Note: The following report is an English translation of the Japanese-language original.

Presentation of Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

May 15, 2009

Japan Petroleum Exploration Co., Ltd.

Cautionary Statement

Any information contained herein with respect to JAPEX's plans, estimates, strategies and other statements that are not historical facts are forward-looking statements about the future performance of JAPEX. Readers should be aware that actual results and events may differ substantially from these projections due to various factors.

The provision of this document should not be construed as a solicitation for investment.

Note: The following abbreviations are used within this document:

1H = First half
2H = Second half
(**a**) = Actual result
(**e**) = Estimate

Any inquiries about the information contained herein or other Investor Relations questions should be directed to:

Investor Relations, Media & Investor Relations Department, Japan Petroleum Exploration Co., Ltd.
TEL: **+81-3-6268-7111**

Contents

Business Overview and Revision of Mid-Term Business Plan

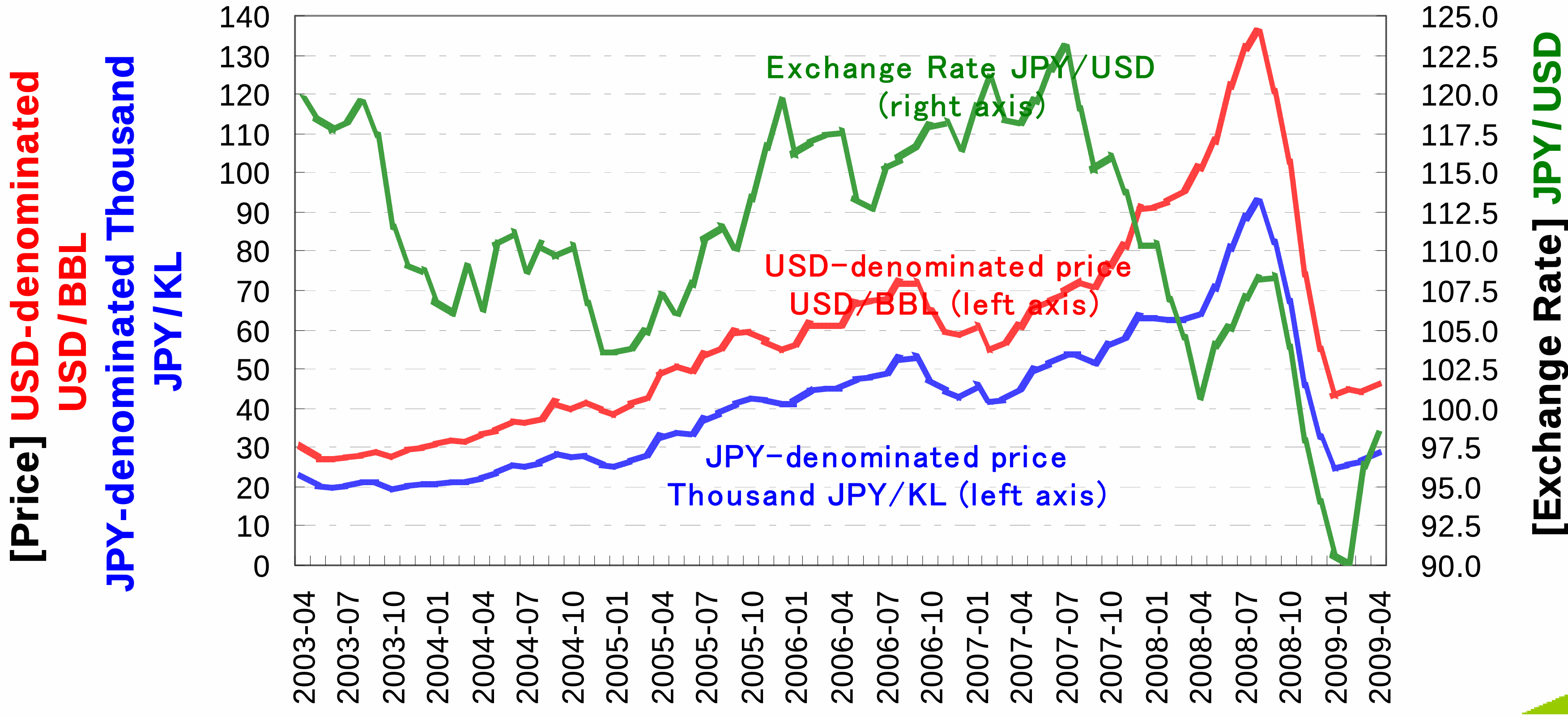
President Osamu Watanabe

JAPEX

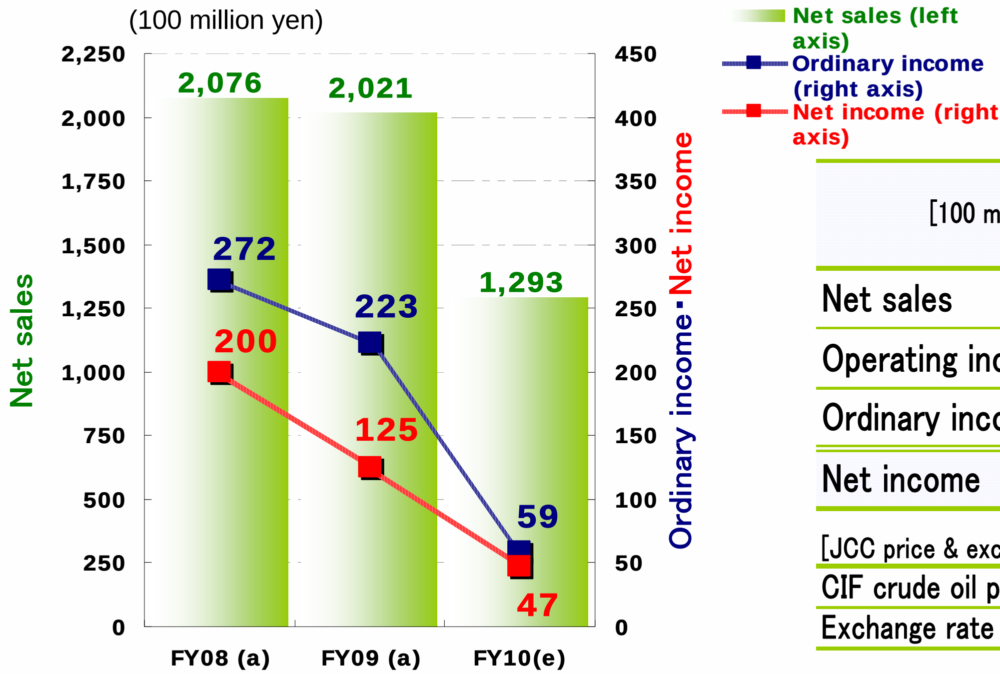
Trends in crude oil prices and foreign exchange rates

- **CIF price for early to mid April 2009** (Monthly Bulletin of Statistics)

  $46.90/BBL JPY/USD 98.21, JPY-denominated price JPY28,970/KL



Actual results for the fiscal year ended March 31, 2009 and outlook for the fiscal year ending March 31, 2010



[100 million yen]	FY08 (a)	FY09 (a)	FY10 (e)	YoY change
Net sales	2,076	2,021	1,293	(728)
Operating income	196	200	9	(191)
Ordinary income	272	223	59	(164)
Net income	200	125	47	(78)

[JCC price & exchange rate assumptions]

CIF crude oil price (USD/bbl)	76.21	89.71	40.00	(49.71)
Exchange rate (JPY/USD)	114.66	102.56	90.00	(12.56)

Actual results for the fiscal year ended March 31, 2009

- **Operating income ¥20.0 billion (up ¥0.4 billion YoY)**

  Virtually unchanged from the previous year, with increase in gross profit (higher bitumen prices, etc.) offset by rises in exploration expenses and SG&A expenses.

- **Net income ¥12.5 billion (down ¥7.5 billion YoY)**

  Decreased income due to deterioration of non-operating income (expenses), including the posting of a loss on retirement of noncurrent assets and extraordinary income (losses) and an impairment loss.

Outlook for the fiscal year ending March 31, 2010

- **Operating income ¥0.9 billion (down ¥19.1 billion YoY)**

  Declines in sales and profits, largely attributable to decline in crude oil prices and bitumen selling prices as well as a reduction in the volume of crude oil sales overseas.

- **Net income ¥4.7 billion (down ¥7.8 billion YoY)**

  Smaller decline in operating income, reflecting improvement in extraordinary income (losses).

JAPEX

Partial revision of mid-term business plan (announced May 2008)

Details of the JAPEX Group Mid-Term Business Plan (covering the period from the fiscal year ending March 31, 2009 to the fiscal year ending March 31, 2013) announced on May 21, 2008 can be accessed on the JAPEX website at the following URL : http://www.japex.co.jp/english/pdf/2008/20080521en_midtermplan_japex.pdf "JAPEX Group Mid-Term Business Plan " (press release)

I. Main points in revision of mid-term business plan

- In light of the significant change in the business environment such as the rapid deterioration of the global economic situation sparked by the U.S. sub-prime mortgage crisis and the sharp decline in crude oil prices, the Medium-Term Business Plan (for the period from the fiscal year ending March 31, 2009 to the fiscal year ending March 31, 2013) announced in May 2008 has been partially revised.

Basic strategies for JAPEX expansion

- **Increasing reserves through exploration and development**
- **Strengthening efficient, integrated natural gas operation system**
- **Technological R&D activities and initiatives to help solve environmental problems**

Sudden change in business environment

－Rapid deterioration of global economic situation
－Sharp decline in crude oil prices

・Revision of crude oil price, exchange rate and natural gas sales volume assumptions

・Initiatives to improve profits

Revision of income and expenditure targets announced last year

II. Basic strategies for JAPEX expansion
1. Adherence to basic policies

■ Continued adherence to basic policies for reinforcing the business base of JAPEX

1. Increasing reserves through exploration and development

- Sustain and increase reserves, which decrease due to production and sales (see next slide).
- Bolster long-term, secure oil and natural gas supply system.

2. Strengthening efficient, integrated natural gas operation system

- Establish and reinforce efficient, integrated natural gas operation system integrating upstream, midstream and downstream.
- Organically integrate JAPEX's distinctive facilities and service functions.

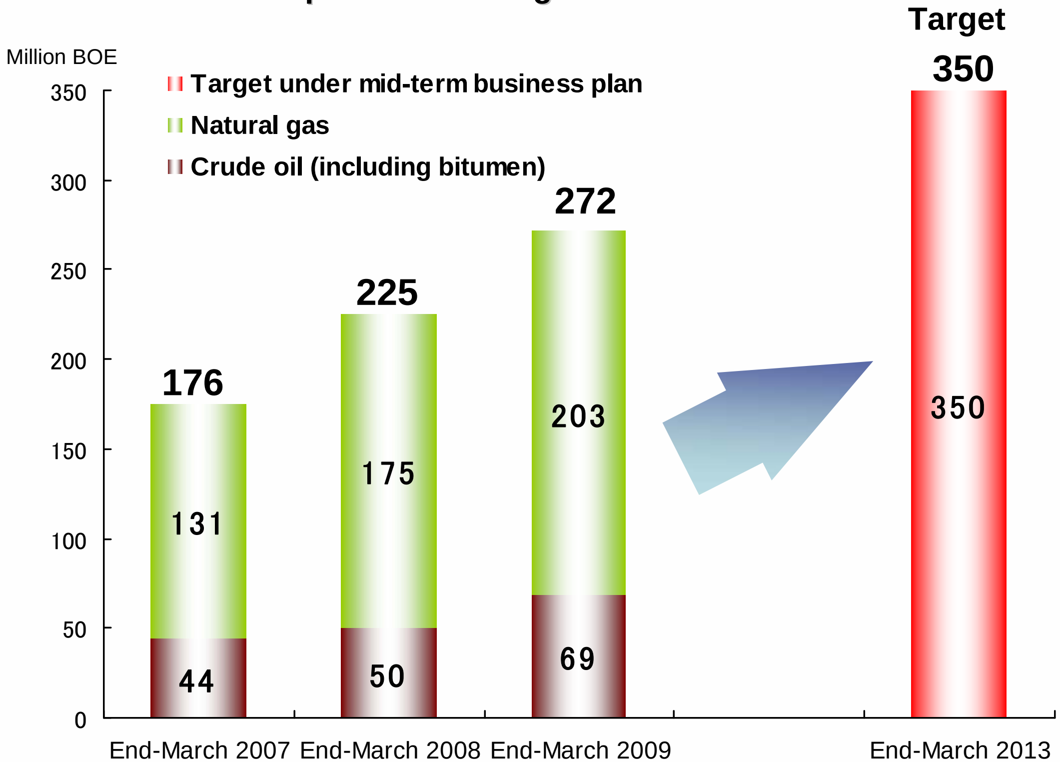
3. Technological R&D activities and initiatives to help solve environmental problems

- Accelerate effort to reduce environmental burdens associated with operation and become proactively involved in tree-planting programs and CO_2 emission rights trading.
- Technological research & development of GTL, DME,CCS, methane hydrate technologies, etc.

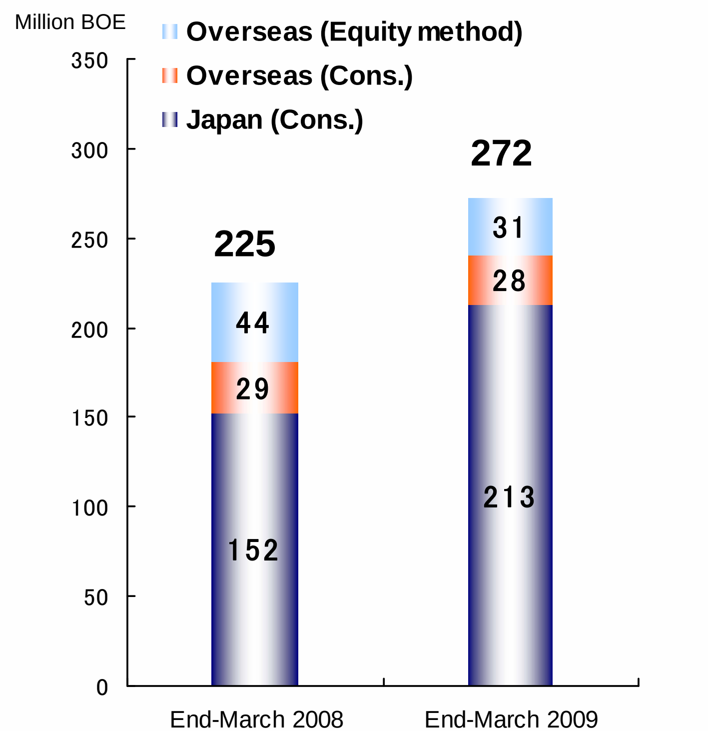
II. Basic strategies for JAPEX expansion
2. Target reserves

- No change to target set last year of proven reserves of 350 million BOE by end-March 2013.
- Proven reserves at end-March 2009 increased 47 million BOE (around 21%) from previous year to 272 million BOE.
- Reserves equivalent to around 77% of proven reserves at end-March 2009 have been independently evaluated.

Trends in proven oil and gas reserves



Proven reserves (by geographical segment)



* Proven reserves are based on JAPEX's own judgment according to the definition of the Petroleum Resources Management System 2007(PRMS), but, starting from proven reserves at end-March 2009, the procedure is partially amended for stricter application of PRMS.

* Proven reserves of overseas project companies are reported according to each project company's interest in the fields in question, but, starting from proven reserves at end-March 2009, are reported based on the economic value of each project company's share.

III. Revision of preconditions
1. Crude oil price and exchange rate assumptions

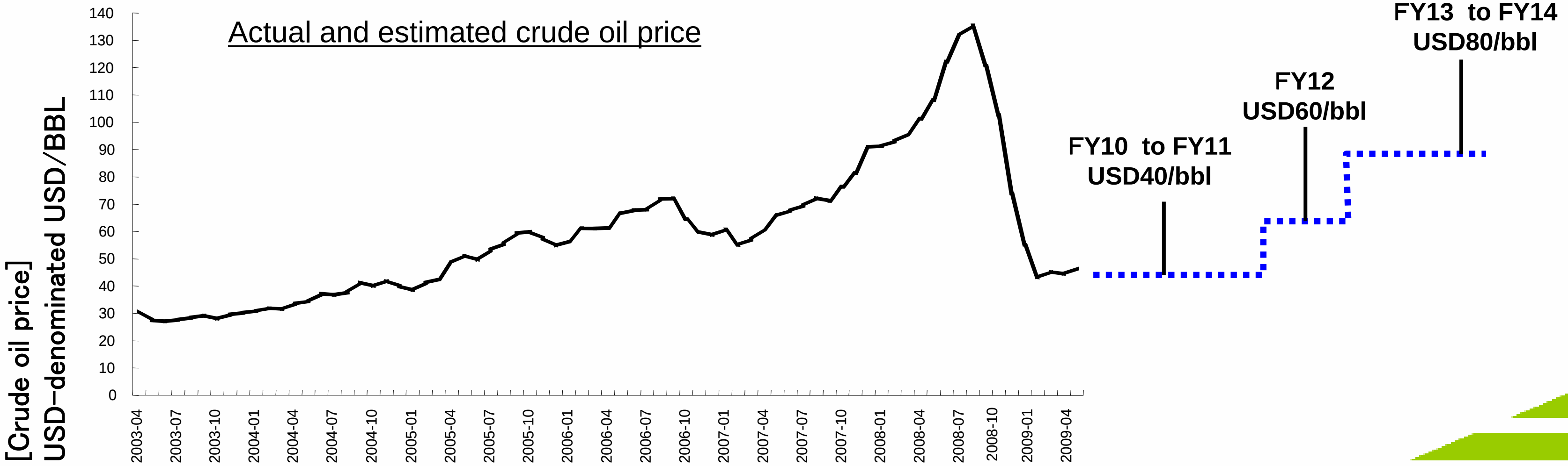
- In light of the global economic downturn and the sharp decline in crude oil prices since autumn 2008, assumptions are as follows.
  - **Crude oil price: Expected to remain at the level seen in January and February 2009 until around the fiscal year ending March 31, 2011 and to gradually recover from the fiscal year ending March 31, 2012.**
  - **Exchange rates: Expected to remain at the level seen in January 2009.**
- Endeavor to improve profits based on the assumption that conditions will remain severe for around two to three years.

Preconditions of revised plan

	FY09 (a)	FY10(e)	FY11(e)	FY12(e)	FY13(e)	FY14(e)
Crude oil price (USD/bbl)	89.7	40	40	60	80	80
Exchange rates (JPY/USD)	102.6	90	90	90	90	90

At time of last year's announcement

■Assumption that crude oil price and exchange rates would remain constant throughout the period the from fiscal year ending March 31, 2009 to fiscal year ending March 31, 2013 as follows:
- Crude oil price USD80/bbl
- Exchange rate JPY/USD 105

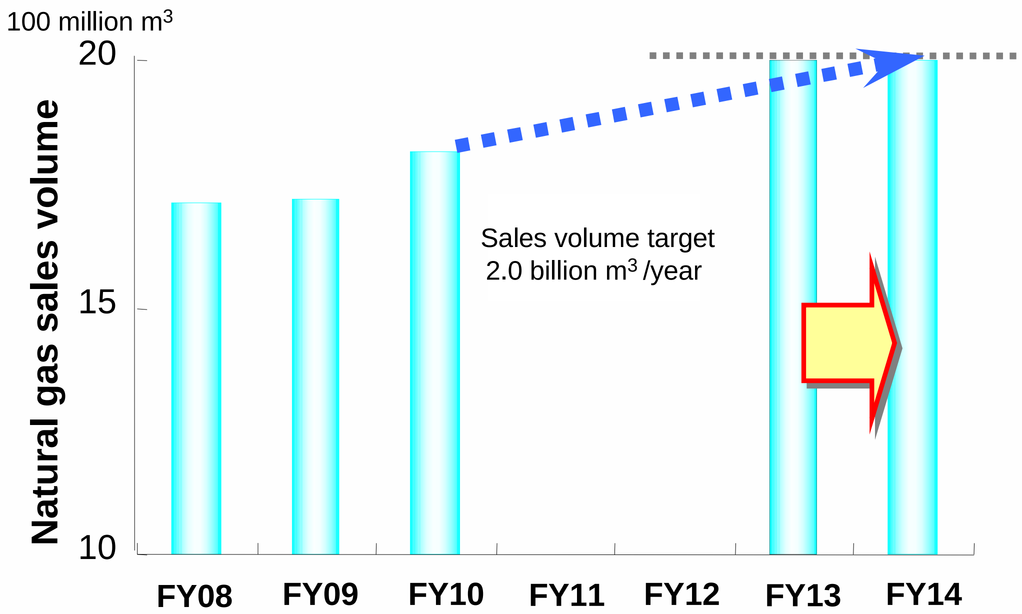


III. Revision of preconditions
2. Target natural gas sales volume

- Natural gas sales volume for the fiscal year ended March 31, 2009 was more or less unchanged from the previous fiscal year, but fell short of the FY2008 projection by around 7% due to a fall in demand among established customers amid the economic downturn, among other factors.
- On the assumption that such difficult conditions will persist for some time, the attainment date of the natural gas sales volume target (2.0 billion m^3) has been postponed for one year from the fiscal year ending March 31, 2013 to the fiscal year ending March 31, 2014.

Natural gas sales volume target

	At time of May 2008 announcement	Current estimate
Natural gas sales volume	**2.0 billion m^3 by fiscal year ending March 31, 2013**	**2.0 billion m^3 by fiscal year ending March 31, 2014**

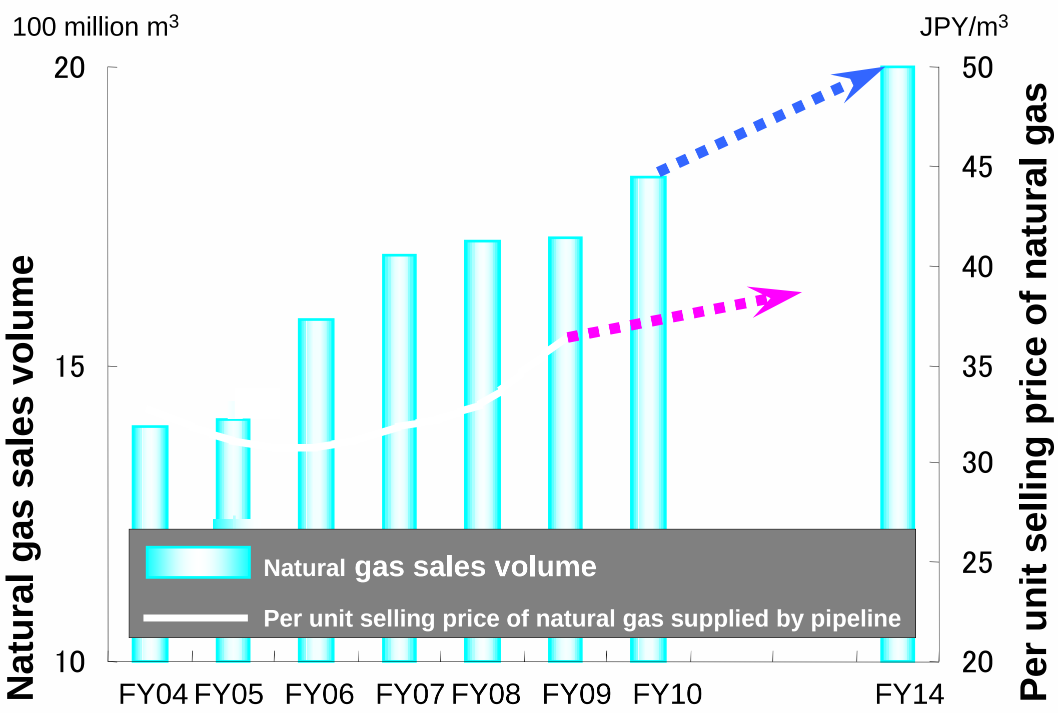


* The net sales forecast (natural gas and crude oil handled by JAPEX in Japan: ¥110 billion over the fiscal year ending March 31, 2013) announced last year is left unchanged on the assumption of recovery in the crude oil price, and JAPEX will aim to achieve this through initiatives such as improvement of the natural gas selling price.

IV. Initiatives to improve profits
1. Rationalization of natural gas selling price

- Work to rationalize our price structure to adjust the per unit selling price of natural gas to a level that reflects fluctuations in energy market conditions to a certain degree, through initiatives such as expansion of large-scale gas supplies that are subject to the application of prices linked to the LNG CIF price, and the introduction of a raw material cost adjustment program by utility gas companies (our wholesale clientele) that use a mix of domestic natural gas and imported gas (gasified LNG).

Trends in per unit selling price of natural gas



Raw material cost adjustment program for supply mix

○ METI has clarified rules for the introduction of a raw material cost adjustment program by utility gas companies that use a mix of domestic natural gas and imported gas (gasified LNG) as raw materials.

○ This will help create an environment in which utility gas companies (our wholesale clientele) will change their price structure in response to a change in the wholesale price structure made by JAPEX (shift from previous fixed price system to prices partially linked to LNG CIF price).

IV. Initiatives to improve profits
2. Postponement of domestic exploration investment

- Seek to improve profits by postponing certain operations and paring general administrative expenses, especially during the years of the first half of the mid-term plan, in response to the sudden change in the business environment.

  - **Partial postponement of domestic exploration investment**

	At time of May 2008 announcement FY2009 to FY 2013	Current estimate FY2009 to FY2013	**[For Reference]** FY2010 to FY2014
Domestic exploration expenses	**¥50 billion**	**¥37 billion**	**¥35 billion**
Number of wells	**20 wells**	**16 wells**	**16 wells**

  - As part of the above revision, domestic consolidated exploration expenses in the fiscal year ending March 31, 2010 are planned to be around ¥4.8 billion, a decrease of around ¥5.7 billion compared with actual exploration expenses in the fiscal year ended March 31, 2009 of around ¥10.5 billion.
  - In particular, the drilling of deep exploration wells, which at the time of the May 2008 announcement was envisaged between the fiscal year ending March 31, 2010 and the fiscal year ending March 31, 2013, will be postponed until at least the fiscal year ending March 31, 2013 when oil prices are expected to recover.

- At the same time, JAPEX will endeavor to maximize business value through the implementation of existing overseas projects in anticipation of the next business expansion, and will also seek to improve internal systems including the development of human resources aimed at improving ability to seize and maximize new investment opportunities for future growth.

V. Specific Changes to income and expenditure targets
1. Consolidated income, operating cash flows

- Estimated average net income over the five-year period from the fiscal year ended March 31, 2009 to the fiscal year ending March 31, 2013 is revised to around ¥11 billion, a decrease of around ¥14 billion (around 55%) compared with the estimate at the time of last year's announcement.
- Similarly, aggregate operating cash flows (before deduction of taxes and exploration expenses) over the five-year period are revised to around ¥230 billion, a decrease of around ¥70 billion (around 23%) compared with the estimate at the time of last year's announcement.
- Net income over the fiscal year ending March 31, 2013 when oil prices are expected to recover to the level of USD80/bbl, is expected to show a certain degree of improvement compared with the first half of the plan period.

Estimated consolidated income

(Billion yen)

	At time of May 2008 announcement Average over period from FY 2009 to FY 2013	Current estimate Average over period from FY2009 to FY2013	【For reference】 Average over period from FY 2010 to FY 2014
Gross profit	**66**	**53**	**53**
Exploration expenses	**16**	**11**	**10**
Net income	**25**	**11**	**14**

Estimated consolidated operating cash flows

(Billion yen, before deduction of taxes and exploration expenses)

	At time of May 2008 announcement Aggregate over period from FY 2009 to FY2013	Current estimate Aggregate over period from FY 2009 to FY2013	【For reference】 Aggregate over period from FY2010 to FY2014
Gross profit	**330**	**265**	**265**
SG&A expenses	**(160)**	**(155)**	**(150)**
Depreciation	**130**	**120**	**115**
Total	**300**	**230**	**230**

Note: The five-year average is shown because estimated net income, etc. for each fiscal year fluctuates considerably due to factors such as oil price and exchange rate trends and the occurrence of exploration investment. Actual net income for the fiscal year ended March 31, 2009 was ¥12.5 billion and estimated net income for the fiscal year ending March 31, 2010 is ¥4.7 billion.

V. Specific changes to income and expenditure targets
2. Allocations of operating cash flows

■ Allocations of estimated operating cash flows (before deduction of taxes and exploration expenses) over the next five years from the fiscal year ended March 31, 2009 to the fiscal year ending March 31, 2013 are revised as follows.

(Billion yen)

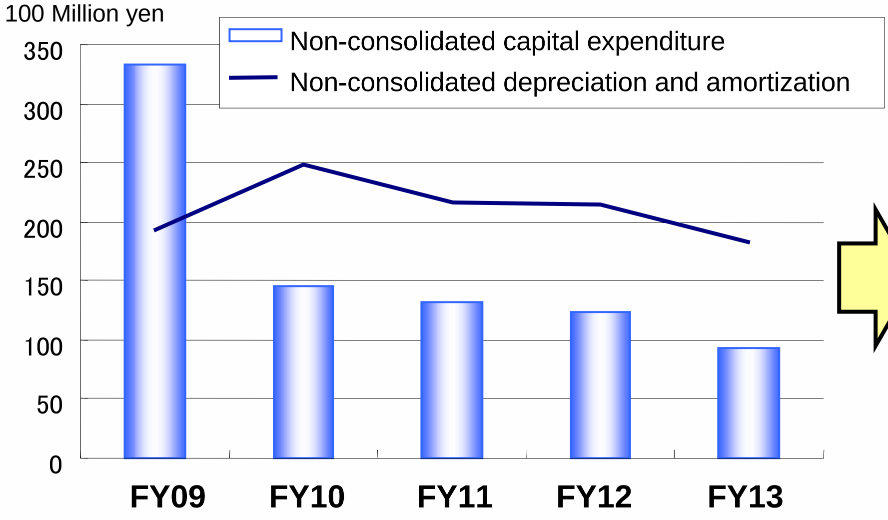
			At time of May 2008 announcement FY2009 to FY2013	Current estimate FY2009 to FY2013	【For reference】 FY2010 to FY2014
Operating cash flows (five-year aggregate) (a)			300	230	230
Existing projects	Capital investment (b)	Domestic	80	90	The above cash flows will be applied to tax payments and dividend payments, etc. and will also be applied to exploration and development investment in both existing and new projects totaling around ¥260 billion, by adding other funds raised through borrowing, etc.
		Overseas	80	40	
	Exploration investment (c)	Domestic	50	37	
		Overseas	30	20	
Total existing project investment (d)＝(b)＋(c)			240	187	
Balance after deduction from aggregate operating cash flows (a)－(d)			60	43	
Uses of above balance			Shareholder returns, new investment, etc.	Same as left	

Note: Revised overseas capital investment in existing projects includes development investment (mainly Kangean Block and Block A) that has already been approved and excludes investment that has yet to be approved such as development investment in successful exploration activities in Libya that was included in calculations at the time of last year's announcement.

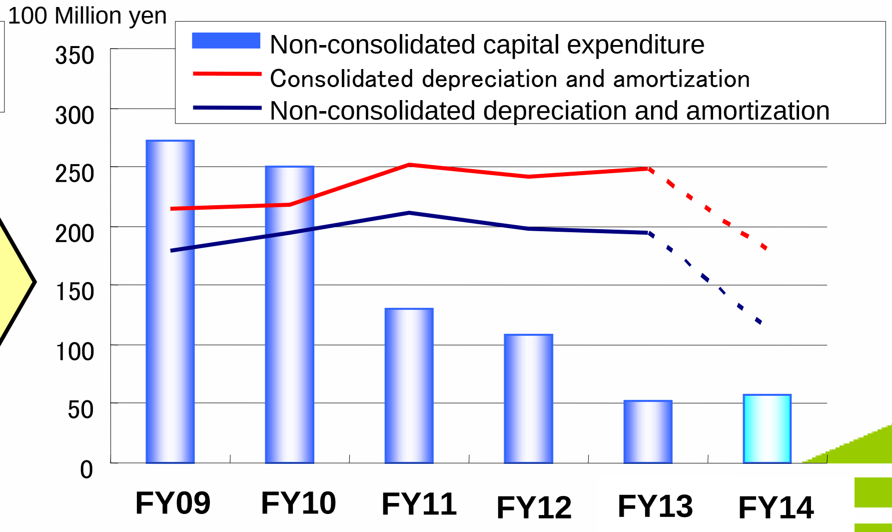
【For Reference】
Estimated capital expenditure and depreciation and amortization

- Consolidated depreciation and amortization, excluding development expenses related to existing overseas projects, etc. (Libya projects, Canada Oil Sand's Hangingstone project, etc.) in relation to which a final development investment decision is not yet done, and new investment is expected to peak from the fiscal year ending March 31, 2011 through the fiscal year ending March 31, 2013 and to begin trending downward thereafter.
- Although non-consolidated capital expenditure (in response to domestic supply and demand), which is the main component of capital expenditure, will be higher than estimated at the time of last year's announcement due to factors such as additional production wells, the estimated level of depreciation and amortization in the period from the fiscal year ending March 31, 2010 to the fiscal year ending March 31, 2012 is slightly lower than the level estimated at the time of last year's announcement for reasons connected with the depreciation start date.

At time of May 2008 announcement



Current estimate



VI . Summary

- Falling oil prices, the slow growth of natural gas sales volume amid economic downturn and other negative factors will inevitably push profits down for some time.
- Notwithstanding this environment, we will adhere to our growth strategy's core policies of "Sustaining and increasing reserves," "Strengthening our natural gas integrated operation system" and "Technological R&D activities and initiatives to help solve global environmental problems."
- On the other hand, the severe economic conditions are expected to persist for some time, and we will endeavor to improve profit through initiatives such as the partial postponement of exploration investment.
- At the same time, we will work to maximize business value by proceeding with existing overseas projects as well as improving internal systems including the development of human resources with the aim of improving our ability to seize and maximize new investment opportunities for future growth.

Summary of business plan for the fiscal year ending March 31, 2010

- **Gas business**
  ① Continue working to rationalize natural gas selling prices.
  ② Make investment (drilling of production wells, etc.) to ensure stable supply.

- **Domestic exploration**
  Postpone certain operations in the light of the balance of revenue with expense, conduct two seismic surveys and drill one production well and one delineation well.

- **Existing overseas projects／New domestic and overseas investment projects**
  Endeavor to proceed efficiently with existing overseas E&P business (Indonesia, Libya, Canada, etc.) and continue with prioritized initiatives in relation to new projects to ensure stable sources of revenue in the future.

Domestic exploration plan for the fiscal year ending March 31, 2010

Exploration well drilling schedule

	Depth	Fiscal year ending March 31, 2010				Notes
		1Q	2Q	3Q	4Q	
Yashimakogen A1	3,500m					
Iwafune Oki Z	2,240m					Extension well

［**Results of exploration in fiscal year ended March 31, 2009**］

・Seiro Oki MS-1	(4,310m)	Mar.-Apr. 2008	Abandoned
・Tainai Oki MS-1a	(4,358m)	May -Jul. 2008	Abandoned
・Aganogawa Oki MS-1	(2,000m)	Jul.- Aug. 2008	Abandoned
・Yurihara SK-19DH-1［extension well］	(2,709m)	Oct.-Dec. 2008	Success
・Numanohata (T1) East SK-2	(1,525m)	Jan.-Feb. 2009	Suspended

Geophysical prospecting survey plan

- **2D seismic survey**：
  39.4km in Niigata Prefecture (Minami Kashiwazaki)
- **3D seismic survey**:
  66km^2 in Niigata Prefecture (around Katakai)

Capital expenditure plan for the fiscal year ending March 31, 2010

Unit: Billion yen

	FY08 (a)	FY09(a)	FY10(e)
Capital expenditure*	41.7	30.9	28.3
Depreciation and amortization	16.6	21.5	21.7

* Based on figures reported on the statement of cash flows.

Expand production facilities to ensure natural gas supply capability and stable and secure supply.

Principal capital expenditure items

	1Q	2Q	3Q	4Q	Notes
Production well drilling (Hokkaido)					2 onshore wells
Production well drilling (Niigata)					1 onshore well
Expansion of production facilities at Yufutsu oil and gas field (Hokkaido)					To continue into the next fiscal year
Expansion of production facilities of oil and gas fields (Niigata)					To continue into the next fiscal year

Overseas business: Initiatives in strategic regions

Canada

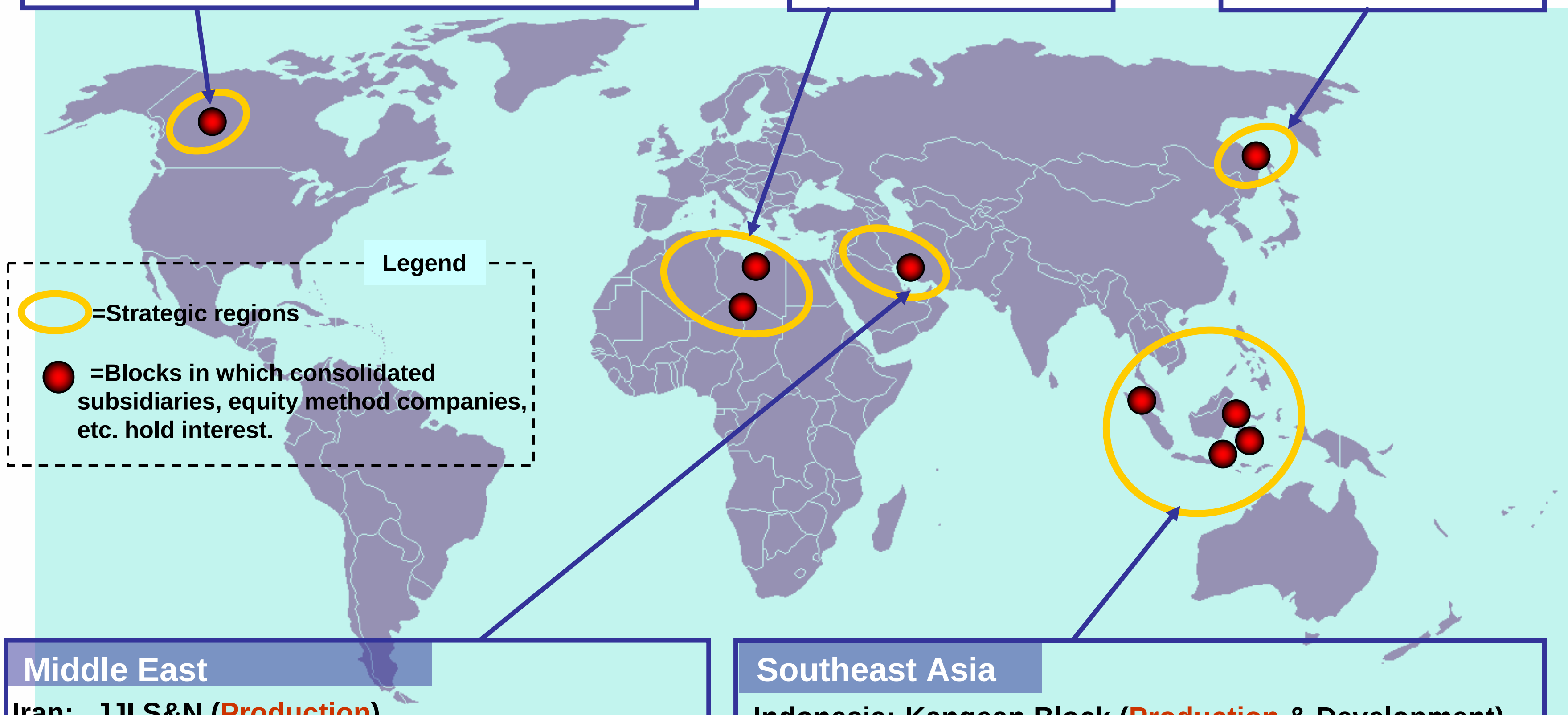
Oil sands development
(Production & Exploration (reserve evaluation))

North Africa

2 blocks in Libya
(Exploration)

Sakhalin

Sakhalin 1 Project
(Production)



Middle East

Iran: JJI S&N (Production)

Iraq: Technical cooperation with Ministry of Oil

Southeast Asia

Indonesia: Kangean Block (Production & Development),
Block A (Development), Buton (Exploration),
Universe Gas & Oil (Production)

Current status of overseas business (1) Canada: Oil Sands

- **Canada Oil Sands Co., Ltd.:**
  Consolidated subsidiary (86.64% owned by JAPEX)

- **Operator:**
  Wholly owned Canadian subsidiary
  Japan Canada Oil Sands Ltd. (JACOS)

- **Producing area:**
  Producing around 8,000 bbl/d at 19 pairs of SAGD wells in 3.75 section area (100% interest) of the Hangingstone area

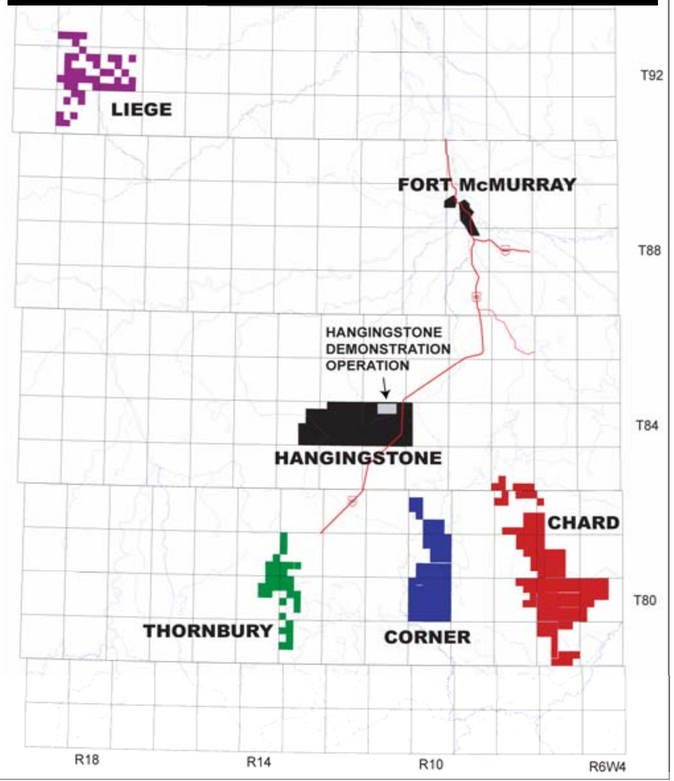
- **Current status of development of undeveloped part of Hangingstone area:**
  - **Drilled 100 delineation wells from winter 2008 through March 2009.**
  - **Conducting environmental impact assessment.**
  - **Plan to start bitumen production with expected capacity of up to 35,000 bbl/d in fourth quarter of 2014**

- **Contingent resources of undeveloped oil sands areas held by JACOS**

	As of end-December 2008
Contingent resources	1,717 million barrels

Notes
(1) External evaluation by Canada-based Sproul (February 2009)
(2) Not including reserves of area where bitumen is currently produced.
(3) Sproul conducts reserve evaluation based on evaluation standards of Society of Petroleum Evaluation Engineers (Calgary Chapter) and others. These standards are more or less the same as PRMS, but Sproul evaluated certain volume in the Hangingstone area as probable reserves and possible reserves in view of the state of progress of JACOS's area evaluation operations, etc. However, given that a final development decision is still pending, we considered it appropriate to include such volume in contingent resources.

Areas in which JACOS holds interest in oil sand

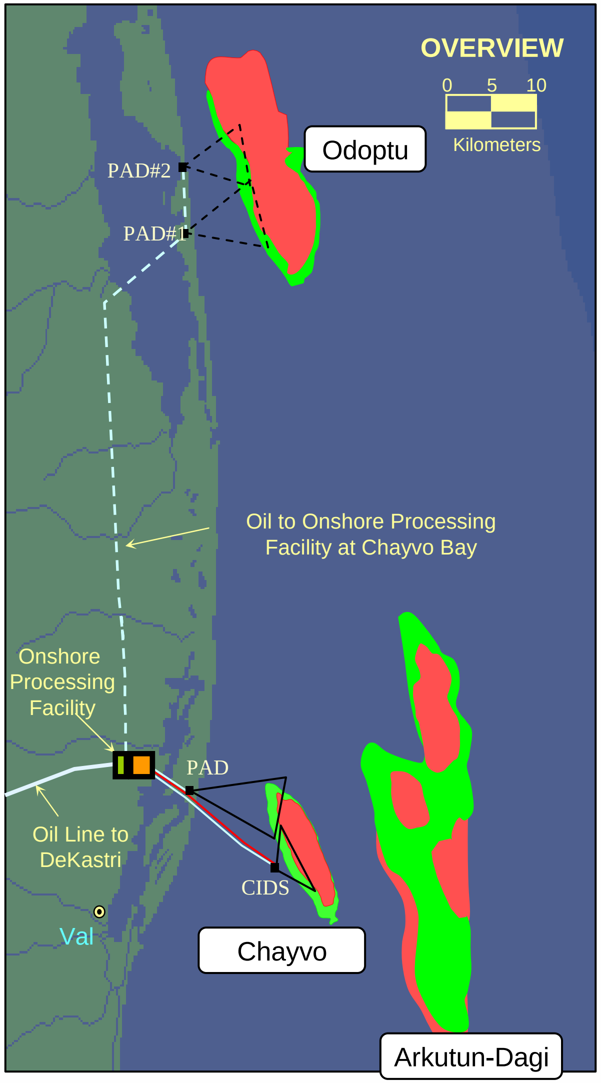


Areas where oil sand resources were evaluated

The Hangingstone area, the Chard area, the Corner area and the Thornbury area were evaluated. The evaluated areas consist of solely owned and jointly owned areas are 788.4km2 (gross) or 373.4km2 (net). In the Liege area, natural gas is producing. Bitumen also exists In the Liege area, but there is no bitumen development plan at present due to the subsurface conditions of its existence.

Current status of overseas business (2) Sakhalin 1 Project

Sakhalin 1 Consortium



Company	Country	Interest	Notes
Exxon Neftegas Ltd.	U.S.	30.0%	Subsidiary of ExxonMobil, Operator
Sakhalin Oil and Gas Development Co., Ltd.	Japan	30.0%	
Sakhalinmorneftegas-Shelf	Russia	11.5%	Subsidiary of Rosneft-Sakhalinmorneftegas
RN-Astra	Russia	8.5%	Subsidiary of Russian national oil company Rosneft
ONGC Videsh Ltd.	India	20.0%	Subsidiary of Indian national oil company Oil and Natural Gas Corporation Limited

Sakhalin Oil and Gas Development Co., Ltd. (SODECO)

Shareholder	Ownership
Minister of Economy, Trade and Industry	50.00%
JAPEX	**14.46%**
Itochu Corp.	14.46%
Marubeni Corp.	11.68%
Others	9.40%

- **Oct. 2005 Started production of crude oil. (for Russian domestic market)**
- **Oct. 2006 Began exports of Sokol crude.**
- **Feb. 2007 Reached peak gross production target (250,000 bbl/d).**
- **Jan. 2008 Reached cumulative production of 100 million bbl.**
- **Mar.2008 First dividends**

Preparing for development of Odoptu and Arkutun-Dagi

Current status of overseas business (3) Libya: Block 40-3/4, Block 176-4

➢ Japex Libya Ltd.: Consolidated subsidiary (wholly owned by JAPEX)

Offshore Block 40-3/4
(coastal area of the Mediterranean Sea)

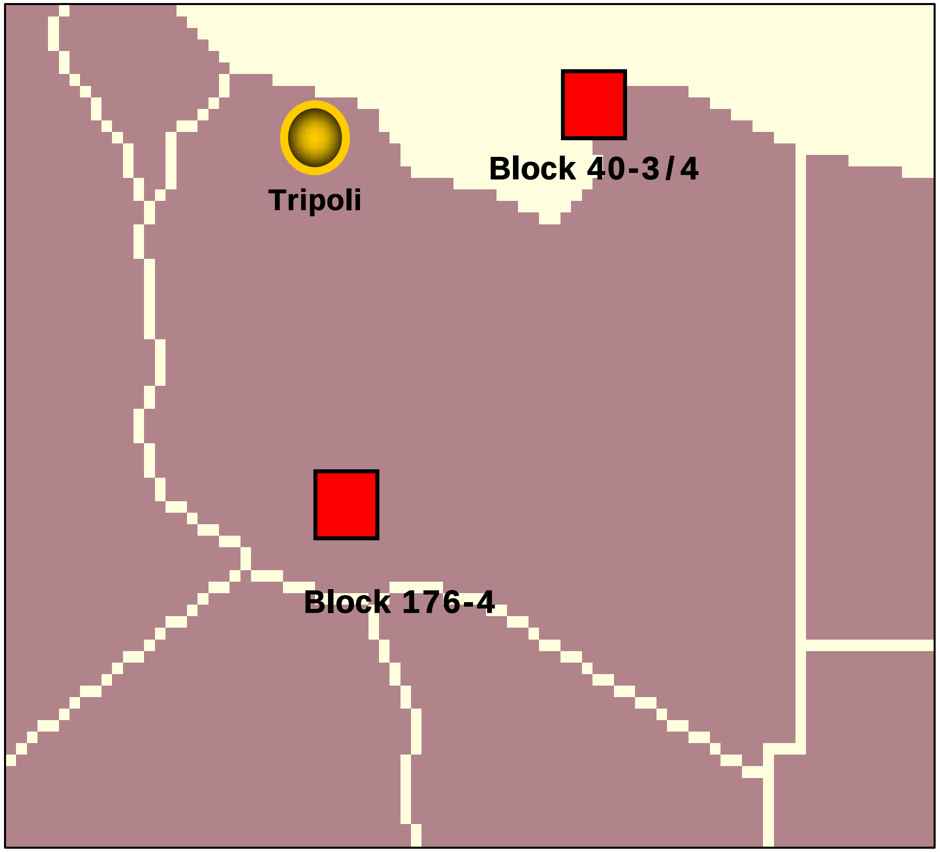
- Interest: 42% (Operator)
- Actual results and plans:

Mar. - Apr. 2009:	Drilled first exploration well (abandoned).
Aug. 2009:	Plans to spud second exploration well.

Onshore Block 176-4
(southwest area of Murzuk region)

- Interest: 100% (Operator)
- Operating plans:

Jun. 2009: Plans to spud first exploration well.



Conducting technical training for engineers from Libyan National Oil Corporation to strengthen relations.

Current status of overseas business (4) Iraq

- **JAPEX signed Memorandum of Understanding (MOU) with Ministry of Oil of Iraq in March, 2005 for technical cooperation in various aspects, which was successfully completed in March, 2009.**

- **Major achievements under the MOU**
  - Conducted joint studies with Ministry of Oil for evaluation of several oil fields in Iraq.
  - Provided technical support on 3D seismic and assisted Ministry of Oil in conducting 3D seismic survey for a certain oil field.
  - Provided courses and seminars for Ministry of Oil experts covering wide spectrum of upstream technologies in exploration, development and production of oil and gas.
  - Invited Ministry of Oil experts to the seminars on legal, contractual, procurement theories and practices.
  - Assisted in establishing language laboratory system at the Ministry of Oil

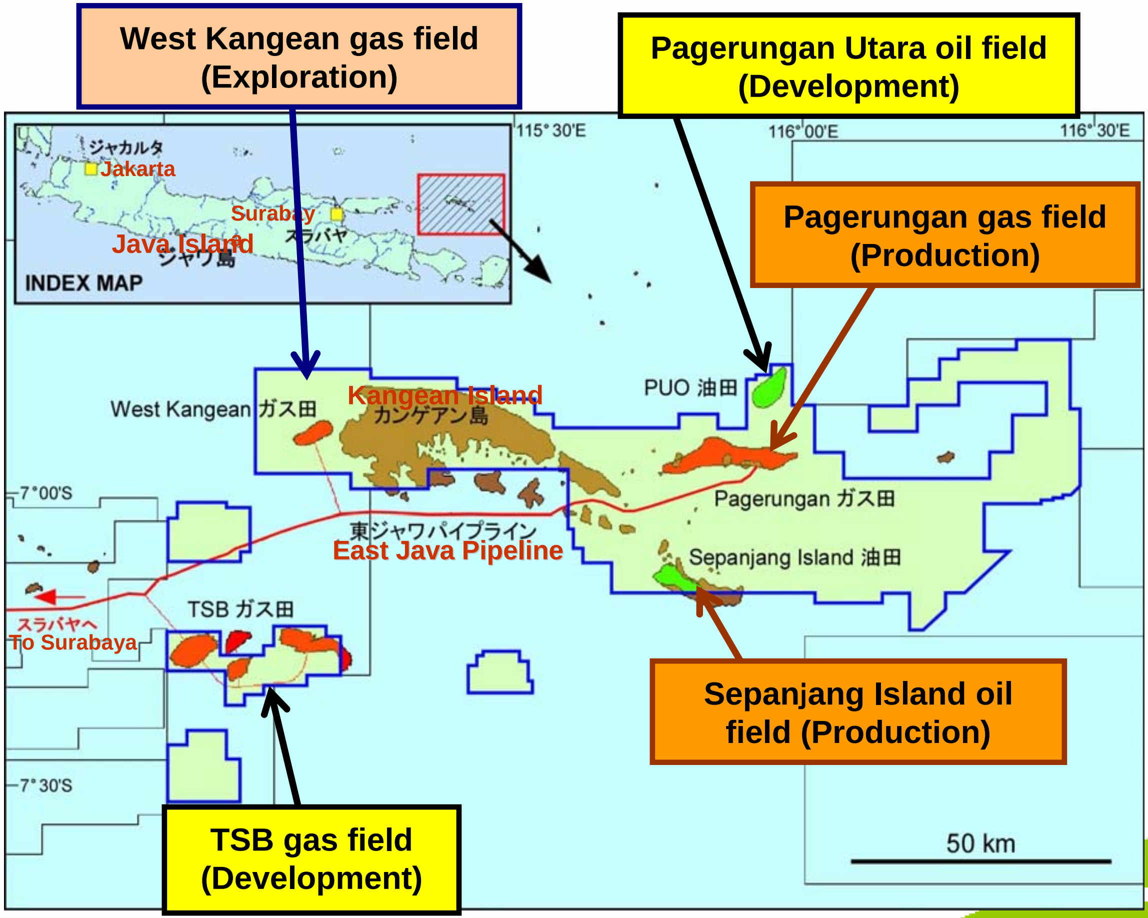
  ⇒ Invited more than 500 experts from the Ministry of Oil.

- **Participation for future oil development in Iraq**
  - JAPEX is one of the 35 companies qualified to participate in Iraqi licensing rounds, out of 120 applicants (April 2008)
  - Plans to participate in the first licensing round (End-June 2009)
  - Plans to participate in the second licensing round (Scheduled in the latter half of 2009)

Trainee engineers from Iraq's Ministry of Oil
(November 2008, JAPEX at Akita Division Office)

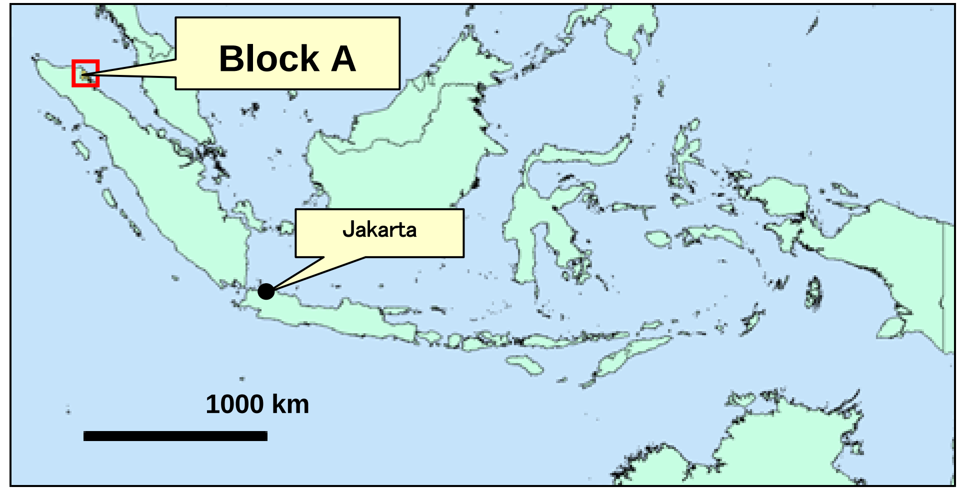
Current status of overseas business (5) Indonesia: Kangean Block

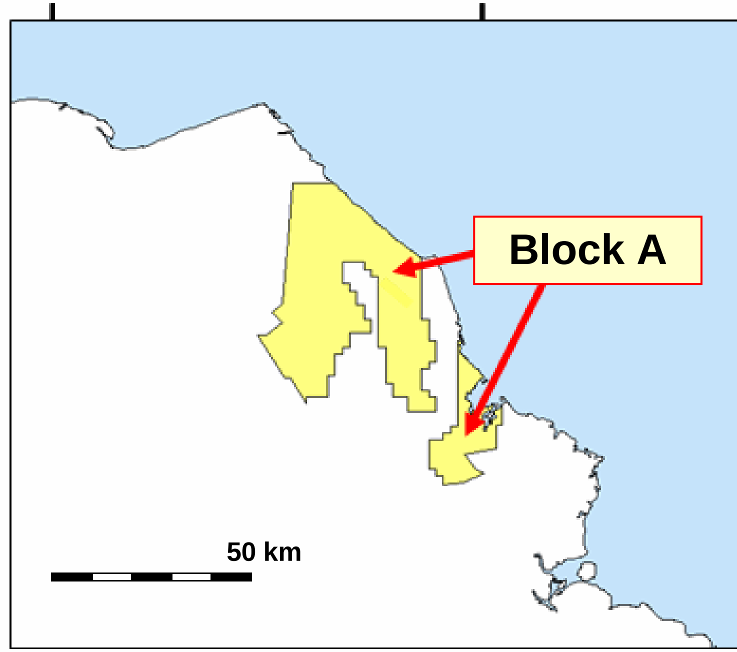
- **Kangean Energy Indonesia Ltd. (KEI)** and two other companies: Equity-method affiliates
- Block Name: Kangean Block
  (offshore East Java)
- JAPEX Interest: 25%
- Operator: KEI
- Current gross production:
  Crude oil equivalent of around 10,000 boe/d
- Plan to expand production to around 60,000 boe/d through production of additional 300 million cf/d (TSB gas field) by end-Dec. 2010.
- Production Sharing Contract: Ends 2030



Current status of overseas business (6) Indonesia: Block A

- **Japex Block A Ltd.:**
  Consolidated subsidiary (wholly owned by JAPEX)
- Block Name: Block A (northern Sumatra)
- Interest: 16.67%
- Operator: Medco
- Plan to start production in 2010, with gross production for three gas fields of around 100 million cf/d
  (crude oil equivalent of around 20,000 boe/d)
- Production Sharing Contract:
  Ends 2011 (now applying to extend)



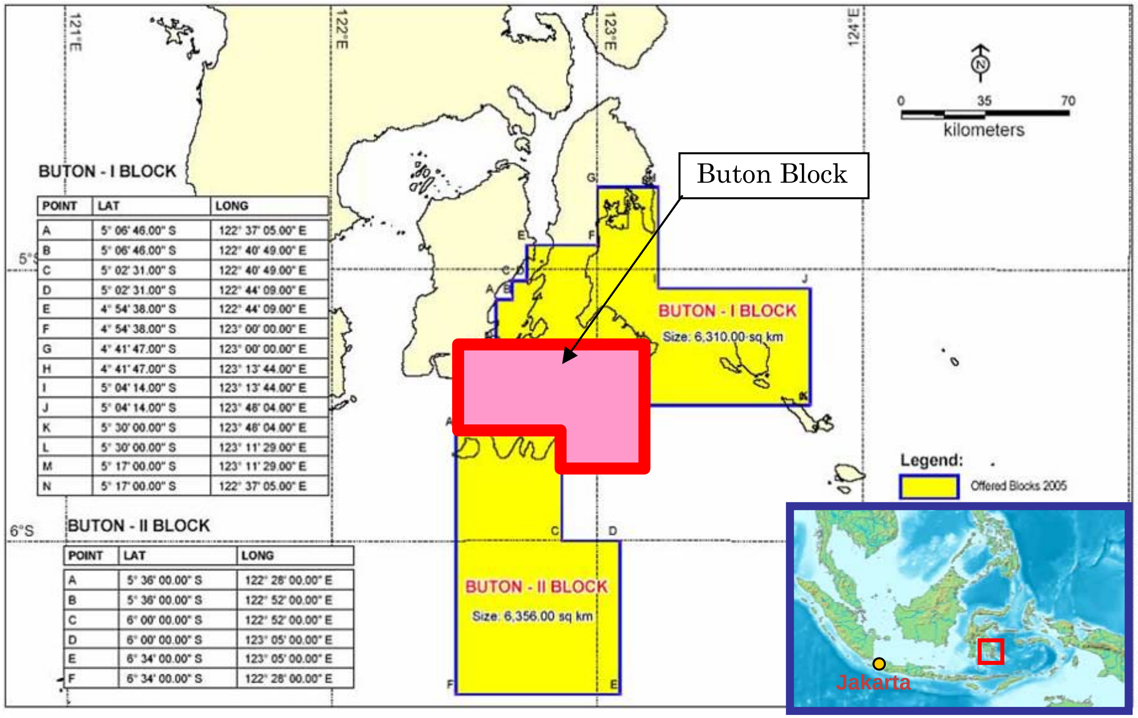


Current status of overseas business (7) Indonesia: Buton Block

- **Japex Buton Ltd.:** Consolidated subsidiary (wholly owned by JAPEX)
- **Block Name: Buton Block** (onshore/offshore block on Buton Island, Southeast Sulawesi)
- **Interest: 40%**
- **Operator:**
  Japex Buton Ltd.
- **Results and plans**

2008:
- Airborne gravity and magnetic surveys
- 2D seismic surveys

2010:
- Plan to drill one exploration well (one obligatory well)



SOUTH EAST MAKASSAR AREAS

Technological R&D initiatives

1. Carbon-dioxide Capture and Storage (CCS*)

Japan CCS Co., Ltd. (incorporated May 2008) is engaged in the following studies for the implementation of large-scale CCS demonstrations in Japan.

・Feasibility Study on a Total System from Electric Power Generation to CO2 Storage
(project funded by NEDO)

・ Development of Assessment Technologies for a Deep Aquifer appropriate for Demonstration
(project funded by METI)

・CO2 reduction technology demonstration project
－Field survey, including well drilling for preliminary geological survey
(project funded by METI)

*** What is CCS?**

・ Carbon-dioxide Capture and Storage or CCS is a process consisting in the separation and capture of CO2 and its injection into storage reservoirs more than 1,000m underground.
・ CCS enables drastic reduction of CO2 emissions and is the most effective way of preventing global warming.

2. GTL (Gas to Liquid)

Nippon GTL Technology Research Association (incorporated October 2006) is conducting demonstrations for the commercialization of GTL technology.

・April 2009	Completion of demonstration plant (500 bbl/d)
・2009-2011	Demonstrative operation

3. Methane Hydrate

Participating and cooperating in the Japanese Government's Methane Hydrate Development Plan aiming for commercial production by 2018

4. DME (dimethyl ether)

Fuel DME Production Co., Ltd. is engaged in various activities to promote widespread use of DME.

・June 2008	Completion of manufacturing plant (80,000 ton/year)
・January 2009	Start of deliveries

Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

Senior Managing Director **Hiroshi Sato**

Consolidated financial results for the fiscal year ended March 31, 2009

[Million yen]	FY08 (a)	FY09				
		Initial estimate Announced May 15 (e)	Revised estimate (1) Announced Aug. 8 (e)	Revised estimate (2) Announced Nov. 7 (e)	Revised estimate (3) Announced Feb. 10 (e)	Actual result (a)
Net sales	207,638	193,772	258,054	219,828	204,154	202,127
Operating income	19,625	8,860	27,339	21,836	19,444	20,090
Ordinary income	27,247	14,321	35,352	26,539	20,497	22,358
Net income	20,097	11,141	26,383	19,828	11,641	12,560

[Oil price and exchange rate assumptions]

Crude oil CIF price (USD/bbl)	76.21	80.00	112.51	88.62	87.49	89.71
Exchange rate (JPY/USD)	114.66	105.00	104.63	100.69	102.20	102.56

◆Revised estimates (1) (August) for the fiscal year ended March 31, 2009
⇒ Revised estimates (2) and (3) (November and February)

- Sharp decline in crude oil prices, consecutive rise in the yen
- Impairment of securities and fixed assets, etc.
- Revision of sales volumes of crude oil and natural gas in response to economic downturn and slack demand
- Reduction in domestic exploration expenses, carryover of overseas exploration expenses

◆Revised estimates (3) (February) for the fiscal year ended March 31, 2009 ⇒ Actual results

- Decreased sales of crude oil and natural gas due to mild winter
- Reduction in cost of sales, exploration expenses and SG&A expenses
- Reduction in foreign exchange loss

(Compared with February estimate) : Operating income ＋¥600 million, net income ＋¥900 million

Actual sales of crude oil in the fiscal year ended March 31, 2009 (YoY comparison)

	FY08		FY09		YoY change	
	1Q-2Q (a)	1Q-4Q (a)	1Q-2Q (a)	1Q-4Q (a)	1Q-2Q	1Q-4Q
Crude oil: Sales volume[Thousand KL]	*1,227*	*2,450*	*1,028*	*2,337*	*(199)*	*(113)*
Net sales [Million yen]	59,177	128,391	73,668	115,933	14,491	(12,458)

[Breakdown of equity oil]

	FY08 1Q-2Q (a)	FY08 1Q-4Q (a)	FY09 1Q-2Q (a)	FY09 1Q-4Q (a)	YoY change 1Q-2Q	YoY change 1Q-4Q
Domestically produced crude oil: Sales volume	*253*	*574*	*255*	*569*	*2*	*(5)*
Net sales [Million yen]	12,805	32,170	19,709	30,974	6,904	(1,196)
Overseas subsidiary crude oil: Sales volume	*83*	*144*	*76*	*141*	*(7)*	*(3)*
Net sales [Million yen]	3,806	7,483	5,527	9,065	1,721	1,582
Bitumen: Sales volume	*195*	*409*	*205*	*417*	*10*	*8*
Net sales [Million yen]	4,851	10,468	9,500	13,087	4,649	2,619

Sales volume and net sales of “Domestically produced crude oil” stated herein do not include purchased crude oil.
Sales volume and net sales of “Overseas subsidiary crude oil” are the sum totals of the sales volumes and net sales reported by two overseas consolidated subsidiaries (Japex New Nanhai Ltd. and Japex (U.S.) Corp.).

Actual sales of natural gas in the fiscal year ended March 31, 2009 (YoY comparison)

	FY08		FY09		YoY change	
	1Q-2Q (a)	1Q-4Q (a)	1Q-2Q (a)	1Q-4Q (a)	1Q-2Q	1Q-4Q
Natural gas: Sales volume [Million M3]	*631*	*1,486*	*647*	*1,485*	*16*	*(1)*
Net sales [Million yen]	20,102	48,982	22,906	54,126	2,804	5,144
Of which, domestically produced gas: Sales volume [Million M3]	*487*	*1,124*	*481*	*1,101*	*(6)*	*(23)*

Sales volume of "domestically produced gas" stated herein does not include purchased gas.

Sales volume — **Essentially unchanged from the year-ago level**

- **Slowdown in industrial demand amid deteriorating economic conditions and decline in consumer demand due to mild winter**
- **Start of supply to new customers along Shiroishi-Koriyama pipeline, etc.**

Net sales — **Increased year on year, reflecting price revisions and higher crude oil prices**

- **Revision of wholesale price of natural gas sold to municipal gas utilities and price of natural gas sold directly for industrial user (from 2008)**
- **Rise in selling prices based on pricing formula linked to LNG CIF price**

Consolidated financial results for the fiscal year ended March 31, 2009: Causes of income fluctuations (YoY comparison)

[Million yen]	FY08 (a)	FY09 (a)	YoY change
Net sales	207,638	202,127	(5,510)
Gross profit	63,955	67,680	3,724
Exploration expenses	13,559	15,352	1,793
SG&A expenses	30,770	32,237	1,466
Operating income	19,625	20,090	464
Other income (expenses)	7,621	2,267	(5,353)
Ordinary income	27,247	22,358	(4,889)
Extraordinary income (losses)	(942)	(5,250)	(4,307)
Income taxes	5,426	3,565	(1,861)
Minority interests	780	981	201
Net income	20,097	12,560	(7,537)

≪Causes of increase or decrease (MEMO)≫

Gross profit
Domestic crude oil and natural gas **- ¥3.0 billion**
Overseas consolidated subsidiaries **+ ¥6.2 billion**
(JACOS +**3.8,** Japex New Nanhai +**2.4**)

Exploration expenses
Domestic Exploration **-¥3.5 billion**
Overseas Exploration **+¥1.7 billion**

SG&A expenses
Special Petroleum Gain Levy **-¥0.8 billion**
Depreciation and amortization **-¥0.5 billion**

Other income (expenses)
Equity in earnings (losses) of affiliates **-¥2.4 billion**
Decrease in gain on reversal of allowance for overseas investment loss **-¥1.6 billion**
Provision for cost of abandonment **-¥1.3 billion**

Extraordinary income (losses)
Loss on retirement of noncurrent assets and Inpairment loss of production wells **-¥4.5 billion**

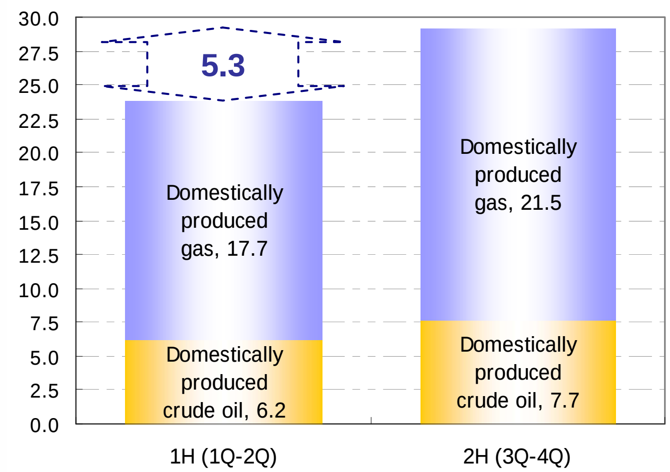
Outlook for the Fiscal Year Ending March 31, 2010

Senior Managing Director **Hiroshi Sato**

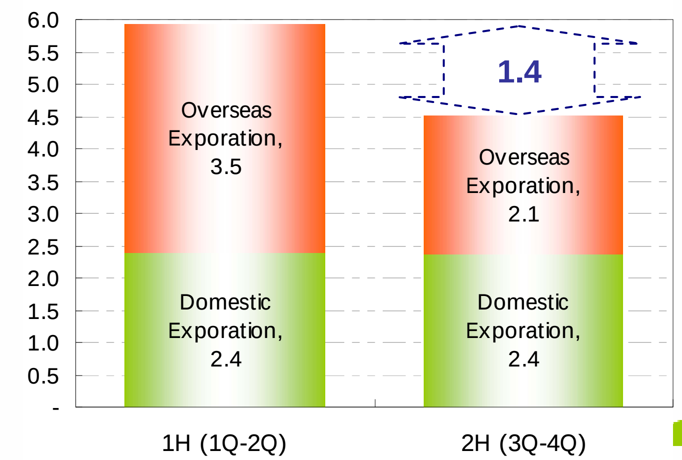
Consolidated financial estimates for the fiscal year ending March 31, 2010

[Million yen]	FY10 1H (1Q-2Q) (e)	FY10 2H (3Q-4Q) (e)	FY10 Full (1Q-4Q) (e)
Crude oil CIF price	USD 40.00 /bbl	USD 40.00 /bbl	USD 40.00 /bbl
Exchange rate	JPY 90.00 /USD	JPY 90.00 /USD	JPY 90.00 /USD
Net sales	59,903	69,409	129,313
E & P	52,915	60,386	113,300
Contract services	1,202	3,265	4,467
Other businesses	5,786	5,759	11,545
Gross profit	18,898	23,073	41,971
Exploration expenses	5,938	4,506	10,444
SG&A expenses	14,968	15,628	30,596
Operating income	(2,008)	2,939	931
Other income (expenses)	2,155	2,833	4,988
Ordinary income	147	5,772	5,919
Extraordinary income (losses)	(56)	(19)	(75)
Income taxes	(29)	1,165	1,136
Minority interests	30	(48)	(18)
Net income	91	4,635	4,726

Sales of domestic crude oil and gas (Billion yen)



Exploration expenses (Billion yen)



Consolidated financial estimates for the fiscal year ending March 31, 2010 – Main points compared with previous year

[Million yen]	FY09		FY10		YoY change	
	1Q-2Q (a)	1Q-4Q (a)	1Q-2Q(e)	1Q-4Q(e)	1Q-2Q	1Q-4Q
Net sales	110,912	202,127	59,903	129,313	(51,009)	(72,814)
Operating income	12,546	20,090	(2,008)	931	(14,554)	(19,159)
Ordinary income	13,321	22,358	147	5,919	(13,174)	(16,439)
Net income	9,371	12,560	91	4,726	(9,280)	(7,834)

[Oil price and exchange rate assumptions]

Crude oil CIF price (USD/bbl)	115.39	89.71	40.00	40.00	(75.39)	(49.71)
Exchange rate (JPY/USD)	105.20	102.56	90.00	90.00	(15.20)	(12.56)

Main points of consolidated financial estimates for the fiscal year ending March 31, 2010

- **Ordinary income: Decrease of ¥16.4 billion year on year**
  - **Gross profit : - ¥25.7 billion**
    - ⇒ Decline in crude oil and bitumen prices, expiration of Japex New Nanhai PSC,etc.
  - **Exploration expenses and SG&A expenses : ＋¥6.5 billion**
    - ⇒ Reduction of domestic exploration expenses and SG&A expenses, etc.
  - **Other income (expenses) : ＋¥2.7 billion**
    - ⇒ Reduction of loss on valuation of securities, foreign exchange loss, etc.

Estimated crude oil sales for the fiscal year ending March 31, 2010

	FY09		FY10		YoY change	
	1Q-2Q (a)	1Q-4Q (a)	1Q-2Q (e)	1Q-4Q (e)	1Q-2Q	1Q-4Q
Crude oil: Sales volume[Thousand KL]	*1,028*	*2,337*	*1,016*	*2,194*	*(12)*	*(143)*
Net sales [Million yen]	73,668	115,933	21,888	46,970	(51,780)	(68,963)

[Breakdown of equity oil]

Domestically produced crude oil: Sales volume	*255*	*569*	*264*	*593*	*9*	*24*
Net sales [Million yen]	19,709	30,974	6,172	13,843	(13,537)	(17,131)
Overseas subsidiary crude oil: Sales volume	*76*	*141*	*19*	*21*	*(57)*	*(120)*
Net sales [Million yen]	5,527	9,065	423	470	(5,104)	(8,595)
Bitumen: Sales volume	*205*	*417*	*220*	*437*	*15*	*20*
Net sales [Million yen]	9,500	13,087	3,403	6,276	(6,097)	(6,811)

Sales volume and net sales of “Domestically produced crude oil” stated herein do not include purchased crude oil. Sales volume and net sales of “Overseas subsidiary crude oil” are the sum totals of the sales volumes and net sales reported by two overseas consolidated subsidiaries (Japex New Nanhai Ltd. and Japex (U.S.) Corp.).

Estimated natural gas sales in the fiscal year ending March 31, 2010

	FY09		FY10		YoY change	
	1Q-2Q (a)	1Q-4Q (a)	1Q-2Q (e)	1Q-4Q (e)	1Q-2Q	1Q-4Q
Natural gas: Sales volume [Million M3]	*647*	*1,485*	*693*	*1,545*	*46*	*60*
Net sales [Million yen]	22,906	54,126	24,352	53,415	1,446	(711)
Of which, domestically produced gas: Sales volume [Million M3]	*481*	*1,101*	*498*	*1,128*	*17*	*27*

Sales volume of "domestically produced gas" stated herein does not include purchased gas.

Sales volume

Growth in new industrial demand compared with previous year

Start of supply in response to new demand of natural gas for industrial use, etc.

Net sales

Decrease year on year, due to lower crude oil prices

Fall in selling prices based on pricing formula linked to LNG CIF price

Consolidated financial estimates for the fiscal year ending March 31, 2010
Causes of income fluctuations (YoY comparison)

[Million yen]	FY09 (a)	FY10 (e)	YoY change
Net sales	202,127	129,313	(72,814)
Gross profit	67,680	41,971	(25,709)
Exploration expenses	15,352	10,444	(4,908)
SG&A expenses	32,237	30,596	(1,641)
Operating income	20,090	931	(19,159)
Other income (expenses)	2,267	4,988	2,721
Ordinary income	22,358	5,919	(16,439)
Extraordinary income (losses)	(5,250)	(75)	5,175
Income taxes	3,565	1,136	(2,429)
Minority interests	981	(18)	(999)
Net income	12,560	4,726	(7,834)

≪Causes of increase or decrease (MEMO)≫

Gross profit
Domestic crude oil and natural gas **-¥11.1 billion**
Overseas consolidated subsidiaries **-¥ 13.4 billion**
(JACOS -6.4, Japex New Nanhai -6.7, JUS -0.2)

Exploration expenses
Domestic exploration **+¥5.7 billion**
Overseas exploration **-¥0.8 billion**

SG&A expenses
Special Petroleum Gain Levy **+¥1.8 billion**

Other income (expenses)
Equity in earnings (losses) of affiliates **-¥1.0 billion**
Loss on valuation of securities **+¥1.8 billion**
Foreign exchange gain (loss) **+¥1.8 billion**

Extraordinary income (losses)
Loss on disposal and loss on impairment of production wells **+¥4.5 billion**
Loss on retirement of noncurrent assets **+¥0.7 billion**

Oil price and exchange rate assumptions in the fiscal year ending March 31, 2010 and impact on profits

	FY08 (a)	FY09 (a)	FY10 1H (1Q-2Q) (e)	FY10 2H (3Q-4Q) (e)	FY10 Full (1Q-4Q) (e)	YoY change
Crude oil CIF price (USD/bbl)	76.21	89.71	40.00	40.00	40.00	(49.71)
Exchange rate (JPY/USD)	114.66	102.56	90.00	90.00	90.00	(12.56)

Crude oil price assumption = USD 40 /bbl

1 USD/bbl increase in crude oil prices would push profits up by…………

Operating income	¥350 million
Ordinary income	¥350 million
Net income	¥220 million

Note: Since movements in bitumen selling prices are often different from movements in conventional crude oil prices, the impact of crude oil prices on oil sands business is not included in the figures shown here.

Exchange rate assumption = JPY90/USD

A weakening in the yen to JPY5/USD would push profits up by………

Operating income	¥260 million
Ordinary income	¥260 million
Net income	¥100 million

Note: In addition to the impact of exchange rate fluctuations shown on the left, translation adjustments of foreign-currency- denominated receivables and payables (except for those subject to hedge accounting) held by the Company and its consolidated subsidiaries also occur (unrealized gains (losses) are recorded in other income (expenses)).

Bitumen price assumption CAD 30 /bbl , JPY75/CAD

Fiscal year ended March 31, 2009(a) CAD 66.57 /bbl, JPY74.84/CAD

1 CAD/bbl increase in bitumen prices would push profits up by…

Operating income CAD 2.75 million, JPY200 million

Note: The above figures are for reference purposes only. Actual profits are influenced by a variety of other factors besides crude oil prices and exchange rates.