

24 June 2013

INPEX announces signing of Memorandum of Understanding for
Vladivostok LNG Project

Japan Far East Gas Co., Ltd. (hereinafter “JFG”), a company established by INPEX CORPORATION (hereinafter “INPEX”), ITOCHU Corporation (hereinafter “ITOCHU”), Japan Petroleum Exploration Co., Ltd. (hereinafter “JAPEX”), Marubeni Corporation (hereinafter “Marubeni”) and ITOCHU Oil Exploration Co., Ltd. (hereinafter “CIECO”), has signed a Memorandum of Understanding (MOU) regarding the natural gas liquefaction project in the Vladivostok area with Russia’s state-owned gas company Gazprom (hereinafter “Gazprom”). The MOU was signed on June 22, 2013 in St. Petersburg, Russia.

JFG and Gazprom conducted a joint feasibility study (FS) for the natural gas utilization project in the Vladivostok area during year 2011 and 2012. Following the result of the above-mentioned study, this MOU was signed between JFG and Gazprom regarding the discussions on foundation of a joint project company as well as joint marketing activity in Japan, which would contribute to the realization of Vladivostok LNG project.

Realization of this project is considered to be very important for the stable LNG supply to not only Japan but also to the other Asian countries, and will contribute to the diversification of Russia’s gas (LNG) export sources.

About Japan Far East Gas Co., Ltd.

Company name	Japan Far East Gas Co., Ltd.
Representative	Masanori Toyoshima, President and CEO
Head office	5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo, Japan
Shareholder composition	ITOCHU (32.5%), JAPEX (32.5%), Marubeni (20%), INPEX (10%), CIECO (5%)
Date of establishment	December 6, 2010
Capital	335 million yen



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Reference

Gazprom is a Russian state-owned gas company and the largest gas producer in the world. Its annual natural gas production in 2012 was 487.0 billion cubic meters, and its 2012 exports were 203.2 billion cubic meters.

On May 12, 2009, when Prime Minister of the Russian Federation Vladimir Putin visited Japan, Gazprom, the Agency for Natural Resources and Energy of Japan's Ministry of Economy, Trade and Industry (hereinafter the "Agency"), ITOCHU and JAPEX signed a MOU regarding a preliminary feasibility study (Pre-FS) for LNG and CNG projects in the Vladivostok area. The results of the Pre-FS were reported at the Fifth Joint Coordination Committee Meeting between the Agency and Gazprom in St. Petersburg in July 2010. In 2011, JFG and Gazprom implemented a joint FS for natural gas utilization in the Vladivostok area, as well as transportation and sale of natural gas and gas-chemical products from Vladivostok to potential buyers in Asian-Pacific countries. On June 24, 2012, Ministry of Economy, Trade and Industry of Japan and Energy Ministry of the Russian Federation signed a Memorandum regarding cooperation in the Vladivostok LNG Project. On September 8, 2012, the Agency and Gazprom signed a MOU regarding further cooperation in promotion of the Vladivostok LNG Project. On February 21, 2013, Gazprom took the investment decision on Vladivostok LNG Project.

The MOU signed between JFG and Gazprom is based on the above-mentioned chain of events.

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