

# NEWS LETTER

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## MAIN NEWS

### KNOC Launched Management-Union Joint Task Force for Post-COVID-19 Responses



On May 13, KNOC launched a management-union joint task force for post-coronavirus responses. The purpose of the task force is to cope with the crisis faced by the petroleum industry and the changes in the industry landscape. The task force also aims to draw future strategies in connection with the basic plan on resource development that the South Korean government announced recently.\* The joint team is to be chaired by KNOC President and CEO Su-Yeong Yang and Labor Union Chairperson Byung-Soo Kim. In the kick-off meeting, they announced, “Based on the solid cooperation between management and union, we will reestablish the role of KNOC and set up strategies for survival and growth in a post-coronavirus era.”

\* Refer to the next paragraph.

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### MOTIE Revealed Basic Resource Development Plan



On May 12, the South Korean Ministry of Trade, Industry and Energy (MOTIE) unveiled the Basic Resource Development Plan, 2020-2029 after reviewing and finalizing it at an Energy Committee meeting. The plan, a comprehensive long-term commitment to cover next 10 years, encourages reasonable resource development activities at home and abroad. The plan has three goals: nurturing the industry ecosystem for resource development; responding to changes in the energy industry landscape; making a shift in national policy from resource development to resource security. To ensure the implementation of the plan, the Ministry of Trade came up with nine strategies.

### Low Oil Prices Create an Opportunity to Add Stockpiles



The MOTIE has decided to buy more oil at a time when oil prices are running low. To carry out the decision, KNOC is taking steps to buy 640,000 barrels of oil—490,000 barrels in crude oil, 150,000 barrels in diesel—by the end of the year. The decision represents an increase from 360,000 barrels, the initial target for purchase that the government had set for this year in its fourth petroleum stockpiling plan to increase the nation's total oil reserves to 100.7 million barrels. Also, the renewed decision brings forward the completion date for purchase. Meanwhile, as of the end of 2019, KNOC's total oil stockpiles stood at 96.5 million barrels, representing as much as 95.8% of the target amount of the fourth plan.

### KNOC to Participate in Underground Oil Stockpiling Project in Vietnam



KNOC is set to participate in the operation of an underground petroleum stockpile site in Vietnam. On March 6, KNOC signed a joint development agreement to carry out an underground petroleum stockpile management project in Dung Quat, Vietnam with Koramco Fund, LT Sambo, Korea Overseas Infrastructure and Urban Development Corporation, and the South Korea-Vietnam joint venture PVOS. The project, intended to build underground petroleum storage infrastructure in Vietnam, is estimated to be worth as much as US\$250 million in total. KNOC is slated to provide technical support to operate the site for the duration of construction and operate the site upon its launch.

### Executives and Department Heads to Return Salary



On March 31, KNOC announced that, in a bid to overcome the COVID-19 crisis and share the ensuing suffering of South Korean citizens, President Yang and all other executive members and department heads pledged to return part of their salaries. This decision came out after an announcement was made on March 21 that the South Korean president and other high-ranking government officials would return 30% of their salaries. Likewise, President Yang and other executive members would return 30% of their salaries for the next four months with department heads vowing to return 20%. The returned salaries will be used to provide local small businesses and vulnerable people experiencing difficulties due to the coronavirus with financial support.

## Survey Results Showed KNOC Did Better in Promoting Social Values



The results of a survey to measure public institutions' contribution to social values in 2019 were announced recently. The survey that targeted 26 public enterprises and 49 quasi-governmental agencies asked questions on job creation, human rights improvement and social integration, and revitalization of the local economy. These questions were directed to about 300 local citizens or employees of target institutions or their partners. The results showed that KNOC scored 65, a 6.9 point up from the previous year.

## Sharing Know-how to Combat Coronavirus Worldwide



On April 8, KNOC headquarters hosted a video conference to meet the request from Colombia's Ecopetrol, another joint shareholder of Savia Perú besides KNOC, to share its know-how to control the COVID-19 outbreak. The conference was focused on the current activities of the KNOC headquarters, stockpile offices, and the Donghae gas field operation office, to contain the outbreak and secure medical supplies as well as detailed guidelines for when suspected cases are found. In the meantime, as part of nationwide efforts to combat the virus, KNOC carried out a blood donation campaign for its employees and delivered lunchboxes to medical staff in nearby hospitals.

## President Yang Calls for More Online Communication



With social distancing being increasingly emphasized amid the coronavirus outbreak, President Yang urged to increase online communication within the company. The President has communicated with employees with an open mind and candidness using various channels. But the ongoing coronavirus situation made him turn to online platforms for such activities more than ever. The first of such activities using an online platform occurred on March 26th. That occasion, called Untact Communication Time, gave an opportunity for employees to have online conversation with the President in real time.

## KNOC Began to Provide Technical Data on Oil Development



KNOC made its technical data produced from oil development projects available for public use. To increase the usability of the data, the E&P Data Management Team recently created a database and implemented a standardization process. Based on this, KNOC began to provide information on oil and gas by making the database accessible by relevant industries, public and private, universities, and research institutions. The lists of data available for reading or borrowing can be checked at the KNOC website [www.knoc.co.kr](http://www.knoc.co.kr) by choosing Technology Development in the drop-down menu under Operations and clicking on Borrowing Technical Data.