

NEWS LETTER

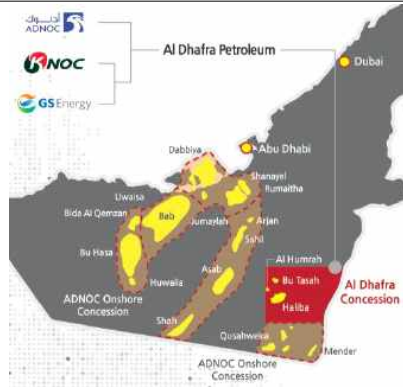
Vol. 13
Oct. 2021**MAIN News**

Creation of an ESG Department



In September, Korea National Oil Corporation(KNOC) restructured its organization, creating a department dedicated to environmental and social issues, and corporate governance(ESG). The ultimate objective of the new department is to expand the current scope of operations, which consist of carbon-based oil and gas activities, to the field of low-carbon energy. An immediate task is to increase the commercial feasibility of the carbon capture and storage (CCS) project, the offshore wind farm project, and a project to store ammonia as a hydrogen carrier. As for the offshore wind farm project, which passed the preliminary feasibility study last May, KNOC is working to obtain a power generation license by the end of October. When a special-purpose corporation (SPC) is established next year, KNOC will send a delegation to implement the basic design step of the project. The CCS project is also expected to go ahead on a similar schedule. KNOC intends to finish preparations within the year to enter the basic design step next year.

Beginning of Oil Production in Al Humrah in the UAE



On September 20, KNOC began oil production in Al Humrah, 10 kilometers northwest of the Haliba oil field in the United Arab Emirates (UAE). In Al Humrah, Al Dhafra Petroleum, the operator that discovered oil via an exploration well in 2017, now produces up to 4,000 barrels of oil per day.

Technical Cooperation with ADNOC of the UAE



On October 12, KNOC participated in the 2nd online technical workshop for shareholders of the onshore projects of Abu Dhabi National Oil Company (ADNOC). At the workshop, which was attended by a total of six oil companies including KNOC, BP, and Total, KNOC held a presentation about the artificial intelligence-based technique it applied to the exploration of Area 1 in 2019 to improve the vertical resolution of seismic data obtained from on-site surveys.

An MOU with SK Innovation on CCS Demonstration



On September 16, KNOC signed a memorandum of understanding (MOU) with SK Innovation on the development of a comprehensive demonstration model for the mid-scale CCS project that uses the Donghae gas field facilities. The main objective of the agreement is to conduct a technical review and feasibility study to build an optimal model for the project, and further expand the scope of CCS. Going forward, the two companies will carry out joint studies and nurture cooperative relations based on the results.

Improvement of the Efficiency of Stockpile Assets



In April and September, KNOC took measures to improve the efficiency of its stockpile assets, selling 1.8 million barrels of Dubai crude stored at Goeje stockpile base, which had been inefficiently used, and buying 1.8 million barrels of Khafji crude for Seosan stockpile base, which had low inventory. These measures have helped increase the company's crisis response capability, marking a shift in the kind of stockpile assets it holds from Dubai crude to Khafji crude.

KNOC President, Keeping a Close Eye on Energy Supply



KNOC President and CEO Dong Seop Kim maintains a watchful eye on the trends in Korea's energy supply and demand. On September 29, President Kim attended an ad-hoc meeting on the supply and demand of energy organized by the Korean Ministry of Trade, Industry and Energy. At the meeting, chaired by the Second Vice Minister, the presidents of nine state-run companies in oil, gas, minerals, and electricity discussed the domestic supply conditions of oil and gas in light of the recent spikes in international oil and gas prices.