Advanced CCS Projects," (*4) which are making efforts to expand business scale and reduce costs with the Hubs & Clusters(*3) concept for spreading and expansion of CCS.

The Three Study Companies will proceed with specific studies of CO_2 separation, capture, transportation, and storage, as part of the joint feasibility study of CCUS(*5) in the Tomakomai area, announced in January 2023(*6). The CO_2 separation and capture part, mainly its scale and specification of required facilities, will be considered by Idemitsu for its Hokkaido Refinery and HEPCO for its Tomato-Atsuma Power Station. The CO_2 storage part will be worked by JAPEX to select locations for suitable storage sites within the Tomakomai area and required injection and monitoring facilities for an annual storage capacity of 1.5 million tons in 2030. The CO_2 transportation part will also be led by JAPEX to examine pipeline routes for connecting these points and its required facilities. The results of the Study will be compiled, including estimated costs for the implementation, and will be reported to JOGMEC within this fiscal year.

The Three Study Companies aim to launch the CCS project by 2030 through the Study, and we will also consider the possibility of CO_2 utilization as part of the joint feasibility study of CCUS, linking with the Study. Furthermore, aiming to contribute to realizing "carbon neutrality in 2050", we will have dialogues with local governments and companies around the Tomakomai area and make efforts to obtain further understanding of CCS/CCUS from local residences.

Notes)

*1: Carbon dioxide Capture and Storage.

*2: "Basic Policy for Realization of GX" as the cabinet decision of Japanese government on February 10, 2023.

*3: A business model to reduce more emission by covering multiple emitting sites, and capture and store CO_2.

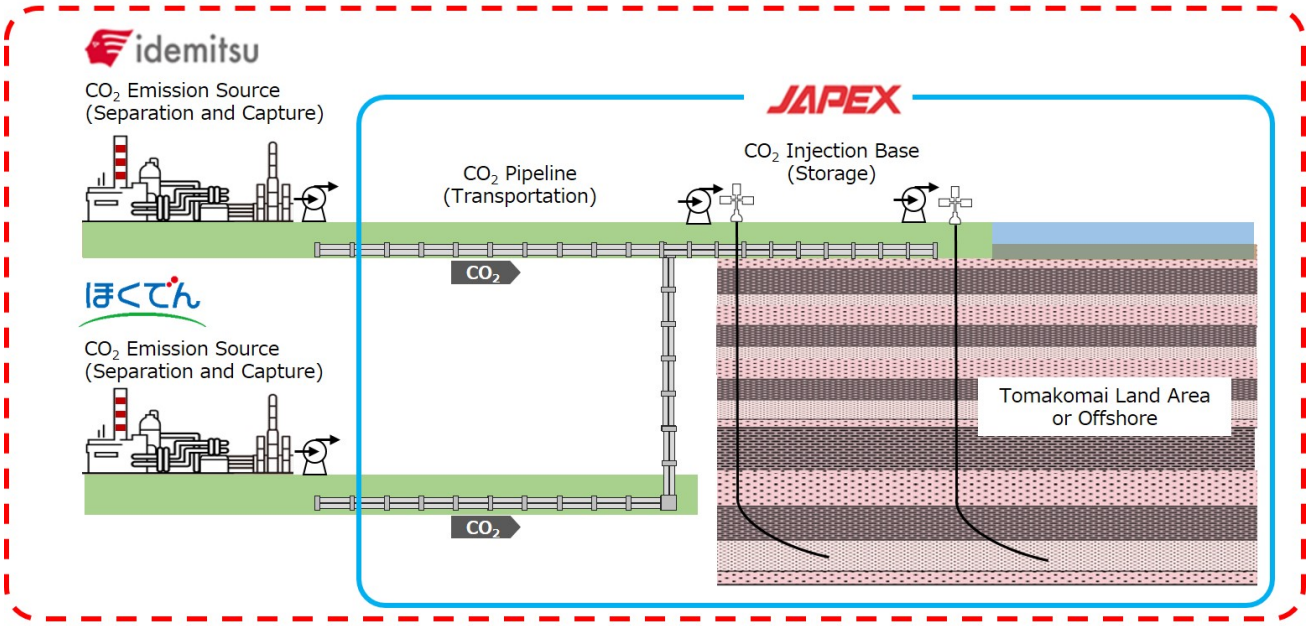
*4: "First Step to Launch Japanese CCS Project -JOGMEC selected 7 projects, starting CO2 storage by FY2030-" released by JOGMEC on June 13, 2023.

*5: Carbon dioxide Capture, Utilization, and Storage.

*6: "Idemitsu, HEPCO, and JAPEX Start a Joint Study for CCUS Implementation in the Tomakomai Area of Hokkaido" released on January 26, 2023.

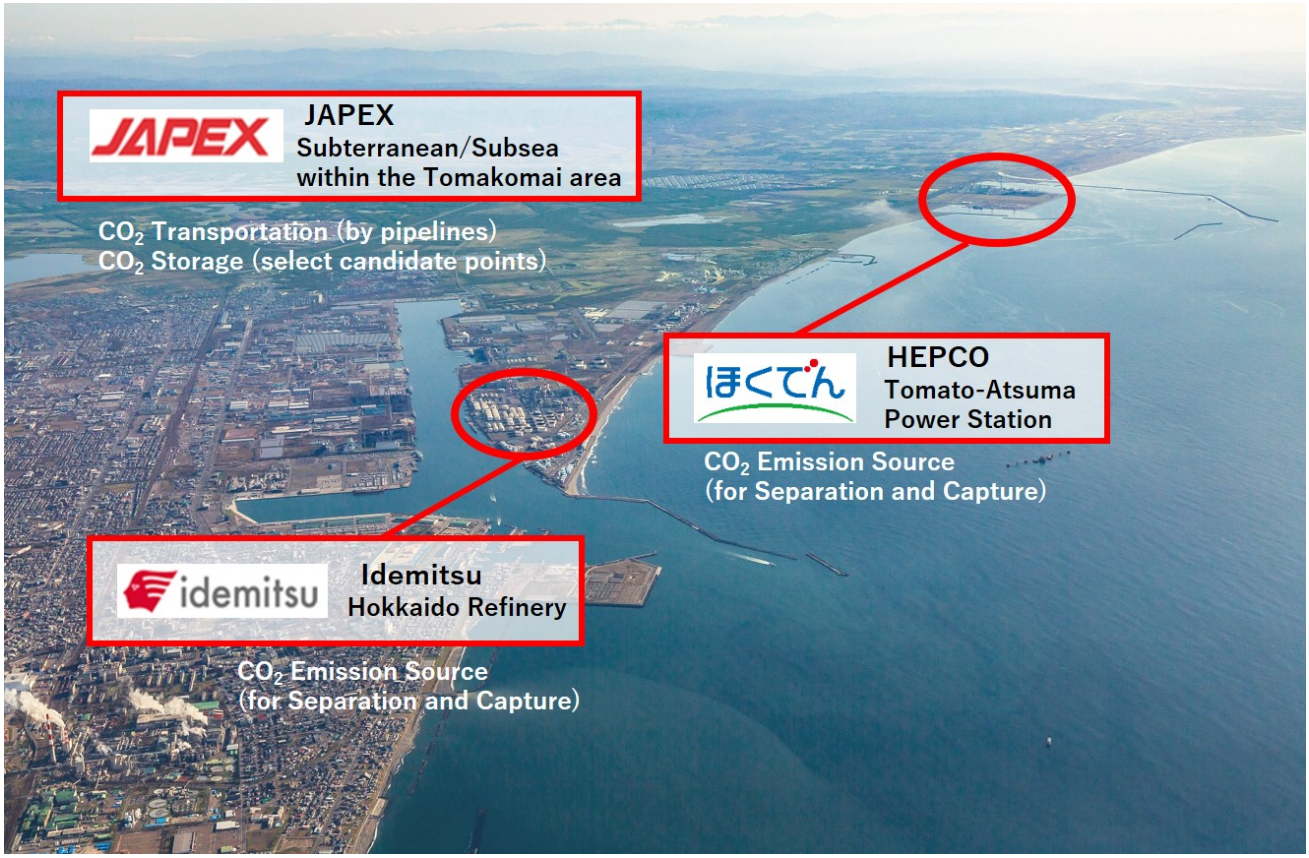
(Reference)

Scope of the Study



CO_2 Capture from Wider in the Area
(Hubs & Clusters)

CO_2 Utilization for Sources of Next-Gen Energies
(CCU/Carbon Recycle)



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