

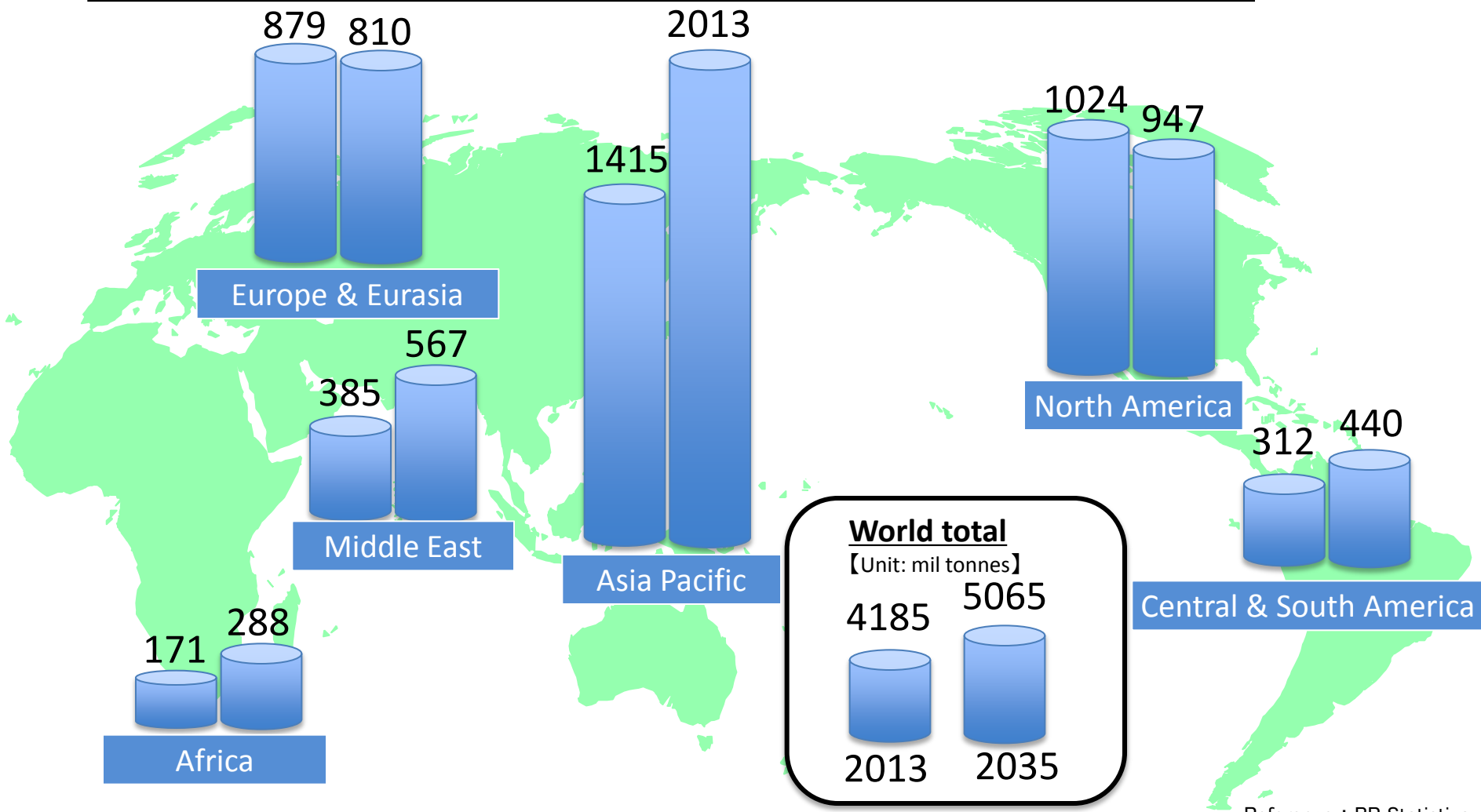
Opportunity for Cooperation in Energy  
Sector between Russia and Japan in  
Eastern Siberia and the Russian Far East



International Conference on Energy Cooperation between Russia and Japan

Mitsui & Co. , Ltd.  
Chief Regional Representative in CIS  
Hiroshi Meguro

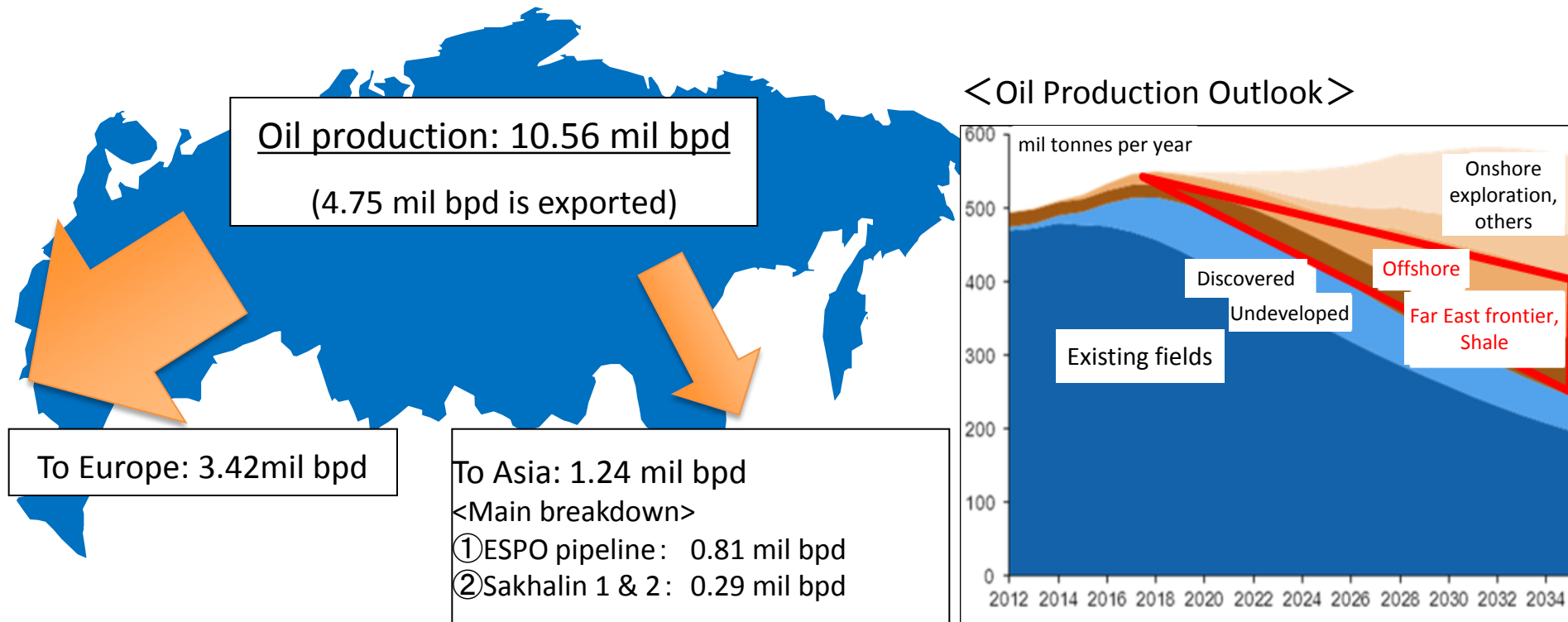
# Current Global Oil Demand and Its Outlook



Reference : BP Statistics

- Oil is one of the most stable energy resources given that world primary energy demand will increase, and demand outlook for oil is expected to increase.
- It will be led mainly by Asian countries such as China and India.

# Oil Production and Export in Russia (2014)

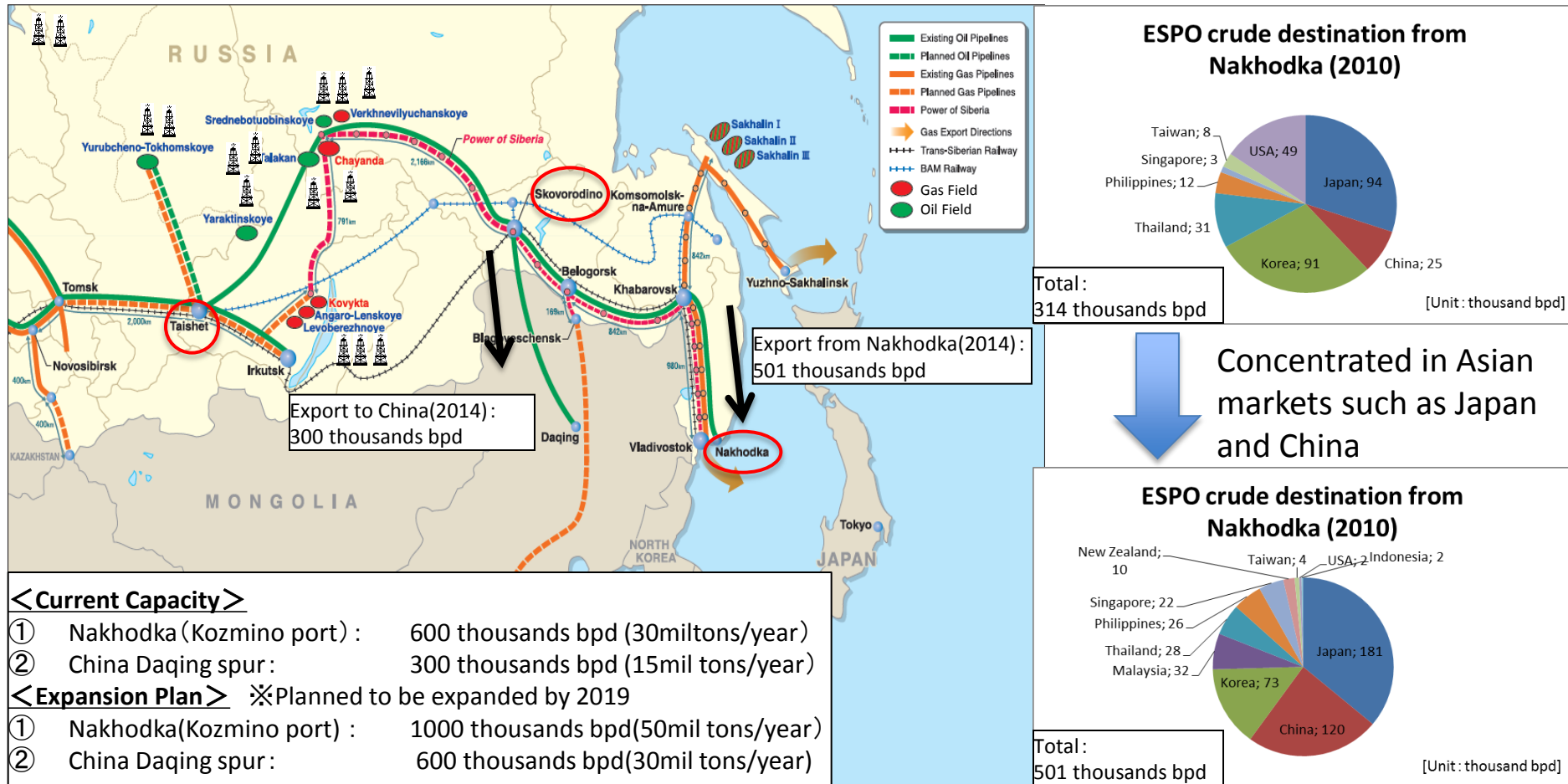


Reference : U.S. Energy Information Administration, Wood Mackenzie

- 72% and 26% of produced oil is exported to European and Asian regions respectively.
- Oil production from West Siberia, which produces about 60% of the oil, is in a declining trend. It is expected to increase production in the frontier areas such as East Siberia.
- Russia is focusing on the development of those areas promoting development programs of the Russian Far East and is intending to increase exports to growing Asian market.



# ESPO Pipeline Capacity and Crude Destination History



- Crude supply to Asia is increased after ESPO pipeline start up.
- Crude supply to Asia is also increased contributing to strengthening Japan's energy security and diversification of oil resources.
- ESPO expansion may boost crude oil supply to Asia.

Reference : Transneft

# Importance of the Development of Resources in Eastern Siberia and the Russian Far East

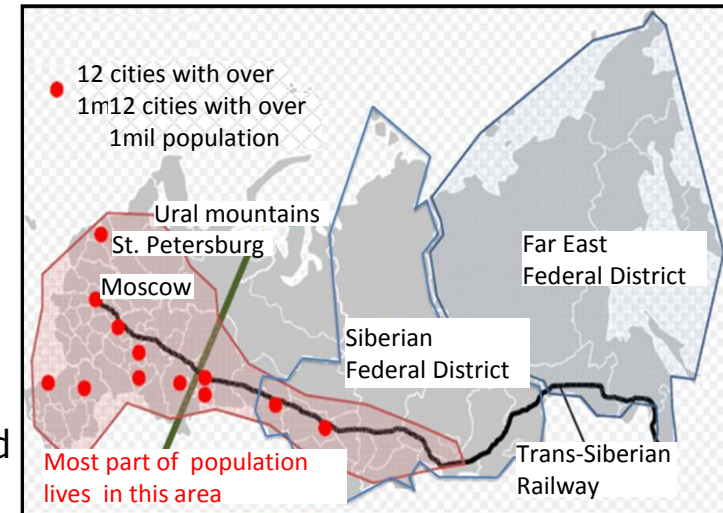
## <Environment Recognition Surrounding Russia>

### ① External factors

- ✓ Maturation of European economy, which is traditional export market for Russian oil and gas
- ✓ EU's intention to decrease dependency on Russian gas
- ✓ Growing energy demand in Asia

### ② Internal factors

- ✓ Production decline of existing oil & gas fields mainly in West Siberia
- ⇒ Development of frontier areas such as East Siberia is required
- ✓ Diversification of energy market is required
- ✓ Development of resource-rich Far East area is required.



- Development of East Siberia and Far East Russia is most important issue for Russia.
- Energy procurement from Far East Russia significantly contributes to Japan energy security.
- Development of this area is beneficial both for Russia and Japan. Thus, Mitsui has the intention to be engaged in projects from upstream to downstream in the area.

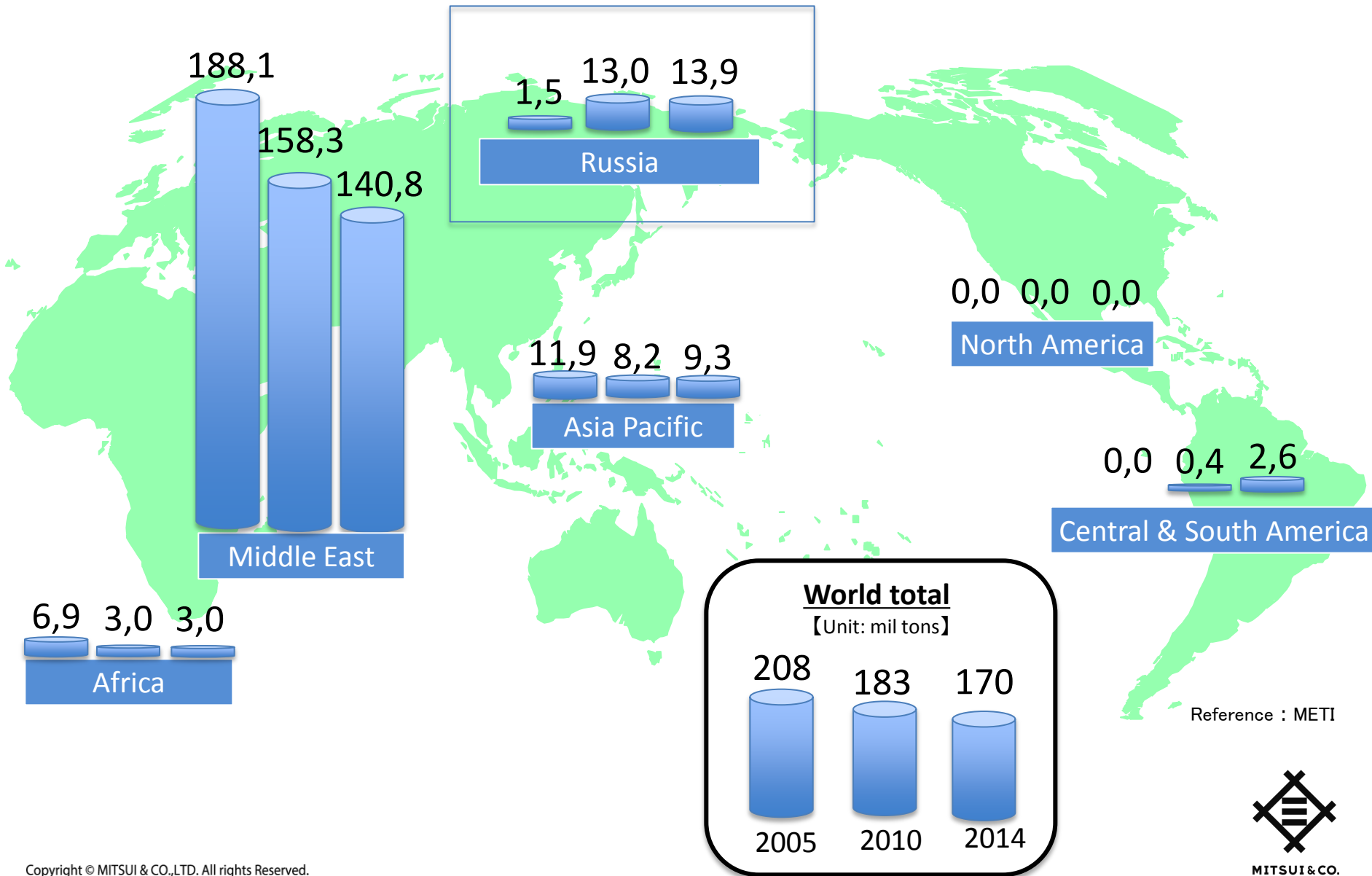
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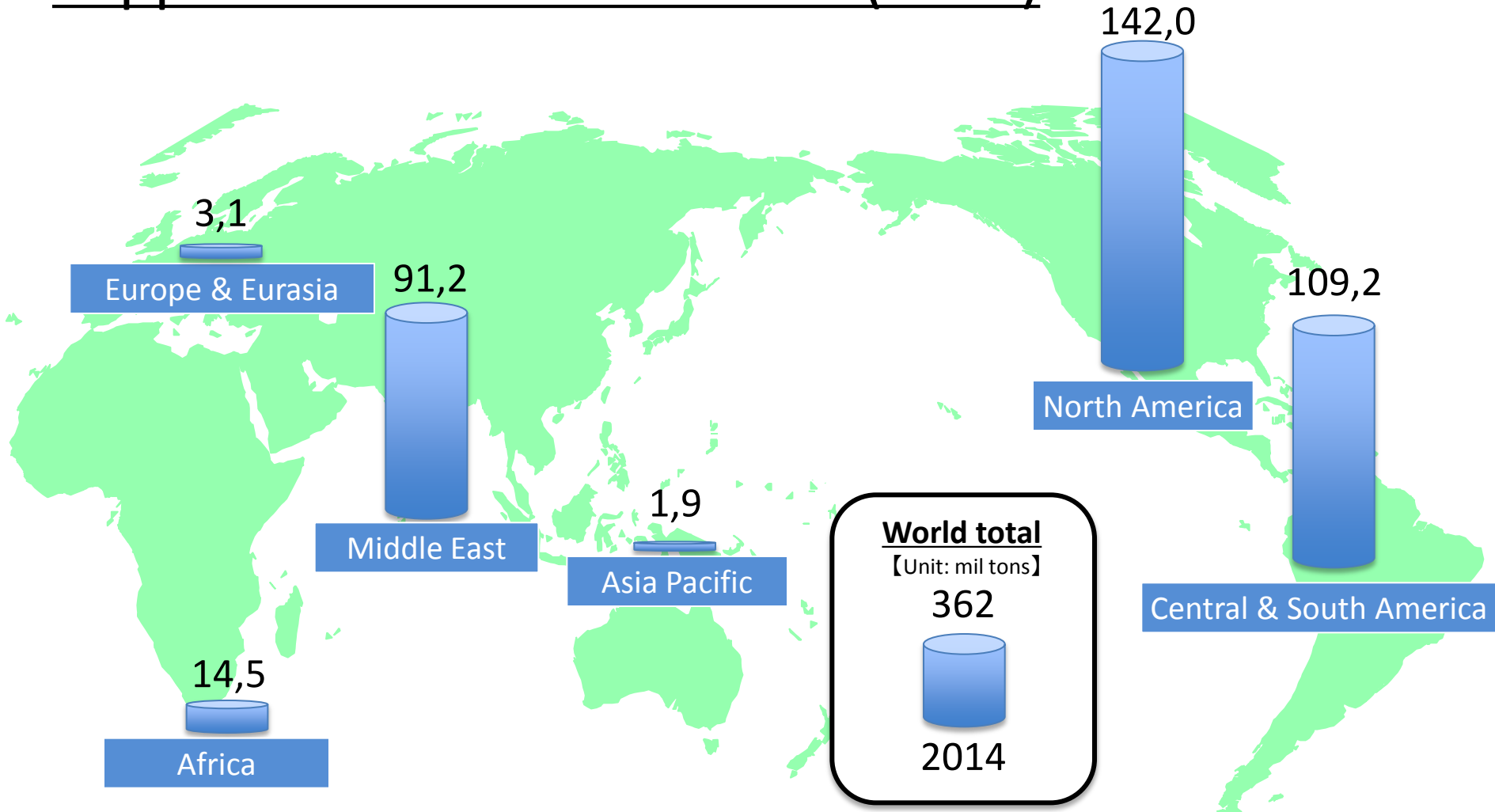
## Appendix

# Suppliers of Crude Oil to Japan





# Suppliers of Crude Oil to USA (2014)



Reference : U.S. Energy Information Administration