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

Presentation of Consolidated Financial Results Ended March 31, 2010

May 17, 2010

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 (1Q-2Q)
2H = Second half (3Q-4Q)
(**a**) = Actual result
(**e**) = Estimate

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

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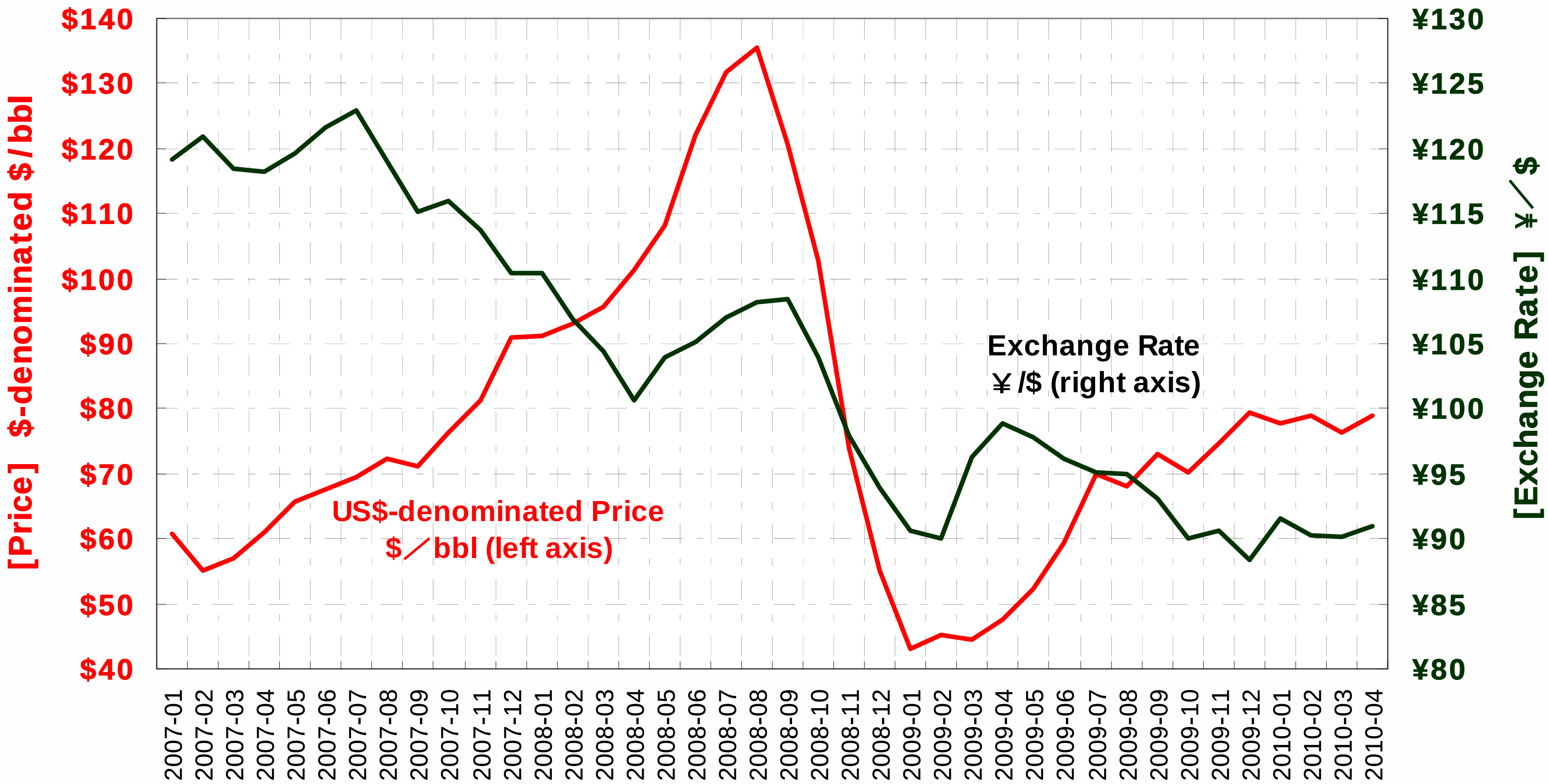
and
Follow-up of Mid-Term Business Plan

President **Osamu Watanabe**

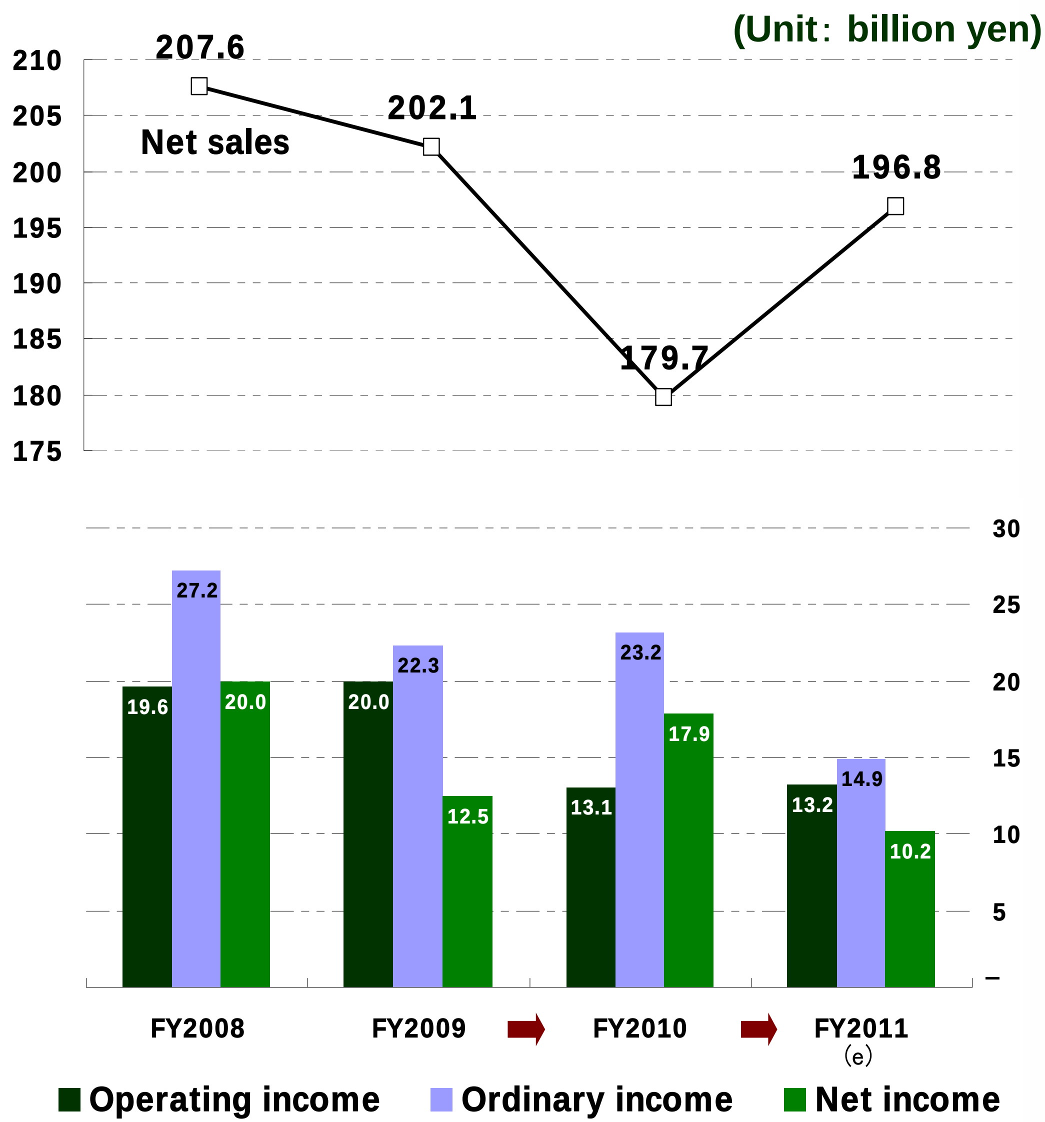
Trends in Crude oil prices and Foreign exchange rates



- Japan Crude Cocktail (JCC) Price in the first ten days of 2010 April on a prompt report basis: $78.82 /bbl

  ¥91.01 / $

Actual Results of FY 2010 and Forecasts for FY2011 [Highlight]



【Actual Results of FY 2010】

Operating income: ¥13.1billion
(year on year -¥6.9billion)

Net income: ¥17.9billion
(year on year +¥5.3billion)

Assumptions:
Crude oil price; $67.50/bbl, Exchange rate; ¥92.74/$
-$22.22(YOY) -¥9.82/$ (YOY)

【Forecasts for FY 2011】

Operating income: ¥13.2billion
(year on year +¥0.1billion)

Net income: ¥10.2billion
(year on year -¥7.6billion)

Assumptions:
Crude oil price; $80.00/bbl, Exchange rate; ¥90.00/$
+$12.50/bbl (YOY) -¥2.74/$ (YOY)

Follow-up of Mid-Term Business Plan for the period from FY2009 to FY2013

I. Definition of the Follow-up of Mid-Term Business Plan

II. Basic strategies for JAPEX expansion

III. Revision of preconditions
(assumptions of crude oil price and exchange rate)

Ⅳ. Progress toward the achievement of the numerical targets

1. Proved reserves
2. Natural gas sales volume
3. Income and expenditure（Natural gas sales, Domestically produced crude oil sales, Consolidated income and operating cash flows, allocations of operating cash flows）

Ⅴ. Summary

Details of the JAPEX Group Mid-Term Business Plan (for the period from FY2009 to FY2013) 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)
Also details of the revision of Mid-Term Business Plan (for the period from FY2009 to FY2013) announced on May 15, 2009 can be accessed on the JAPEX website at the following URL :
http://www.japex.co.jp/english/pdf/2009/JAPEX_Presentation_E_20090515.pdf "Presentation of Consolidated Financial Results for the Fiscal Year Ended March 31, 2009 "（P7－P18）

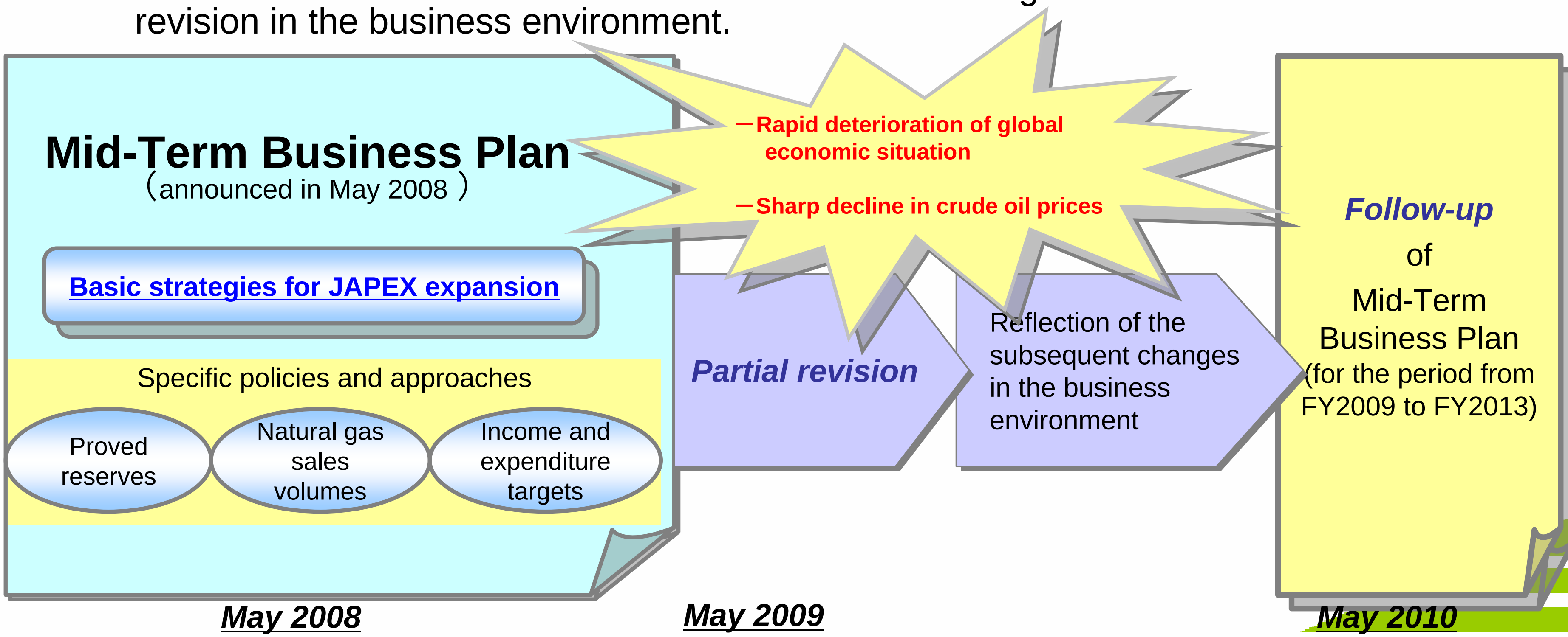
Ⅰ. Definition of the Follow-up of Mid-Term Business Plan

(May 2009)

- We revised some parts, such as income and expenditure targets, of JAPEX Group Mid-Term Business Plan announced in May 2008 in light of the rapid deterioration of the global economic situation and a sharp decline in crude oil prices.

(May 2010)

- We outline in this material the Follow-up of Mid-Term Business Plan for the period from FY2009 to FY2013 made on the basis of the changes occurred after the above revision in the business environment.



Ⅱ. Basic strategies for JAPEX expansion

■ Three basic strategies for expansion and current approaches

Basic strategy	Outline	Current approaches
1. Sustaining and increasing reserves through exploration and development	･Maintaining and expanding reserves that become depleted by production and sales. ･Bolstering a long-term, secure oil and natural gas supply system.	･Acquisition of E&P right relating to *Garraf oil field* in Iraq ･Acquisition of the interest of the *CBM block* in Indonesia ･Promoting examination of the Hangingstone oilsands expansion project in Canada (Submitted an application for approval to expand the operation on April 29, 2010)
2. Strengthening our natural gas integrated operation system	･Implementing and strengthening gas integration as an efficient system integrating upstream, midstream and downstream operations. ･Organically integrating our distinctive facilities and service functions.	･Establishment of *Japex Energy Co.,Ltd.* ･Decision of the construction of *LNG terminal in Yufutsu* area (Hokkaido) for domestic vessels
3. Pursuing technological R&D activities and initiatives to address global environmental challenges	･Striving to reduce the environmental impact of our operations and becoming proactively involved in tree-planting programs. ･Promoting technological R&D of CCS, methane hydrate, GTL and DME, etc.	･Engaging in CCS feasibility studies for the implementation of large-scale CCS demonstrations through *Japan CCS Co., Ltd.* ･Construction of the environmentally-friendly facility for processing flared gas in Hokkaido division office

Ⅲ. Revision of preconditions
（Assumptions of crude oil price and exchange rate）

We assume the preconditions as below, reflecting the steady recovery of the crude oil price after 2009 ：

Crude oil price: **Expected to keep a plateau of $80/bbl after FY11**
Exchange rate: **Expected to keep the same level of Oct.2009-Feb. 2010 （around ¥90/$）after FY11**

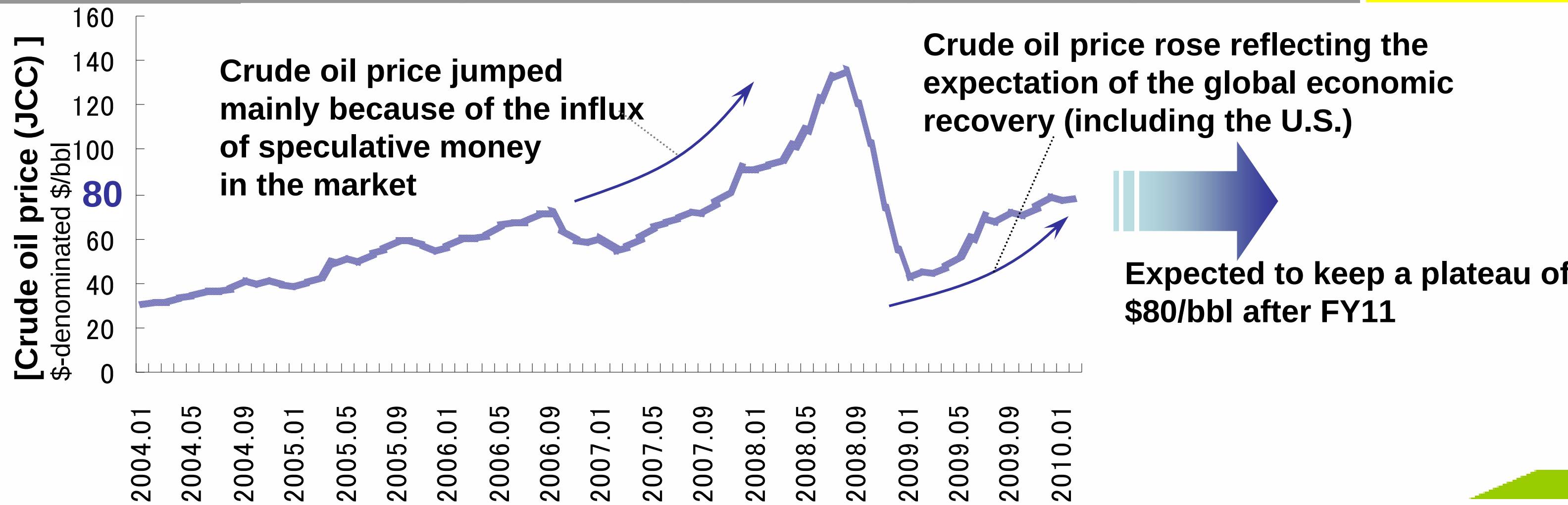
Preconditions of revised plan

	FY09 (a)	FY10（a）	FY11（e）	FY12（e）	FY13（e）
Crude oil price ($/bbl）	89.7	67.5	**80**	**80**	**80**
Exchange rate (¥/$)	102.6	92.7	**90**	**90**	**90**

At time of last year's revision

Crude oil price assumptions were:

FY10-FY11: $40/bbl
FY12: $60/bbl
FY13: $80/bbl



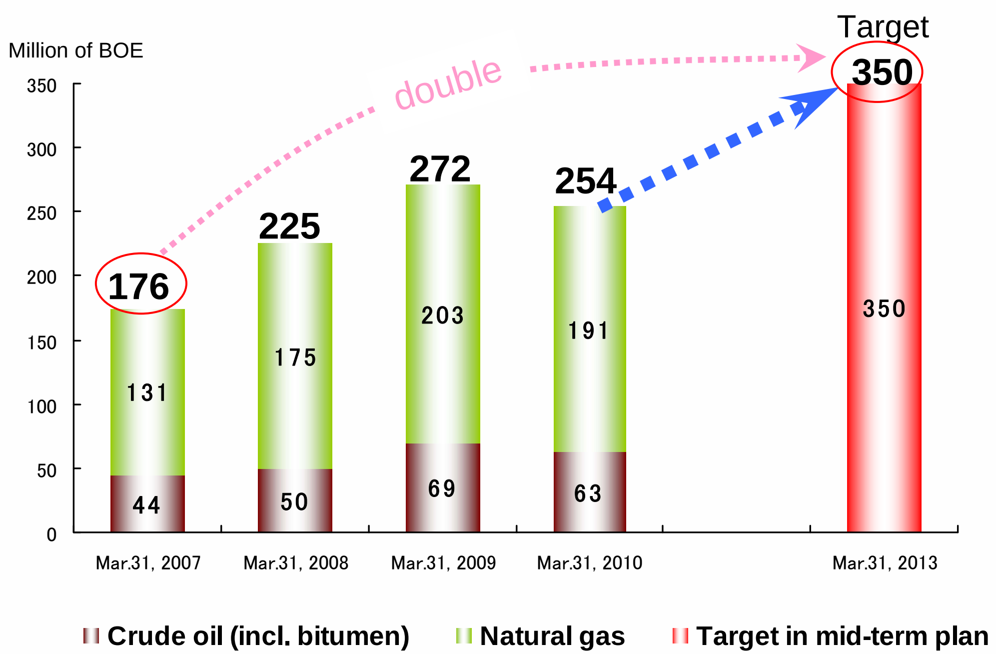
JAPEX

Ⅳ. Progress toward the achievement of the numerical targets

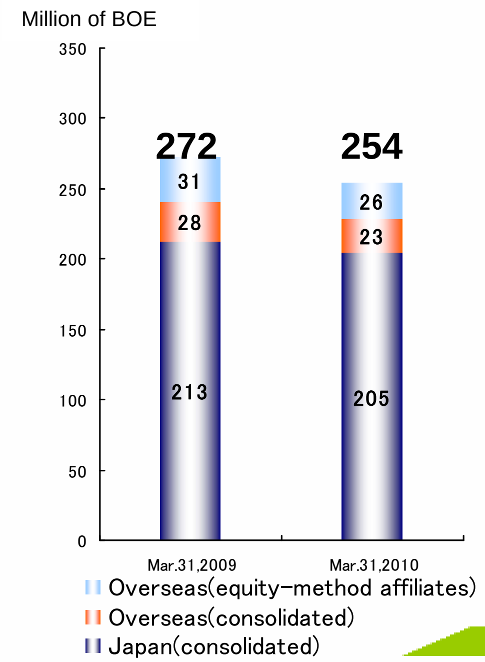
1. Proved reserves

- Our target is to double our proved reserves from ones as of end-March 2007 to 350 million BOE by end-March 2013.
- Proved reserves as of end-March 2010 decreased by 18 million BOE (around -7%) to 254 million BOE compared to ones as of end -March 2009. Factors in the decrease are decrease due to production (around 14 million BOE) and changes due to revaluation (around 4 million BOE).
- We aim to exceed the target reserves through steady efforts toward the realization of the development of Garraf oil field in Iraq, for which we secured wining bid in 2009, and the Hangingstone oil sands expansion project in Canada.

Trends in proved oil and gas reserves



Proved reserves (by geographical segment)



Ⅳ. Progress toward the achievement of the numerical targets

2. Natural gas sales volume

Target for natural gas sales volume (including LNG satellite supply) is **2.0 billion m³** by FY2014.

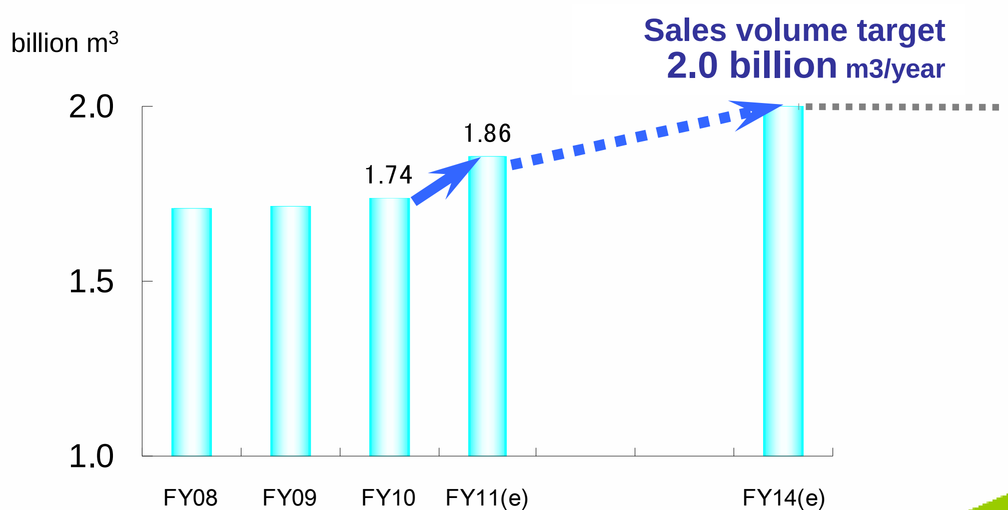
FY08 to FY10‥‥‥ sales volume remained roughly flat mainly due to the economic slump.

FY11 ‥‥‥ we expect around 7% increase of the sales volume YOY. we continue our efforts toward the target.

Natural gas sales target volume

May 2009 Revision	Current status
2.0 billion m³ By FY14	FY10： 1.74 billion m³
	FY11(e) ：1.86 billion m³

Trends of natural gas sales volume



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Ⅳ. Progress toward the achievement of the numerical targets

3. Income and expenditure (1)

Target for net sales of natural gas and domestically produced crude oil is ¥110 billion in FY2013 on the assumption of crude oil price of US$80/bbl.

Estimated net sales of natural gas and domestically produced crude oil is ¥101.5 billion in FY2011. From now on, we aim to meet the target by means of increasing the sales volume and revision of selling prices for natural gas to appropriate levels.

Approach for revising selling prices for natural gas to appropriate levels:

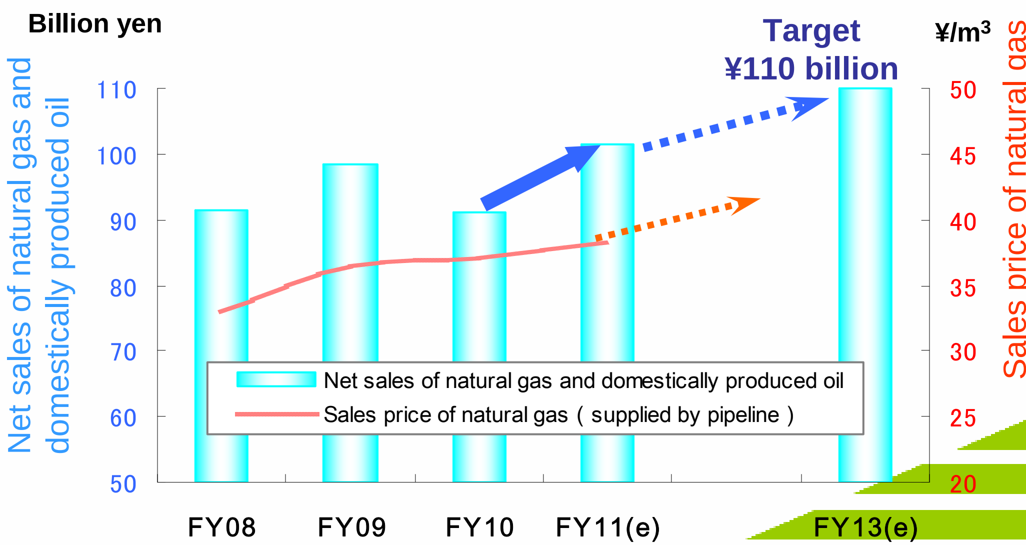
⇒ For the purpose of adjusting selling prices of natural gas to a level that reflects changes in the energy market to a certain extent, we will expand the number of large-scale customers to whom we can apply LNG CIF-linked prices.

⇒ METI consolidated the feedstock cost adjustment system for the mixed supply of domestically produced natural gas and imported LNG, and the system was applied to our wholesale clientele. In response, we revised and continue to review our natural gas pricing system.

Target for sales of Natural gas and domestically produced crude oil

May 2009 Revision	Current status
¥110 billion in FY13	FY10 : ¥91 billion
	FY11(e) : ¥101.5 billion

Trends in sales price of natural gas



Ⅳ. Progress toward the achievement of the numerical targets

3. Income and expenditure (2)

■Consolidated income and Operating cash flows

- ***Estimated Net income*** of FY09 to FY13(average) is assumed to amount to ¥15 billion, up ¥4 billion（36%） compared to May 2009 revision.
- ***Estimated Operating Cash flows*** before deduction of taxes and exploration expenses of FY09 to FY13(cumulative) is assumed to amount to ¥275 billion, up ¥45 billion（20%） compared to May 2009 revision.
- ***The increase in net sales and operating cash flows*** are mainly due to **:**
  - revision of crude oil price assumption
  - efforts of revising selling prices for natural gas to appropriate levels
  - reduction in selling, general and administrative expenses

Estimated consolidated income

(Billion yen)

	May 2009 Revision (FY09-FY13 average)	**May 2010 follow-up** (FY09-FY13 average)
Gross profit	53	57
Exploration expenses	11	11
Net income	11	15

Estimated consolidated operating cash flows

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

	May 2009 Revision (FY09-FY13 cumulative)	**May 2010 follow-up** (FY09-FY13 cumulative)
Gross profit	265	285
SG&A	-155	-150
Depreciation	120	120
Cost Recovery（Iraq）	—	20
Total	230	275

【Note】 The five-year average is shown because estimated net income, etc. for each fiscal year fluctuates considerably due to factors such as crude oil price, exchange rate trends and the occurrence of exploration investment.

Actual net income for FY09(**a**)**:** ¥12.6 billion
for FY10(**a**)： ¥17.9 billion

Estimated net income for FY11：¥10.3 billion

JAPEX

【For Reference】

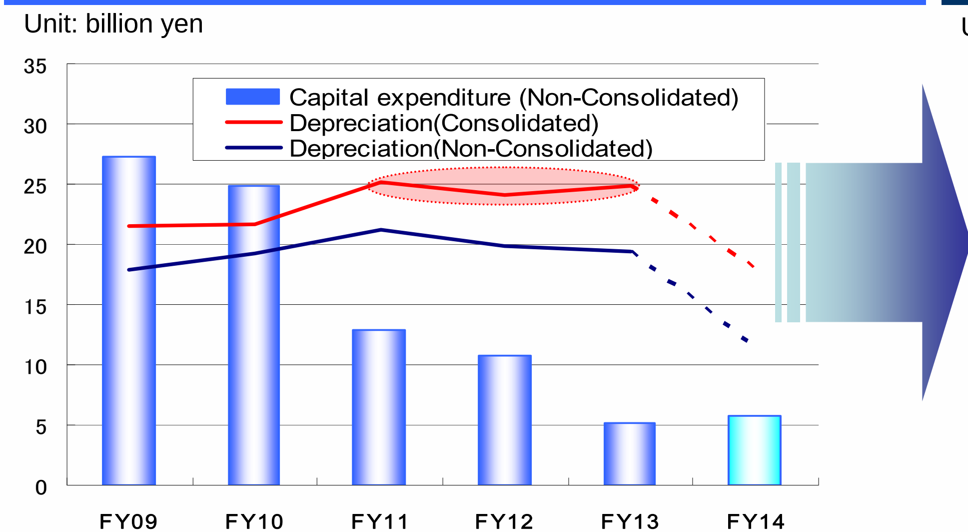
Estimated capital expenditure and depreciation and amortization

- *Consolidated* depreciation and amortization will decrease after its peak in FY2012.
  We expected depreciation and amortization would reach a peak in around FY2011-2013 at the time of May 2009 Revision.

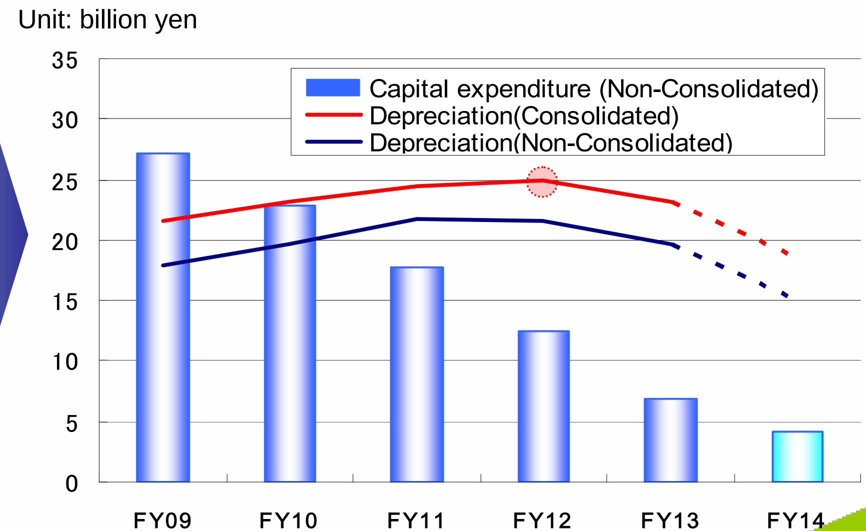
- *Non-consolidated* capital expenditure and amortization for the period from FY2009 to FY2013 (cumulative) will increase around ¥6 billion compared to May 2009 Revision. Main reason of increase of ¥5 billion is construction of LNG Terminal for domestic vessels in Yufutsu area (Hokkaido).

Expected capital expenditure for each fiscal year will increase or decrease in accordance with the revised business plan.

At time of May 2009 Revision



May 2010 Follow-up



【Note】Non-consolidated capital expenditure for FY09 and FY10 includes both " Property, plant and equipment" and "Intangible assets"

Ⅳ. Progress toward the achievement of the numerical targets

3. Income and expenditure(3)

Allocations of operating cash flows (*Revision*)

The following projects are added to the investment plan.

1. the development of Garraf oil field in Iraq
2. the Hangingstone oil sands expansion project in Canada (the FID has not been made yet.)

Even on the basis of addition of the above projects, total amounts of the investment for the period from FY2009 to FY2013 are within the expected operating cash flows.

In case operating cash flows fall short of the target due to various reasons such as volatility in crude oil prices, we consider adding borrowing funds timely. Based on the Mid-Term Business Plan, we are able to get the funding for our future growth strategy after setting aside funds for tax payments and shareholder return.

Allocations of operating cash flows (Billion yen)

			May 2009 Revision FY09 to FY13	May 2010 Follow-up FY09 to FY13	FY09 to FY13 (a)	FY11 to FY13 (e)
Operating cash flows (five-year cumulative) (a)			230	275	104	171
Investment	Capital investment (b)	Domestic	90	96	54	42
		Overseas	40	96 *	8	88
	Exploration investment (c)	Domestic	37	43	16	27
		Overseas	20	14	10	4
Total investment (d)＝(b)＋(c)			187	249	88	161
Balance after deduction from cumulative operating cash flows (a)－(d)			43	26	16	10
Uses of above balance			Tax, Shareholder return, New investment, etc.	Same as left (we are prepared to consider borrowing funds)		

＊including investment through the loans to our equity-method affiliates

VI . Summary

- We announced the partial revision of the Mid-Term Business Plan in May 2009. In the light of subsequent situations such as a steady rise in crude oil price and some signs of an economic recovery, we make a follow-up of the Mid-Term Business Plan for the period from FY2009 to FY2013.

- We continuously adhere to the basic policies which are composed of the following strategies to expand business.
  1. Sustaining and increasing reserves through exploration and development
  2. Strengthening our natural gas integrated operation system
  3. Pursuing technological R&D activities and initiatives to address global environmental challenges

- With respect to proved reserves, we aim to exceed the target reserves through steady efforts toward the realization of the development of Garraf oil field in Iraq and the Hangingstone oil sands expansion project in Canada.

- Consolidated income and operating cash flows for the period from FY2009 to FY2013 estimated in May 2009 are revised up due to the following reasons.
  1. revision of crude oil price assumption
  2. revising selling prices for natural gas to appropriate levels
  3. reduction in selling, general and administrative expenses

- The following projects are added to the investment plan.
  1. the development of Garraf oil field in Iraq
  2. the Hangingstone oil sands expansion project in Canada (the FID has not been made yet.)

  Even on the basis of addition of the above projects, total amounts of the investment for the period from FY2009 to FY2013 are within the expected operating cash flows.

- In case operating cash flows fall short of the target due to various reasons such as volatility in crude oil prices, we consider adding borrowing funds timely. Based on the Mid-Term Business Plan, we are able to get the funding for our future growth strategy after setting aside funds for tax payments and shareholder return.

Domestic exploration plan for FY2011

◆ Exploration and Extension well drilling schedule

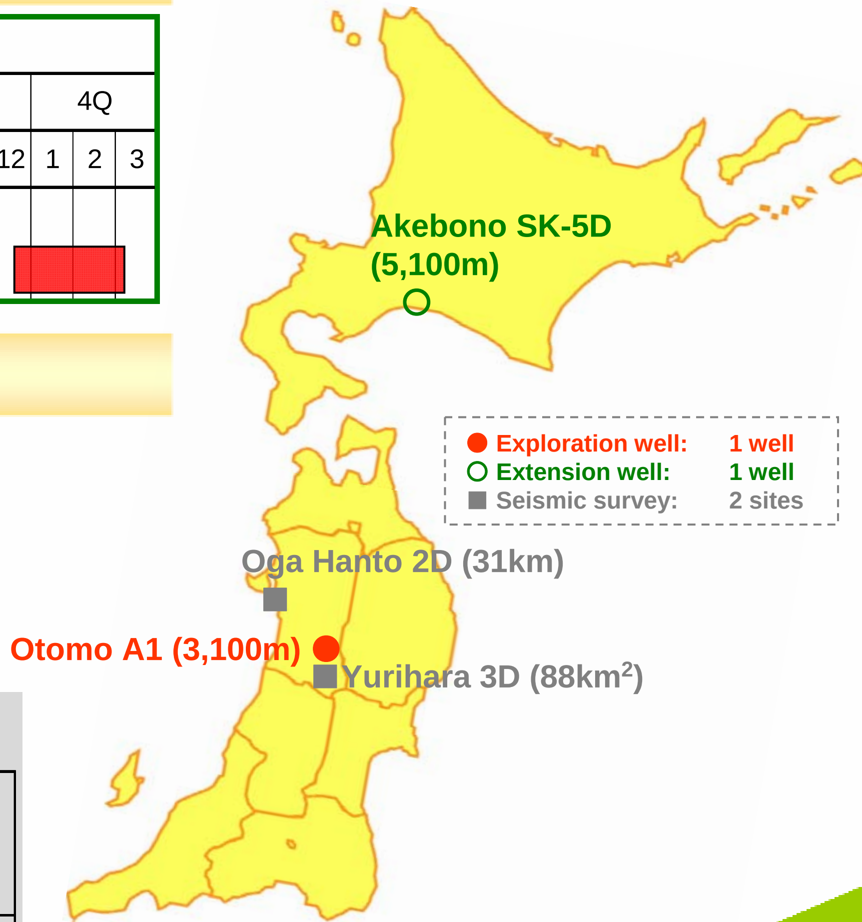
		Total Depth	FY2011											
			1Q			2Q			3Q			4Q		
			4	5	6	7	8	9	10	11	12	1	2	3
Akebono SK-5D	Extension well	5,100 m												
Otomo A1	Exploration well	3,100 m												

◆ Geophysical prospecting survey plan

- 2D seismic survey：
  31.0km in Akita Prefecture (Oga Peninsula)
- 3D seismic survey：
  88.0km^2 in Akita Prefecture（around Yurihara)

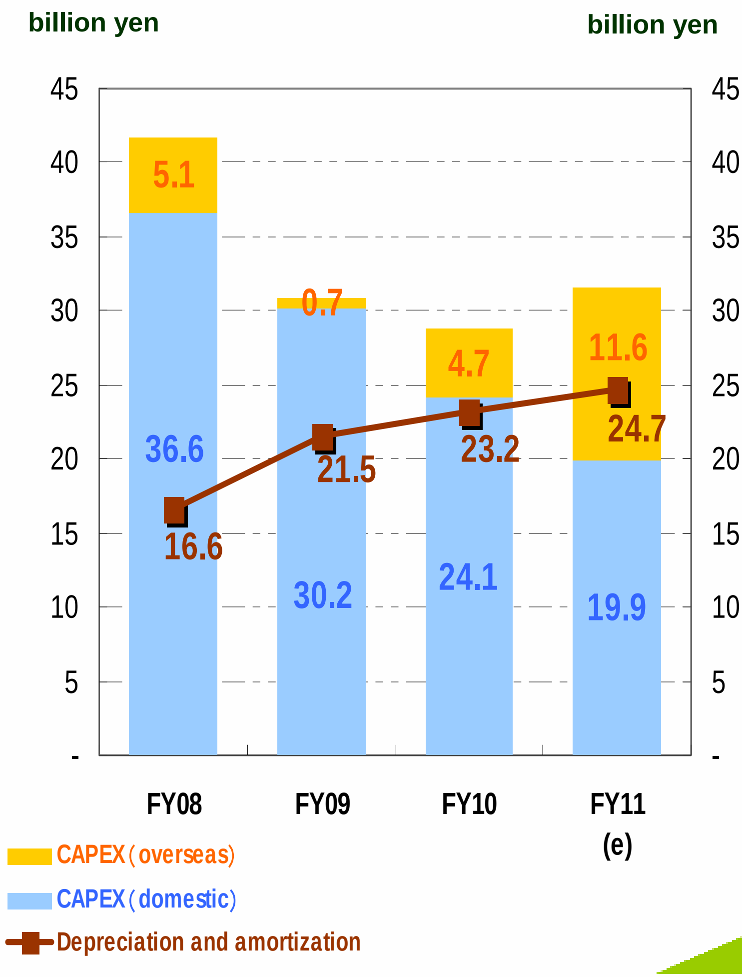
Result of Exploration and Extension well in FY2010

		Total Depth	FY2010												Result
			1Q			2Q			3Q			4Q			
			4	5	6	7	8	9	10	11	12	1	2	3	
Yashimakogen SK-1D	Exploration well	3,502 m													Abandoned
Iwafune-oki MS-B18-1	Extention well	2,300 m													Succeeded



CAPEX plan for FY 2011

[Unit: billion yen]	FY08	FY09	FY10	FY11 (e)
Capital expenditure	41.7	30.9	28.8	31.5
Depreciation and amortization	16.6	21.5	23.2	24.7



Main items of CAPEX for FY2011

Domestic CAPEX ¥19.9 billion

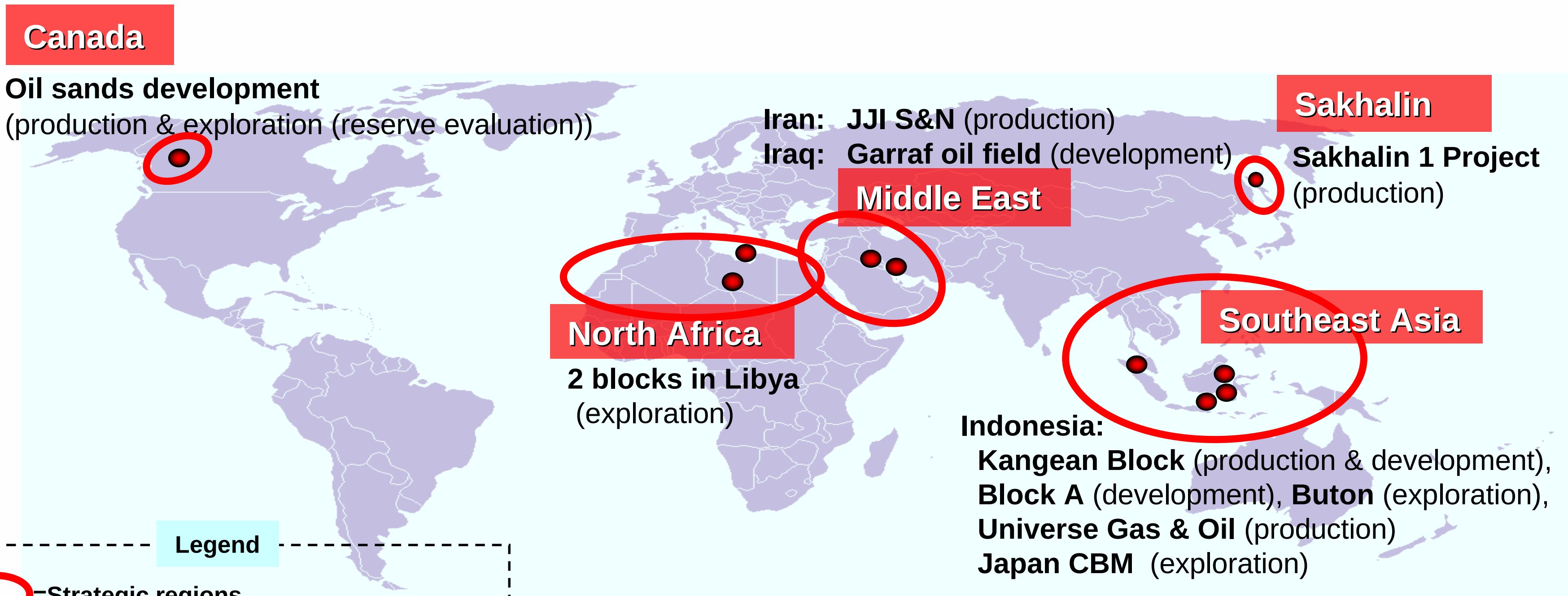
Area	Item
Hokkaido :	Expansion of production facility in Yufutsu oil and gas field (to be continued to FY2012)
Niigata :	Drilling 1 production well onshore
Niigata :	Expansion of production facility in oil and gas fields (continued from FY2010)

Overseas CAPEX ¥11.6 billion

Area	Item
Iraq:	Development of Garraf oil field
Canada:	Improvement of production facility for the oil sands project (3.75 section area).
Indonesia:	Development of gas field (Block A)

Overseas business: Basic Strategy

- Ensure an appropriate portfolio balance both exploration projects & development projects
- Set strategic regions, continue the regions-focused strategy
- Seek up-stream & mid-stream LNG projects



Legend

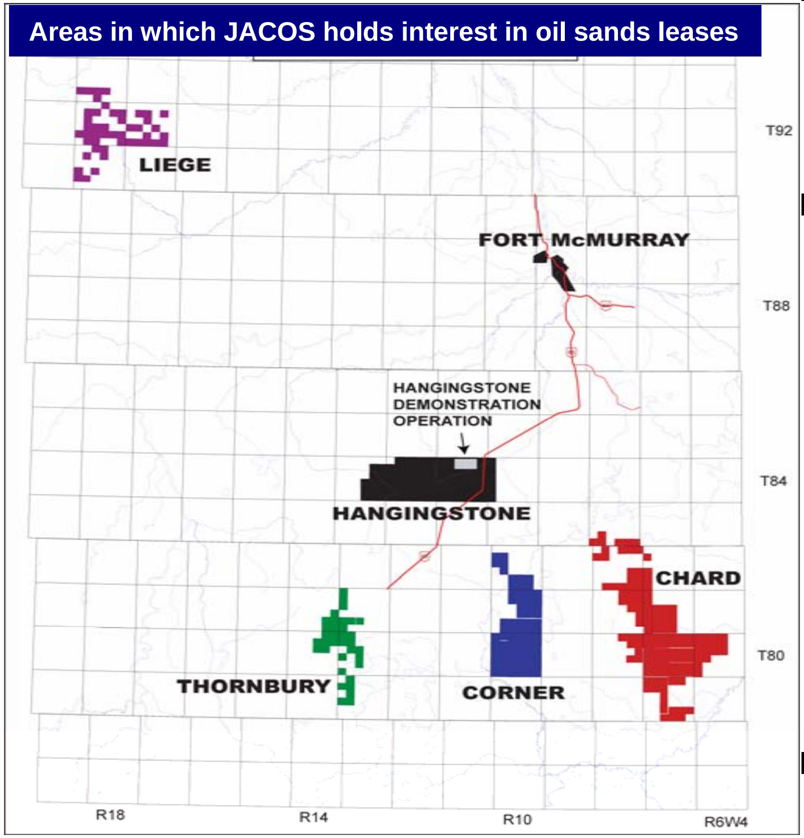
=Strategic regions

=Blocks in which our consolidated subsidiaries, equity-method affiliates, etc. hold interest.

Current status of overseas business ① Canada：Oil sands

Canada Oil Sands Co., Ltd.

Consolidated subsidiary (86.64% owned by JAPEX)



Operator: **Japan Canada Oil Sands Limited (JACOS)**

(Canadian subsidiary, wholly owned by Canada Oil Sands Co., Ltd.)

- **Production Area:**
  producing around 7,000 bbl/d of bitumen
  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** (75% interest) ：
  - ***Plan to commence bitumen production*** with expected capacity of up to 35,000 bbl/d in addition to existing operations.
  - ***Submitted an application*** for approval to expand the operation in April 2010 and started work on the front-end engineering design (FEED).
  - The final investment decision ***(FID)*** **will be made** after obtaining the regulatory approval
  - ***Construction*** **is expected to begin** in the winter of 2011 to 2012
  - ***Production startup*** **is anticipated by the end of *2014***

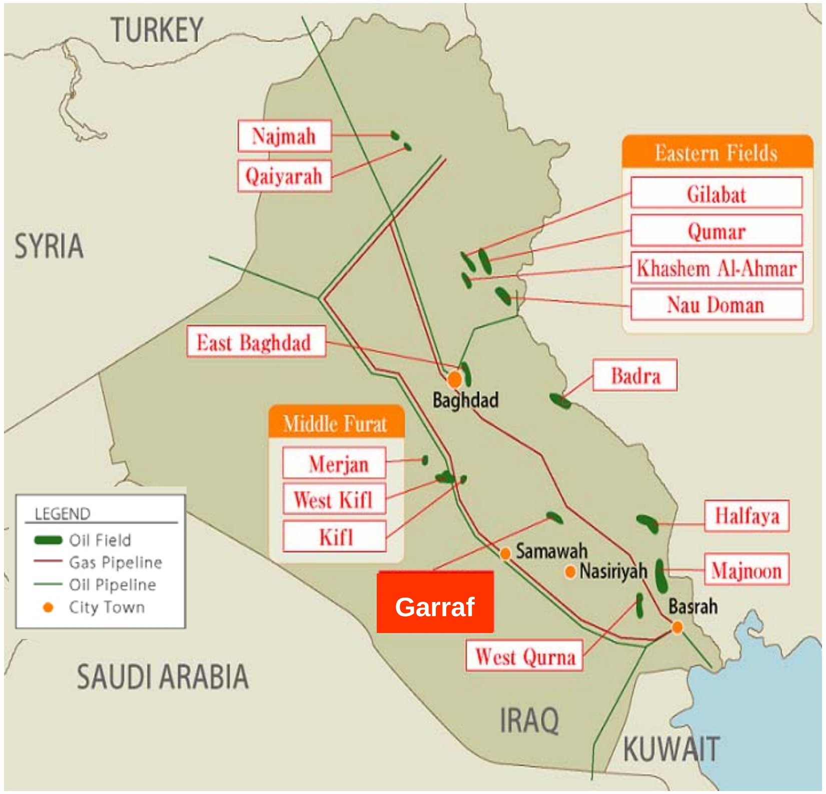
- **Contingent resources of undeveloped oil sands areas held by JACOS: 1,717 million barrels**
  (as of end-December 2008)

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 788.4km^2 (gross) or 373.4km2 (net).
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 Iraq： Garraf oil field

- **Type of Contract:** **Development and Production Service Contract**
- **Counterparty:** **South Oil Company (SOC)**
- **Contract term:** **20years**（may be extended for a maximum 5 years）
- **Effective date:** **February 10, 2010**



Contractors:

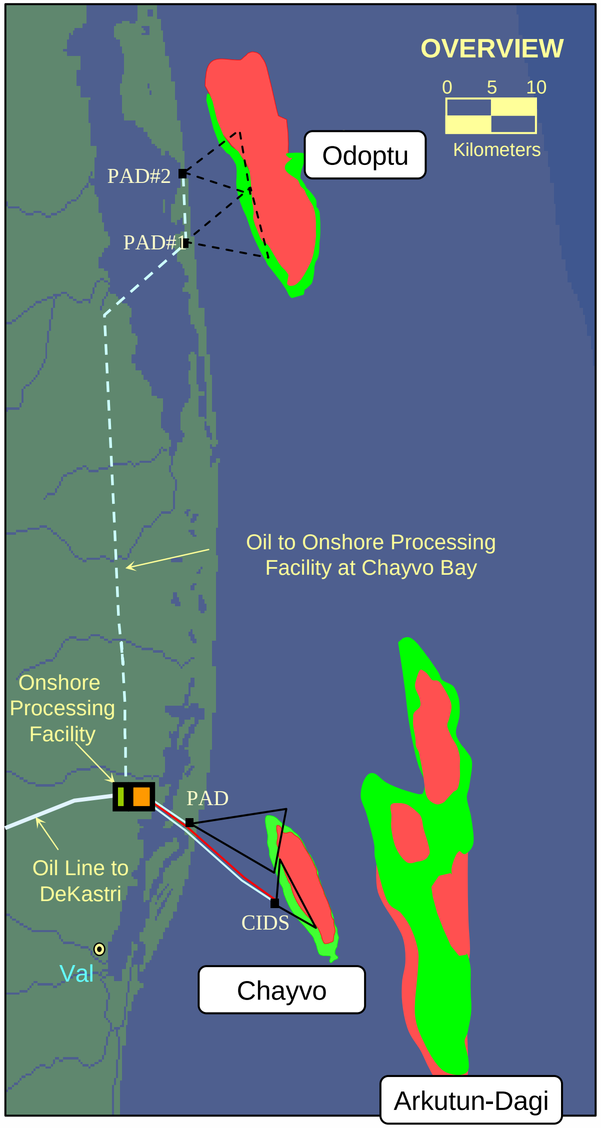
	Petronas (Operator)	JAPEX	North Oil Company (NOC)
Payment share	60%	40%	- %
Participating interest	45%	30%	25%

Production plan: early production system

- commence initial production at 50,000 bbl/d in 2012
- increase production by 50,000 bbl/d annually
- achieve plateau production target of 230,000 bbl/d in 2016.

Expected cumulative production during the contract term: 1.2 billion barrels

Current status of overseas business ③ Sakhalin: Sakhalin 1 Project



Sakhalin 1 Consortium

Company	Country	Interest
Exxon Neftegas Ltd.	U.S.	30.0%
Sakhalin Oil and Gas Development Co., Ltd.	Japan	30.0%
Sakhalinmorneftegas-Shelf	Russia	11.5%
RN-Astra	Russia	8.5%
ONGC Videsh Ltd.	India	20.0%

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

Minister of Economy, Trade and Industry	50.00%
JAPEX	14.46%
ITOCHU Corp.	14.46%
Marubeni Corp.	11.68%
Others	9.40%

【Chayvo】

Oct.	2005	: Commenced production of crude oil. (for Russian domestic market)
Oct.	2006	: Commenced 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 dividend

【Odoptu】 May 2009: Started drilling of production well
Latter half of 2010: Plan to commence production

【Arkutun-Dagi】 Now under preparation for development

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

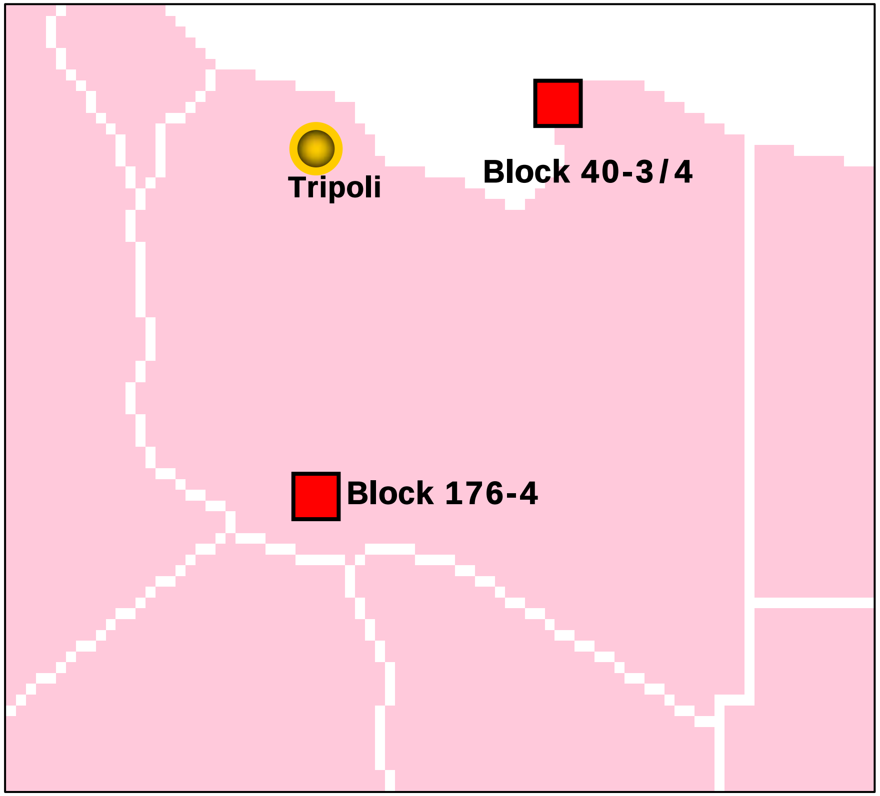
Japex Libya Ltd.: Consolidated subsidiary (wholly owned by JAPEX)

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

- Interest: 42% (Operator)
- Operating result and plan:
  - Mar.-Apr. 2009: Drilled 1st exploration well (⇒abandoned).
  - May 2010 : Spuded 2nd exploration well.

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

- Interest: 100% (Operator)
- Operating result:
  - Jul.-Sep. 2009: Drilled 1st exploration well (⇒abandoned).

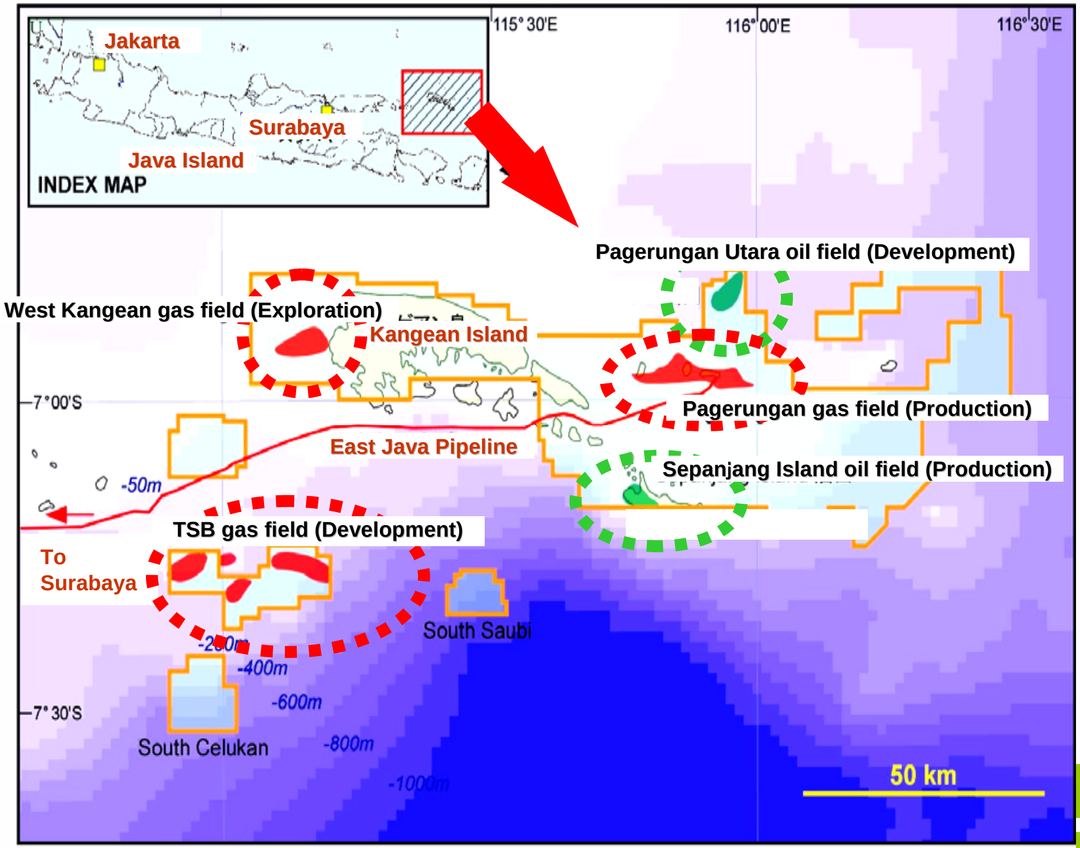


Conducting technical training for engineers from Libyan National Oil Corporation to strengthen mutual relations.

Current status of overseas business ⑤ Indonesia: Kangean Block

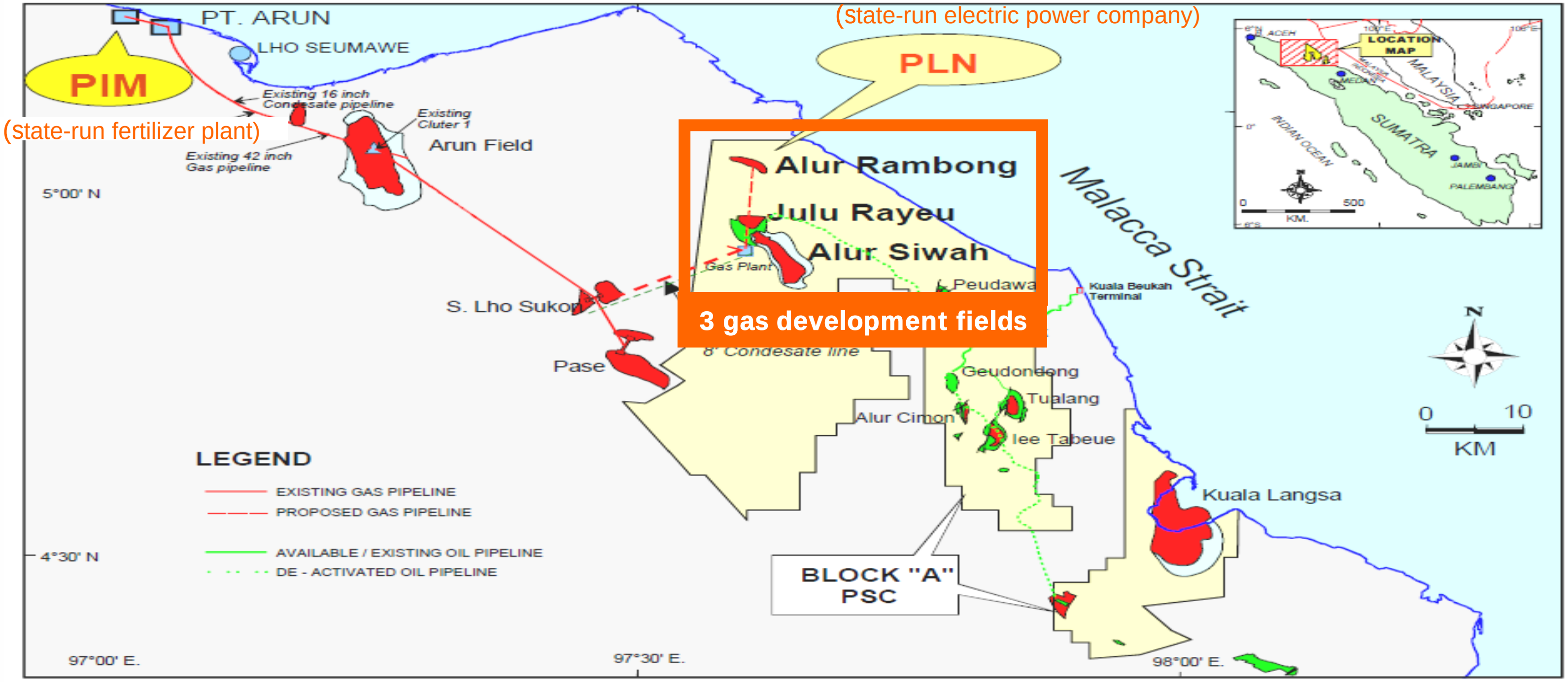
Kangean Energy Indonesia Ltd. (KEI) and two other companies: Equity-method affiliates

- **Block Name: Kangean Block (offshore East Java)**
- **JAPEX Interest: 25%**
- **Operator: KEI**
- **Current gross production:** Crude oil equivalent of around 10,000 boe/d.
- **Pagerungan Utara oil field :** Plan to commence production of 4,500 bbl/d in Oct. 2010.
- **TSB gas field:** Plan to commence production of 300 million cf/d (around 50,000 boe/d in crude oil equivalent) in end-2011.
- **Plan to expand gross production to around 60,000 boe/d through the above additional production**
- **Production Sharing Contract (PSC):** Effective till 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**
- ☐ **PSC: till end-Aug. 2011【⇒now applying to extend】**
- ☐ **After success of extending PSC…..**
  - **plan to commence production in the middle of 2012**
  - **gross production for 3 gas fields of around 100 million cf/d** (around 20,000 boe/d in crude oil equivalent）

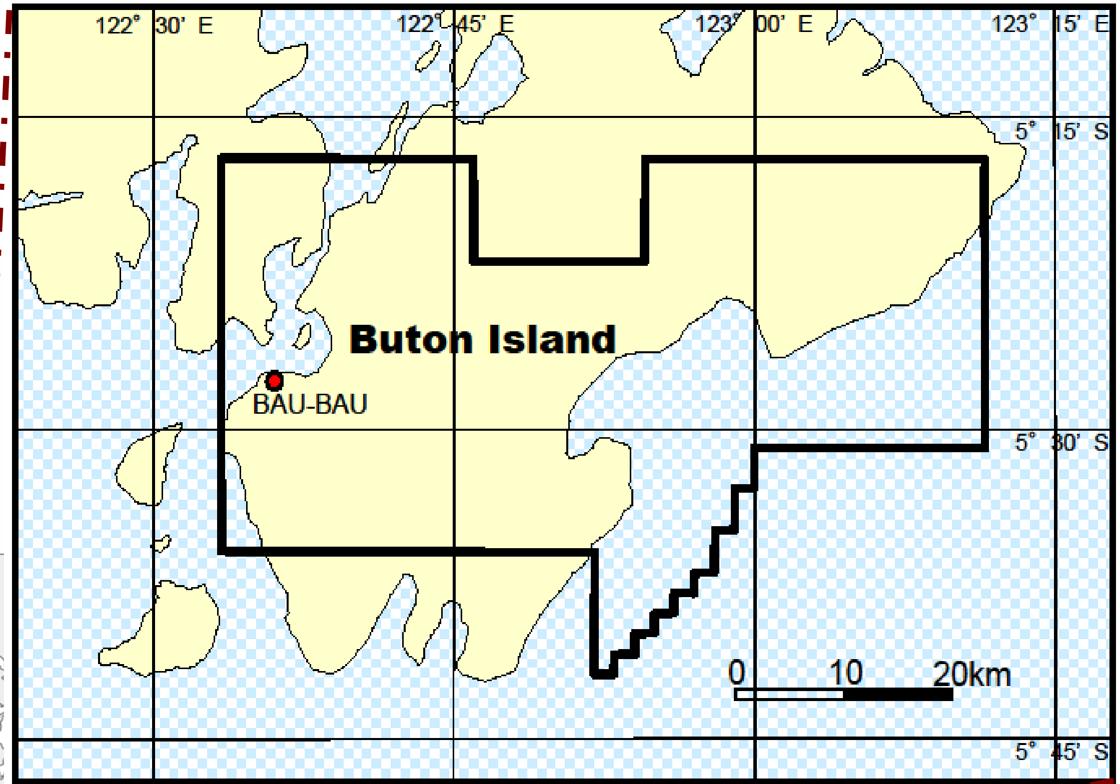
JAPEX

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.**



- **Operating results and plans:**

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

2010 4Q:
- **Plan to drill 1 exploration(obligatory) well (under preparation)**

Technological R&D initiatives

■CCS *(Carbon-dioxide Capture and Storage)*

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*)
・CO2 reduction technology demonstration project (project funded by METI)

■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 (500bbl/d)
・2009-2011 Demonstrative operation

■Methane Hydrate

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

■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 Started deliveries

JAPEX

Consolidated Financial Results for the Fiscal Year Ended March 31, 2010

Senior Managing Director **Hiroshi Sato**

Consolidated financial results for the fiscal year ended March 31, 2010 (Highlight)

[million Yen]	FY2008 (a)	FY2009 (a)	FY2010 Initial estimate announced May 14 (e)	Revised estimate(1) announced Aug.7 (e)	Revised estimate(2) announced Nov.6 (e)	Revised estimate(3) announced Feb.9 (e)	Actual result (a)
Net sales	207,638	202,127	129,313	153,422	173,148	177,851	179,752
Operating income	19,625	20,090	931	6,454	7,994	11,192	13,119
Ordinary income	27,247	22,358	5,919	10,748	12,534	19,728	23,206
Net income	20,097	12,560	4,726	7,744	9,135	15,566	17,939

[Oil price and Exchange rate assumptions]

JCC price (USD / bbl)	76.21	89.71	40.00	57.38	64.31	66.41	67.50
Exchange rate (Yen / USD)	114.66	102.56	90.00	91.39	92.43	92.73	92.74
Bitumen price (CAD / bbl)	35.02	66.57	30.00	43.60	46.61	50.25	50.15
Exchange rate (Yen / CAD)	116.35	74.84	75.00	80.00	80.00	88.07	88.07

◆**Initial estimate (May) for FY2010 ⇒ Revised estimates (1) (August) and (2) (November)**

Recovery of crude oil prices and bitumen prices

Decrease in natural gas demand

◆**Revised estimate (2) (November) for FY2010 ⇒ Revised estimate (3) (February)**

Rise in crude oil prices

Increase in dividends income

Posting gain on change in equity occurring after the listing of an equity-method affiliate

◆**Revised estimate (3) (February) for FY2010 ⇒ Actual results**

・Rise in crude oil prices
・Increase in natural gas demand

・Increase in equity in earnings of affiliates
・Increase in reversal of allowance for overseas investment loss

Operating income : ¥ 13.1billion (+¥1.9billion) , Net income : ¥17.9billion (+¥2.3billion)

Actual sales of Crude oil in the fiscal year ended March 31, 2010 (YoY comparison)

			FY2008 1Q-2Q (a)	FY2008 1Q-4Q (a)	FY2009 1Q-2Q (a)	FY2009 1Q-4Q (a)	FY2010 1Q-2Q (a)	FY2010 1Q-4Q (a)	YoY change 1Q-2Q	YoY change 1Q-4Q
Crude oil:	Sales volume	[thousand KL]	1,227	2,450	1,028	2,337	967	2,125	(60)	(211)
	Net sales	[million Yen]	59,177	128,391	73,668	115,933	33,008	80,742	(40,659)	(35,190)

[Breakdown of equity oil]

			FY2008 1Q-2Q (a)	FY2008 1Q-4Q (a)	FY2009 1Q-2Q (a)	FY2009 1Q-4Q (a)	FY2010 1Q-2Q (a)	FY2010 1Q-4Q (a)	YoY change 1Q-2Q	YoY change 1Q-4Q
Domestically produced crude oil:	Sales volume	[thousand KL]	253	574	255	569	250	564	(4)	(5)
	Net sales	[million Yen]	12,805	32,170	19,709	30,974	9,394	23,122	(10,314)	(7,852)
Overseas subsidiary crude oil:	Sales volume	[thousand KL]	83	144	76	141	23	25	(53)	(115)
	Net sales	[million Yen]	3,806	7,483	5,527	9,065	598	690	(4,929)	(8,375)
Bitumen:	Sales volume	[thousand KL]	195	409	205	417	188	411	(17)	(6)
	Net sales	[million Yen]	4,851	10,468	9,500	13,087	4,140	11,433	(5,360)	(1,653)

[Oil price and Exchange rate assumptions]

		FY2008 1Q-2Q (a)	FY2008 1Q-4Q (a)	FY2009 1Q-2Q (a)	FY2009 1Q-4Q (a)	FY2010 1Q-2Q (a)	FY2010 1Q-4Q (a)	YoY change 1Q-2Q	YoY change 1Q-4Q
JCC price	(USD / bbl)	65.08	76.21	115.39	89.71	56.83	67.50	(58.56)	(22.22)
Exchange rate	(Yen / USD)	119.97	114.66	105.20	102.56	96.36	92.74	(8.84)	(9.82)
Bitumen price	(CAD / bbl)	33.91	35.02	69.77	66.57	42.10	50.15	(27.66)	(16.42)
Exchange rate	(Yen / CAD)	116.24	116.35	105.21	74.84	82.97	88.07	(22.24)	13.23

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, 2010 (YoY comparison)

		FY2008		FY2009		FY2010		YoY change	
		1Q-2Q (a)	1Q-4Q (a)	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	643	1,499	(3)	13
	Net sales [million Yen]	20,102	48,982	22,906	54,126	24,924	55,593	2,017	1,467
Of which, Domestically produced gas:	Sales volume [million m3]	487	1,124	481	1,101	454	1,079	(27)	(22)

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

Sales volume

Increased by 0.8% year on year
Essentially unchanged from the year-ago level

- Decrease in demand for industrial use and commercial-scale utility gas customers amid deteriorating economic conditions
- Start of supply to new demand of industrial use

Net sales

Increased by 2.7% year on year

- Decline in selling prices based on pricing formula linked to LNG CIF price
- Increase in sales volume and differential profit by price revisions of prior periods

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Actual Results

Consolidated financial results for the fiscal year ended March 31, 2010: Causes of income fluctuations (YoY comparison)

[million Yen]	FY09 1Q-4Q (a)	FY10 1Q-4Q (a)	YoY change
Net sales	202,127	179,752	(22,374)
Gross profit	67,680	54,285	(13,394)
Exploration expenses	15,352	10,396	(4,956)
SG&A expenses	32,237	30,769	(1,467)
Operating income	20,090	13,119	(6,971)
Non-operating income (expenses)	2,267	10,087	7,819
Ordinary income	22,358	23,206	848
Extraordinary income (losses)	(5,250)	162	5,412
Income taxes	3,565	4,443	877
Minority interests in income	981	986	4
Net income	12,560	17,939	5,378

≪Causes of increase or decrease (MEMO)≫

Gross profit
- Domestic crude oil and natural gas (¥5.0 billion)
- Overseas consolidated subsidiaries (¥7.9 billion)

Exploration expenses
- Domestic exploration ¥5.1 billion
- Overseas exploration (¥0.1 billion)

SG&A expenses
- Special petroleum gain levy in China ¥1.8 billion
- Depreciation and amortization (¥0.3 billion)

Non-operating income (expenses)
- Dividends income ¥2.8 billion
- Loss on valuation of securities ¥1.8 billion
- Provision for cost of abandonment ¥1.2 billion
- Foreign exchange losses ¥1.2 billion

Extraordinary income (losses)
- Loss on retirement of noncurrent assets and impairment loss for a production well ¥4.5 billion
- Gain on change in equity occurring after the listing of an equity-method affiliate ¥1.2 billion

JAPEX

Forecasts for the Fiscal Year Ending March 31, 2011

Senior Managing Director **Hiroshi Sato**

Forecasts

Consolidated financial estimates for the fiscal year ending March 31, 2011 – Main points compared with previous year

[million Yen]	FY2009		FY2010		FY2011		YoY change	
	1Q-2Q (a)	1Q-4Q (a)	1Q-2Q (a)	1Q-4Q (a)	1Q-2Q (e)	1Q-4Q (e)	1Q-2Q	1Q-4Q
Net sales	110,912	202,127	70,567	179,752	91,123	196,891	20,556	17,138
Operating income	12,546	20,090	2,864	13,119	4,185	13,267	1,321	148
Ordinary income	13,321	22,358	5,184	23,206	5,231	14,908	47	(8,299)
Net income	9,371	12,560	3,498	17,939	2,143	10,265	(1,356)	(7,675)

[Oil price and Exchange rate assumptions]

JCC price (USD / bbl)	115.39	89.71	56.83	67.50	80.00	80.00	23.17	12.50
Exchange rate (Yen / USD)	105.20	102.56	96.36	92.74	90.00	90.00	(6.36)	(2.74)
Bitumen price (CAD / bbl)	69.77	66.57	42.10	50.15	58.35	56.65	16.25	6.50
Exchange rate (Yen / CAD)	105.21	74.84	82.97	88.07	85.00	85.00	2.03	(3.07)

Main points compared with previous year

- Operating income +¥0.1billion
  - Gross profit +¥1.3billion
  - Exploration expenses and SG&A expenses -¥1.1billion Domestic exploration expenses
- Ordinary income -¥8.2billion
  - Non-operating income (expenses) -¥8.4billion Dividends income, Equity in earnings (losses) of affiliates
- Net income -¥7.6billion
  - Extraordinary income (losses) -¥2.2billion Application of new accounting standards
  - Income Taxes +¥2.8billion

Estimated Crude oil sales for the fiscal year ending March 31, 2011

			FY2009		FY2010		FY2011		YoY change	
			1Q-2Q (a)	1Q-4Q (a)	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	967	2,125	969	2,017	2	(108)
	Net sales	[million Yen]	73,668	115,933	33,008	80,742	40,536	83,713	7,527	2,971

[Breakdown of equity oil]

			FY2009 1Q-2Q (a)	FY2009 1Q-4Q (a)	FY2010 1Q-2Q (a)	FY2010 1Q-4Q (a)	FY2011 1Q-2Q (e)	FY2011 1Q-4Q (e)	YoY 1Q-2Q	YoY 1Q-4Q
Domestically produced crude oil:	Sales volume	[thousand KL]	255	569	250	564	270	594	19	30
	Net sales	[million Yen]	19,709	30,974	9,394	23,122	12,297	26,804	2,903	3,682
Overseas subsidiary crude oil:	Sales volume	[thousand KL]	76	141	23	25	2	5	(21)	(21)
	Net sales	[million Yen]	5,527	9,065	598	690	67	128	(531)	(562)
Bitumen:	Sales volume	[thousand KL]	205	417	188	411	196	410	8	(1)
	Net sales	[million Yen]	9,500	13,087	4,140	11,433	6,116	12,430	1,976	997

[Oil price and Exchange rate assumptions]

		FY2009 1Q-2Q (a)	FY2009 1Q-4Q (a)	FY2010 1Q-2Q (a)	FY2010 1Q-4Q (a)	FY2011 1Q-2Q (e)	FY2011 1Q-4Q (e)	YoY 1Q-2Q	YoY 1Q-4Q
JCC price	(USD / bbl)	115.39	89.71	56.83	67.50	80.00	80.00	23.17	12.50
Exchange rate	(Yen / USD)	105.20	102.56	96.36	92.74	90.00	90.00	(6.36)	(2.74)
Bitumen price	(CAD / bbl)	69.77	66.57	42.10	50.15	58.35	56.65	16.25	6.50
Exchange rate	(Yen / CAD)	105.21	74.84	82.97	88.07	85.00	85.00	2.03	(3.07)

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, 2011

		FY2009		FY2010		FY2011		YoY change	
		1Q-2Q (a)	1Q-4Q (a)	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	643	1,499	706	1,576	63	77
	Net sales [million Yen]	22,906	54,126	24,924	55,593	26,819	60,376	1,895	4,782
Of which, Domestically produced gas:	Sales volume [million m3]	481	1,101	454	1,079	534	1,188	79	109

Sales volume — **Increase by 5.1% year on year**

- Recovery in demand for industrial use and commercial-scale utility gas customers
- In FY2010 , increase in new demand of natural gas for industrial use

Net sales — **Increase by 8.6% year on year**

- Increase in sales volume and rise in selling prices based on pricing formula linked to LNG CIF price
- Full-year application of the revised selling prices with the Introduction in January 2010 of the feedstock cost adjustment system for the mixed supply of domestically produced natural gas and imported LNG for general gas utilities
- Differential profit by price revisions of prior periods（FY2010）

Consolidated financial estimates for the fiscal year ending March 31, 2011
Causes of income fluctuations (YoY comparison)

[million Yen]	FY10 1Q-4Q (a)	FY11 1Q-4Q (e)	YoY change
Net sales	179,752	196,891	17,138
Gross profit	54,285	55,595	1,309
Exploration expenses	10,396	11,795	1,398
SG&A expenses	30,769	30,533	(237)
Operating income	13,119	13,267	148
Non-operating income (expenses)	10,087	1,640	(8,447)
Ordinary income	23,206	14,908	(8,299)
Extraordinary income (losses)	162	(2,073)	(2,235)
Income taxes	4,443	1,759	(2,684)
Minority interests in income	986	811	(175)
Net income	17,939	10,265	(7,675)

≪Causes of increase or decrease (MEMO)≫

Gross profit
Domestic crude oil and natural gas +¥2.2 billion
Overseas consolidated subsidiaries (¥ 0.7 billion)

Exploration expenses
Domestic exploration (¥3.2 billion)
Overseas exploration +¥1.9 billion

Non-operating income (expenses)
Dividends income (¥6.6 billion)
Equity in earnings (losses) of affiliates (¥1.8 billion)

Extraordinary income (losses)
Effect of applying new accounting standards
for asset retirement obligations (¥2.0 billion)

Oil price and exchange rate assumptions in the fiscal year ending March 31, 2011 and impact on profits

[Oil price and Exchange rate assumptions]		FY2009	FY2010	FY2011			YoY change
		1-4Q (a)	1-4Q (a)	1H (1-2Q) (e)	2H (3-4Q) (e)	1-4Q (e)	
JCC price	(USD / bbl)	89.71	67.50	80.00	80.00	80.00	12.50
Exchange rate	(Yen / USD)	102.56	92.74	90.00	90.00	90.00	(2.74)
Bitumen price	(CAD / bbl)	66.57	50.15	58.35	55.10	56.65	6.50
Exchange rate	(Yen / CAD)	74.84	88.07	85.00	85.00	85.00	(3.07)

Crude oil price assumption : $ 80 /bbl

Increase of $1/bbl in crude oil prices would push profits up by…

Operating 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 : ￥90/$

A weakening in the yen to ￥5/＄ would push profits up by…

Operating income	¥850 million
Net income	¥540 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 non-operating income (expenses)).

Bitumen price assumption : CAD 56.65 /bbl , ￥85/CAD

CAD56.65/bbl［1H (Jan. - Jun.) 58.35 + 2H (Jul. - Dec.) 51.10］

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

Operating income	CAD 2.58million, ¥220 million
Net income	CAD 2.26million, ¥190 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.

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