



2021
NEW
NEW
NEW
VISION
CHALLENGE



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Korea National Oil Corporation,

Which is responsible for
the stable and secured
supply of energy in Korea
and creating special value.

MISSION

Contribute to the national economy
by stabilizing oil supply and demand

VISION

A company that realizes values
beyond energy

SLOGAN

Today's challenge,
tomorrow's innovation,
Oil Corporation trusted by everyone

While supplying stabilised energy, the KNOC is actively developing eco-friendly and renewable energy in order to respond to the energy conversion according to climate change issues.

The KNOC will not only make the basic 'value' of energy, but also create a newer and safer 'value'.

NEW VISION
NEW CHALLENGE

CORE VALUES

Passion and Challenge

Safety and Trust

Innovation and Growth

MANAGEMENT GOALS By 2025

Quantity secured for oil security

168 million barrels

Consumer benefits from economical business

897 billion won

CO2 storage

400,000 tons/year

Operating profit

4,968 billion won

STRATEGIC DIRECTION

Reinforcement of oil supply security

Realization of social value

Promotion of KNOC's New Deal

Securing financial soundness



Overview of Main Business

The energy of happiness that the people can trust

The KNOC is responsible for Korea's energy security by firmly securing the 'oil' resources, which can be said to be the driving force of Korea's economic development. The KNOC will also actively participate in the development of eco-friendly and renewable energy to meet a new global paradigm to broaden the scope of happiness for the people.

ENERGY



Oil Development Business

- 32 projects in progress in 17 countries

164 thousand barrels
daily production

1,247 million barrels
reserves



Petroleum Stockpiling Business

- 9 stockpiling bases nationwide

136 million barrels
capacity of stockpiling facilities

about **96.9** million barrels
stockpiled oil



Economical Gas Station Business

- Operation of economical gas stations in Korea

1,241 Stations
opening/operation of economical gas stations

10.7%
market share



Petroleum Information Service

- Operation of oil information networks

770 thousand per year
Petronet users

137 million people/year
Opinet users



※ As of the end of December 2020

Oil Development Business

In order to secure stable energy, the KNOC is actively promoting oil development business around the world and in Korea.



Development of domestic continental shelf

>> The KNOC discovered a high-quality gas layer off the coast of Ulsan in 1998 and succeeded in developing the Donghae-1 Gas Field, realizing the long-standing dream of an oil producing country.

Since then, in order to maintain its status as an oil-producing country, the KNOC has been spurring new gas development businesses in Korea's Block 6-1 and Block 8 since 2019 and looking for new oil and gas reserves by acquiring mining rights in the Central and Eastern Block 6-1 in 2020.

Overseas oil field development

>> Starting with the discovery of large-scale crude oil in Vietnam's Block 15-1 in 2000, the KNOC has built a long-term growth foundation by acquiring large-scale oil companies in North America, Europe, and Central Asia.

Especially in 2019, the KNOC additionally discovered high-quality gas in the 'Tolmount' Block in the North Sea of England and joined the UAE Korean consortium in the same year, starting commercial production of crude oil in the Haliba oil field. Based on the exploration, development, production technology and know-how in the field of petroleum development secured over the past 40 years, the KNOC is conducting overseas oil field development businesses in 17 countries. Currently, the KNOC is focusing on improving the profitability of our core assets through selection and concentration and laying the foundation for new growth even in difficult internal and external conditions.



KNOC's Oil Development Business


The KNOC is currently participating in **32** resource development projects in a total of **17** countries.


● Daily production

164 thousand barrels

● Reserves

1,247 million barrels

 Daily production (thousand barrels/day)

 Reserves (million barrels)

● Production

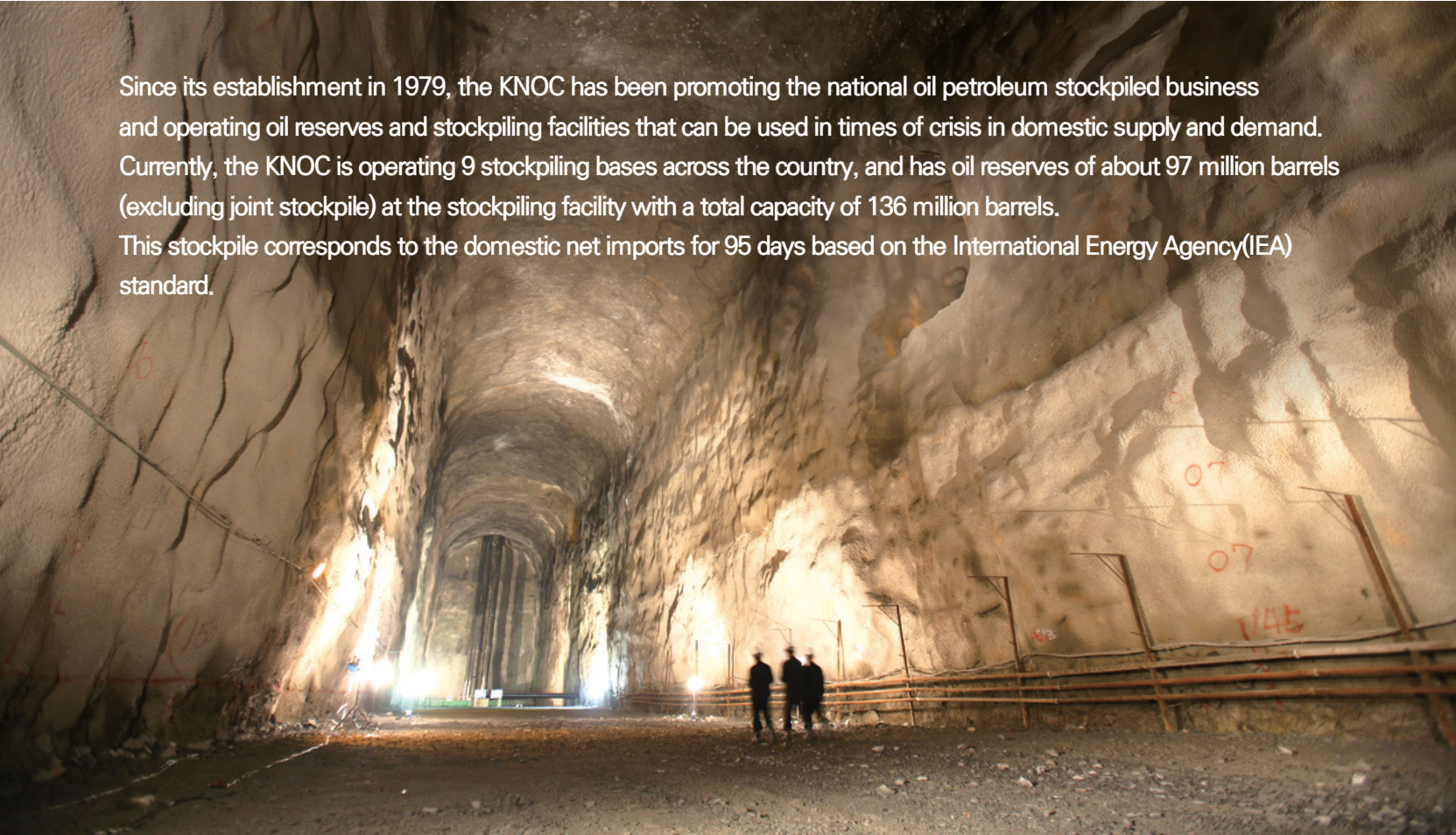
● Exploration

● Development

※ KNOC's share (as of the end of 2020)



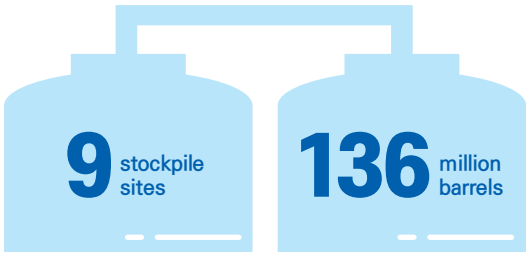
Petroleum Stockpiling business



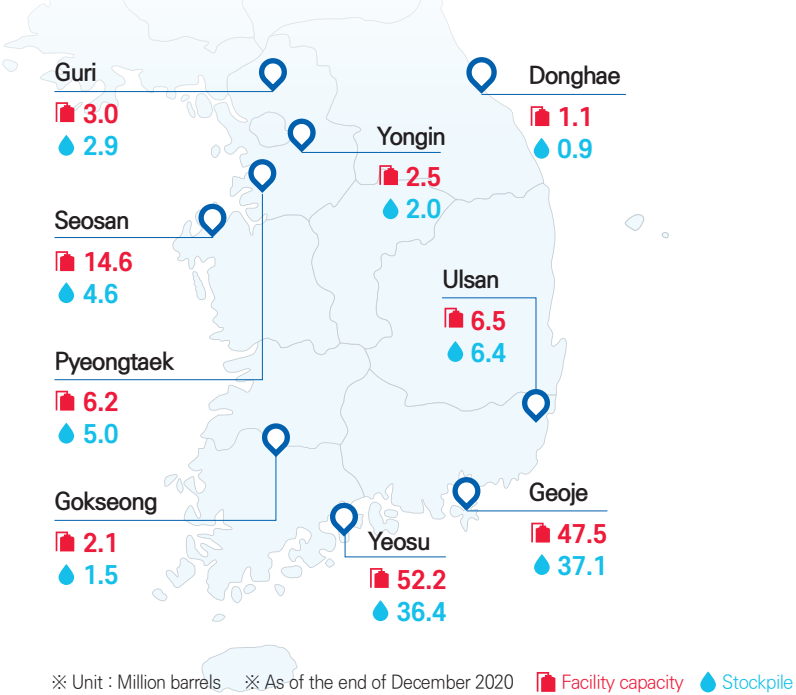
Since its establishment in 1979, the KNOC has been promoting the national oil petroleum stockpiled business and operating oil reserves and stockpiling facilities that can be used in times of crisis in domestic supply and demand. Currently, the KNOC is operating 9 stockpiling bases across the country, and has oil reserves of about 97 million barrels (excluding joint stockpile) at the stockpiling facility with a total capacity of 136 million barrels. This stockpile corresponds to the domestic net imports for 95 days based on the International Energy Agency(IEA) standard.

Economic petroleum stockpiled business

>> The KNOC is actively conducting an economic petroleum stockpiled business to prepare for the future of the oil business and respond to diversified crises. By taking advantage of the price volatility of the international oil market, the KNOC conducts crude oil, petroleum products, and LPG trading, and is actively engaged in the oil trading business, which uses the profits as funds for increasing our own oil reserves. The KNOC is also promoting international joint petroleum stockpiled businesses to secure storage profits by attracting and storing quantities of oil-producing countries by utilizing the free space in stockpiling facilities and stockpile asset rental businesses that provide timely support for oil reserves and stockpiling facilities to private companies such as domestic refineries when domestic oil supply and demand is disrupted.

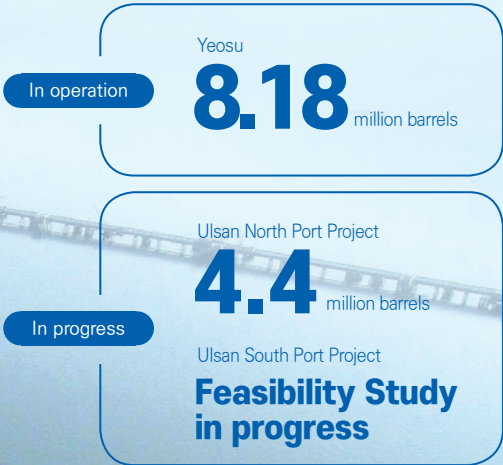


Status of oil reserves by stockpiling base



Energy hub project

>> The KNOC is leading the Northeast Asian energy hub business to develop Korea into a center for oil and gas-related logistics and financial transactions. Representatively, a facility with a capacity of 8.18 million barrels is operated in Yeosu, and North Port Project to build a commercial tank terminal with a total capacity of 4.4 million barrels is being pursued in Ulsan, and a feasibility study for the South port project is in progress.



Distribution Structure Improvement Project

Through the economical gas station business launched in 2011, the KNOC is encouraging the stabilization of domestic oil prices and improvement of the distribution structure by improving the monopoly system of domestic refiners and promoting competition in the domestic petroleum product market.



Economical gas station business

>> Economical gas stations, which supply high-quality petroleum products at reasonable prices, show a market share of 10.7% as of December 2020, and have grown to 18% in terms of sales volume.

Starting with the opening of the first station in 2011, the KNOC is operating 1,241 economical gas stations as of the end of December 2020 and supplying petroleum products at a low price of 30 won per liter compared to non-economical gas stations (compared to the average selling price at domestic gas stations).

1,241 stations

opening/operation of economical gas stations



30 won

per liter

OPINET, oil price information service

www.opinet.co.kr

>> The KNOC is contributing to the convenience of people's lives by operating Opinet, a real-time domestic oil price information service that is used by an average of 370,000 people a day.

The KNOC provides information on the selling prices of about 12,000 gas stations and 2,000 LPG filling stations nationwide through various media such as the Opinet website, smartphones, and navigation.

PETRONET, comprehensive oil information network

www.petronet.co.kr

>> The KNOC is operating Petronet, the only comprehensive oil information network in Korea.

By providing domestic and foreign oil prices, trends in supply and demand, status of oil development, and analysis information to the people, government agencies, research institutes, and private companies through Petronet, the KNOC is contributing to the establishment of the government's oil policy, research in academia, and improvement of public welfare.

ESG Management

The KNOC is promoting the green energy complex project to actively respond to the government's 'Renewable Energy 3020 Implementation Plan' to achieve 20% of the renewable energy generation by 2030. The KNOC will also contribute to the carbon neutral policy by continuously discovering future new growth businesses to respond to eco-friendly issues.



2026
Commercial operation

Floating offshore wind power project

» With the aim of actual power generation in 2026, the KNOC is leading the Korea's first floating offshore wind power generation project.

As a business that produces eco-friendly energy by recycling the platform of the Donghae Gas Field, which is scheduled to end production in 2022, it is also expected to revitalize the power generation-related industries such as shipbuilding and equipment. A feasibility study has been completed based on wind condition data, and a floating offshore wind farm will be built in 2022 and commercial operation will begin in 2026.

2025
Promotion of medium-scale demonstration project

CCS project

» The KNOC is playing a key role in finding the optimal implementation model for the successful implementation of the CCS(Carbon Capture and Storage) project that captures and stores carbon dioxide, the main culprit of climate change.

This project is to recycle the production wells and offshore facilities of the Donghae Gas Field, which is scheduled to end production. After a feasibility study in 2021, the KNOC is promoting a CCS demonstration project with the aim of injecting 400,000 tons per year in 2025.

2021
Expanded installation of solar power generation facilities

Solar power generation and hydrogen project

» The KNOC is expanding the installation of solar power generation facilities at 9 stockpiling bases, and is setting up a roadmap to participate in the business of securing energy using hydrogen.

Safety·Environmental Management

» The KNOC is doing its best to create a safer and more pleasant working environment and to manage prevention-oriented safety and environment. The KNOC is operating a systematic HSEQ(Health, Safety, Environment, Quality) management system in line with global oil companies and PSM* system to prevent serious industrial accidents at worksites, and is establishing and operating an internationally certified environmental management system (ISO14001:2015).

* PSM (Process Safety Management) : A system in which the Ministry of Employment and Labor evaluates the safety management status of workplaces into P (Progressive), S (Stagnant), M+ (Mismanagement+), and M- (Mismanagement-) grades in accordance with the Occupational Safety and Health Act

The 9 stockpiling bases achieved zero large-scale disasters and human casualties in 2020, and were selected as 'Excellent Institutions' in the disaster management evaluation, making the KNOC the only public corporation that received the Prime Minister's Commendation among the first group of public enterprises. The KNOC also introduced the KOSHA-MS(Korea Occupational Safety Health Agency Management System) to strengthen worker safety management, and was awarded the 'Minister of Public Administration and Security Award for the Korea Safety Awards' with zero fatalities from industrial accidents for 4 consecutive years.



Social contribution

» The KNOC has set the goal aiming for mutual working relationship, cooperation and realization of values.

The KNOC is promoting active social contribution activities in the three core areas of energy, safety and environment, and the disabled and multiple cultures, support local SMEs, small business owners, and vulnerable groups to overcome the COVID-19 crisis and strengthening partnerships and collaboration activities with relevant organizations such as local governments.

