

NEWS LETTER

Vol. 3
July 2020

MAIN NEWS

The New E&P Sr. Executive VP Inaugurated



On July 6, the new KNOC Senior Executive Vice President for the Exploration and Production Division, Yongwoo Kang, was inaugurated. In his inaugural address, the new senior executive officer said that KNOC had been going through a crisis and there were three tasks to be done to ensure the company's survival and success.

First he said, KNOC should improve the assets value. As the company's assets were related to oil prices, it needed to plan an exit strategy to

dispose of non-core, non-performing assets and improve its asset structure to generate enough operating profit and cash flow.

The importance of increasing the reserves of oil and gas was also emphasized. To do this, he said, KNOC should make more investments in exploration fields and, to increase the value of production fields, adopt production optimization and cost reduction programs.

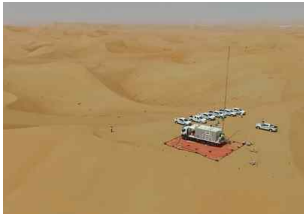
Lastly, he emphasized the significance of finding new growth engines. For this, KNOC would try to find new opportunities in offshore wind power and other green energy-related areas.

Kang finished his inaugural address by saying that he would perform the three tasks with speed and efficiency to realize the CEO's vision.

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The Development of Al Dhafra-Al Humrah Initiated



KNOC recently discovered a new reserve of crude oil in Al Humrah near Haliba, United Arab Emirates. The discovery adds approximately seven million barrels to KNOC's existing reserves. To produce oil from the new reserve, KNOC plans to drill production wells after laying down pipelines from Al Humrah to Haliba. According to the plan, KNOC will be able to produce 3,000 barrels of oil per day from the 4th quarter of 2021.

An Oil Hub Project-related MOU Signed



On July 1, Yang, Su-yeong, President & CEO of KNOC attended the signing ceremony of an investment agreement on the Northeast Asia Oil Hub project. The ceremony was attended by the representatives of seven relevant institutions including the Ulsan Metropolitan City government and SK Gas. The Northeast Asia Oil Hub project is aimed at Ulsan and Yeosu, a coastal city, as an oil logistics, trading, and financial hub covering Northeast Asia. To ensure a smooth implementation of the project, KNOC will provide support especially in the field of infrastructure construction.

New Units Dedicated to Green Energy Projects Formed



In an employee town-hall meeting held on July 16, President Yang, Su-yeong unveiled a vision for preparation after the COVID-19. In addition to the existing exploration and development projects, he said, KNOC would find its new growth engines in hydrogen energy, carbon capture and storage, and offshore wind power. To move in this direction, he said an organizational restructuring had been already done to form several new units such as Energy Information Team and the CCS Team.

An Emergency Simulation to Bring Oil Conducted



KNOC conducted an emergency simulation to bring crude oil from overseas to Korea. The volume was 110,000 barrels of oil produced in nine overseas production sites including Dana, Harvest, Eagle Ford, and Ankor. KNOC will review potential transportation routes, quantities, logistics, and other key factors before finalizing an emergency manual by the end of July.