

Expanding International Partnerships as a Vertically Integrated Global Energy Company



Signing of the strategic agreement with CEPSA

Joint Projects in Oil and Gas Exploration

Cosmo Oil has formed a strategic agreement in the oil-related business with Compañía Española de Petróleos, S.A.U. (CEPSA) in order to look into the potential for joint business in oil and gas exploration.

Strategic Comprehensive Cooperation Agreement with CEPSA

In January 2014, Cosmo Oil reached agreement with CEPSA, a leading integrated petroleum company based in Spain that is part of the IPIC Group, to identify and develop mutually beneficial opportunities for exploration and business. Under the agreement, the companies will focus on jointly obtaining new oil and gas concessions to reinforce their growing exploration and production businesses. The two companies will jointly pursue new business opportunities created by their cooperation.

Promoting Independent Oil Exploration and Production

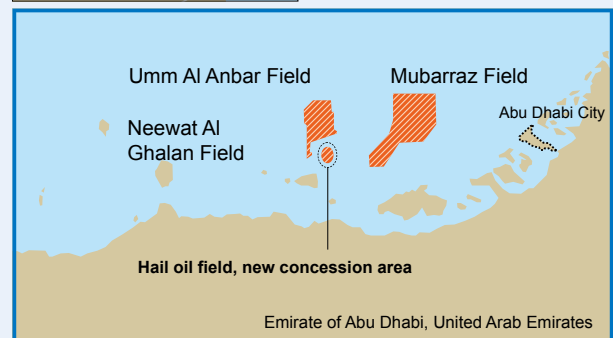
Cosmo Oil has been involved in oil exploration and production for more than 40 years in the Middle East, specifically in the Emirate of Abu Dhabi, United Arab Emirates (UAE).

Exploration of Hale Oil Field Concession in UAE

Cosmo Oil established Abu Dhabi Oil Co., Ltd. (Japan)¹ after obtaining concessions in the Emirate of Abu Dhabi, UAE in 1967. Production of oil supplied to Japan is taking place in three oil fields in UAE through Abu Dhabi Oil. In February 2011, Cosmo Oil obtained concessions for the Hale oil field that lies adjacent to the existing oil fields, and is steadily developing it. The new field is expected to generate about as much oil as the three existing oil fields, which will together provide a stable supply of energy.

1. Cosmo Oil Group owns a 63% stake in Abu Dhabi Oil Co., Ltd. (Japan)

Location Map of Abu Dhabi Oil Concession Area



Cosmo Oil is actively pursuing business outside of Japan by further strengthening alliances with IPIC and Hyundai Oilbank, as a basic strategy under the Consolidated Medium-Term Management Plan. Seeking to increase corporate value, Cosmo Oil is expanding upstream development to better position itself to secure stable energy supplies and address increased global demand for petrochemical products.



New paraxylene manufacturing facilities

Ramping Up the Paraxylene Business in South Korea

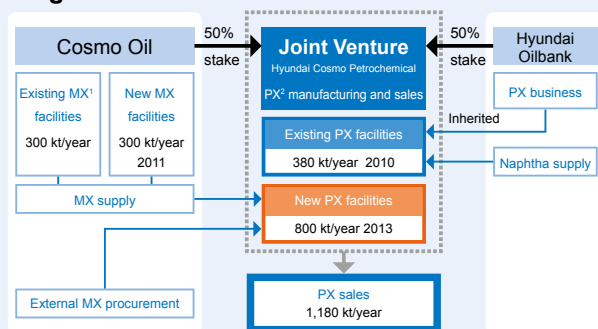
Cosmo Oil operates a joint venture with Hyundai Oilbank. In January 2013, the venture opened new manufacturing facilities with an annual production capacity of 800 kilotonnes, making the venture one of the world's leading paraxylene manufacturers.

Responding to Growing Global Demand for Petroleum Products

The venture, Hyundai Cosmo Petrochemical Co., Ltd., was established in November 2009 and then acquired paraxylene manufacturing facilities (380 kt of annual production capacity) in Daesang, South Korea from Hyundai Oilbank in February 2010. New 800 kt facilities were built and commercial production started in January 2013. The joint venture is now a world leader in paraxylene manufacturing, with a total annual production capacity of 1,180 kt.

Cosmo Oil will respond to growing demand for petrochemical products in China and the rest of Asia, pursuing opportunities for business partnerships and joint ventures in a wide range of fields.

Large-Scale Production Framework



1. Mixed xylene 2. Paraxylene

Employee Viewpoint

Hyundai Cosmo Petrochemical operates Cosmo Oil's only petrochemical plant outside of Japan. The joint venture manages paraxylene manufacturing facilities and develops strategies to improve revenues. The cooperation of our South Korean colleagues is vital, but cultural gaps can get in the way. Internally, we all communicate in English, but since neither Japanese nor Korean staff speak English natively, we have to choose our words carefully.

I am studying the Korean language, history and culture so that I can better understand our local staff. Going forward, our goal is to become the leading petrochemical company in our region. Looking ahead, I want to keep developing my international and cross-cultural communication skills so that I can tackle new challenges.



Related information

Global Human Resources Development on p. 25

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