

October 29, 2004

Japan Petroleum Exploration Co., Ltd.

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Listing: First Section, Tokyo Stock Exchange

Company Code: 1662

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Revision of Financial Results Forecasts for the First Half of Fiscal 2005

Japan Petroleum Exploration Co., Ltd. (JAPEX) has revised its previous consolidated and non-consolidated forecasts for the first half of fiscal 2005, ending March 31, 2005, which were announced on August 13, 2004. Details are as follows.

1. Revision of Financial Results Forecasts for the First Half of Fiscal 2005 (April 1, 2004 ~ September 30, 2004)

(1) Consolidated

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Previous Forecasts: A	43,873	5,571	4,865
Revised Forecasts: B	46,300	7,200	5,500
Increase: B – A	2,427	1,629	635
Increase Ratio (%)	5.5	29.2	13.0
(Reference) Financial Results for the 1 st half of Fiscal 2004	42,352	7,169	4,762

(2) Non-consolidated

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Previous Forecasts: A	40,039	4,247	4,063
Revised Forecasts: B	41,200	5,100	4,050
Increase (Decrease): B – A	1,161	853	(13)
Increase (Decrease) Ratio (%)	2.9	20.0	(0.3)
(Reference) Financial Results for the 1 st half of Fiscal 2004	36,689	7,086	5,229

2. Reasons for Revision

JAPEX expects interim sales to exceed the previous forecasts due, primarily, to an increase in crude oil prices above predicted levels.

The rise in crude oil prices has also led to an improvement in the financial position of overseas project companies, allowing JAPEX to reverse part of provisions for losses on overseas investments, and provisions for operating losses. As a result, JAPEX expects ordinary income to exceed its previous forecasts.

Although JAPEX foresees the booking of extraordinary losses related to the retirement of some property, plant and equipment, net income is also anticipated to beat the previous forecasts.

JAPEX plans to announce its financial results forecasts for the full fiscal year, ending March 31, 2005, together with finalized interim results, on November 15 (Mon.), 2004.

Note:

This report is a translation of the Japanese-language original.