

July 23, 2019

JXTG Nippon Oil & Energy Corporation

Exchange of Memorandum of Understanding with PetroChina International Japan Regarding Consideration of Continued Collaboration

JXTG Nippon Oil & Energy Corporation (president: Katsuyuki Ota; "JXTG") announces that it has exchanged a memorandum of understanding with PetroChina International (Japan) Co., Ltd. (president: Wan Junyong; "PCJP"), a wholly owned subsidiary of PetroChina International Co., Ltd. (executive director: Tian Jinghui; "PCI"), to consider continuing collaboration, including a potential location transfer of the petroleum refinery business operated by JXTG/PCJP joint venture Osaka International Refining Company, Limited (president: Yoshiaki Takeshita; "OIREC") from the current Osaka refinery (refinery manager: Hideaki Tanaka) to the Chiba refinery (refinery manager: Takahiro Sugimoto).

JXTG and PCJP established OIREC in October 2010 and have been jointly operating the Osaka refinery since that time. The two companies have been discussing the future of their collaboration after the expiration of the current contract, which ends in September 2020.

After reviewing the functions, attributes and other aspects of the JXTG Group's refineries in view of maintaining the current strategic framework of utilizing the refinery operation skills of JXTG and the product marketing expertise of the PCI Group, JXTG concluded that utilizing the export capabilities of the Chiba refinery would best contribute to the development of business for OIREC. Details of the matter are subject to further discussions.

Overview of OIREC

Trade name: Osaka International Refining Company, Limited

Location: 2-1 Takasago, Takaishi City, Osaka Prefecture

Established: October 2010

President: Yoshiaki Takeshita

Capital: 100 million yen



Capital ratio: JXTG 51%, PCJP 49%

Overview of Chiba refinery

Location: 1 Kaigan, Ichihara City, Chiba Prefecture

Start-up of operation: October 1968

Manager: Takahiro Sugimoto

Number of employees: 367 (as of July 1, 2019)

Site area: 1.44 million square meters

Crude process capacity: 129 thousand barrels per day

Overview of Osaka refinery

Location: 2-1 Takasago, Takaishi City, Osaka Prefecture

Start-up of operation: January 1971

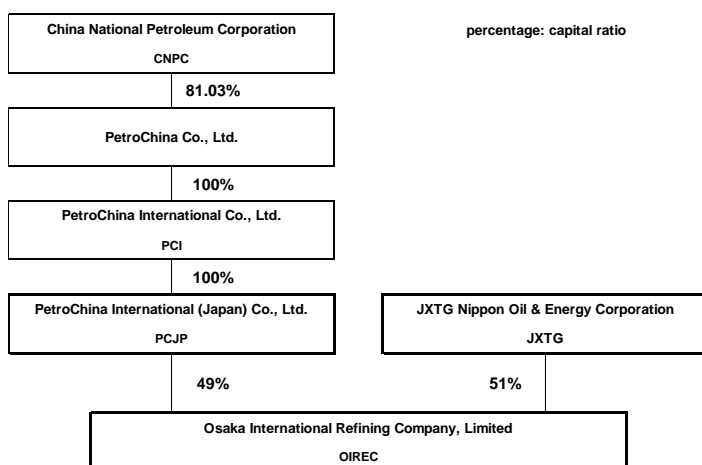
Manager: Hideaki Tanaka

Number of employees: 253 (as of July 1, 2019)

Site are: 1.29 million square meters

Crude process capacity: 115 thousand barrels per day

Capital relationship of OIREC



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