Japan’s NOC Study
-A Summary of the Japanese Study Conclusions-

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How We Tackle the Energy Issues

New National Energy Strategy

Resource Diplomacy
Imperial, Governmental, & Private
FTA, ODA where appropriate

Industrial Clusters
- Core Company
- Other Industries
- Upstream Industry
- Mid & Down Stream Industry

Legislative Measures
Risk Money Supply
Financial Support
by Relevant Organizations

Economic & Technical Cooperation
R&D, Education
Cultural Exchange
at all levels

Efforts at all levels as if in one entity
How We View the NOCs in Groups
-Aiming at the well-balanced resource diplomacy-

Relying heavily on their oil
Traditional Suppliers (Mideast)
- Saudi Arabia
- Iran
- Iraq

JAPAN

We are in the same boat
Collaborators (Asia)
- China
- India
- Malaysia

Anticipating the new oil flow
New & Likely Suppliers (Russia & Central Asia)
- Russia
- Kazakhstan

Our business may develop
Potential J/V Partners (S.America, Africa, N.Europe)
- Venezuela
- Nigeria
- Norway
Sample Positioning of 4 NOC Groups

Difficulty in Investment

Supply Potential

Traditional Suppliers: Mideast NOCs

New & Likely Suppliers: Russia & Central Asia

Potential J/V Partners: South America, Africa, North Europe

Collaborators: Asian NOCs China, India, Malaysia

We seek to optimize our approaches to them through further collaboration.
Optimization effect will be far greater when applied to wider areas. Thus, starting with the neighboring countries and regions, international application of optimum management and operation of the oil industries should be worth serious study. A chain of de facto alliances from Japan to Asia, possibly including Pan-Pacific and Central Asian Regions, may eventually be extended to the whole world!
How We Can Build up more Constructive and Cooperative Relationships with NOCs and related Organizations

To confirm the needs of NOCs

To match their needs with our seeds

To create frameworks & & systems for cooperation

To test run the system and adjust as required

To enjoy an ideal & creative relationship

Candidate Fields of Our Cooperation:
Suggested Direction for Further Actions

1. To further develop to complete the basic concept of the approach presented here, including the international optimization of the oil industries

2. To devise concrete action plans of collaboration based on the final strategic design above for actual application to the respective NOCs

3. To communicate freely with the NOC counterparts to bring the action plans to perfection. And to create and institutionalize, if necessary, any further systems for more effective implementation
Supplements
Traditional Suppliers (the Middle East)

1) **Country & NOC** - Relying heavily on their oil
   - Saudi Aramco/Iran’s NIOC/Iraq’s INOC

2) **Characteristics**
   - Top 3 holders of world oil reserves/Politically sensitive area
   - Social & religious constraints

3) **Candidate Fields of Liaison**
   - Conventional business (oil purchase/sale)/Downstream of Oil
   - Upstream of Oil & Gas/Petrochemical Industry/Infrastructure
   - Education

4) **Issues to be addressed**
   - Political & diplomatic stance toward the region and respective issues may be questioned and affect the business results
   - Geopolitical risks involved should always be taken into account
New & Likely Suppliers (the Northeast & Central Asia)

1) Country & NOC - Anticipating the new oil flow
   - Russia’s Rosneft (Gazprom)/Kazakhstan’s KazMunaiGaz

2) Characteristics
   - Resource-nationalism increasingly affecting foreign capitals (Russia)
   - Political maneuver for balancing between Russia, China, US and the Middle East (Kazakhstan)

3) Candidate Fields of Liaison
   - Upstream of Oil & Gas Oil purchase & sale/Oil downstream
   - Petrochemical Industry/Pipeline construction/Business & legal consulting

4) Issues to be addressed
   - Complications which may arise from the defective legal system and arbitrary political decisions should always be borne in mind as something of relatively frequent occurrence.
Collaborators (Asian countries)

1) **Country & NOC** - We are in the same boat
   - China’s CNPC, Sinopec, and CNOOC/India’s ONGC, and IOC
   - Malaysia’s Petronas

2) **Characteristics**
   - Rapid growth of oil demand
   - Aggressive undertakings for overseas oil & gas acquisition

3) **Candidate Fields of Liaison**
   - Energy saving technology/Environmental technology
   - Petroleum downstream/Oil Stockpiling
   - Petrochemical industry/Automobile related industries

4) **Issues to be addressed**
   - As one of the countries in Asia, Japan can engage in all economic activities from an Asian point of view. Oil, gas, and energy security issue should be addressed in cooperation with the other Asian peer countries as collaborators.
Potential J/V Partners (Distant only geographically)

1) Country & NOC - Our business may develop
- Venezuela’s PdVSA/Nigeria’s NNPC/Norway’s Statoil

2) Characteristics
- Fairly large size of oil & gas reserves/Though geographically distant they have had some oil business relations with Japan.

3) Candidate Fields of Liaison
- Crude oil transaction/Oil & gas upstream
- Petroleum downstream (e.g. Heavy oil cracking)
- Infrastructure incl. storage tank
- LNG related business

4) Issues to be addressed
- Geopolitical risks involved, particularly with Venezuela & Nigeria should be taken into account.
- The influence of these countries & NOCs over the world oil & gas markets should always be watched, monitored, and analyzed.