



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

February 7, 2012

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### **Successful Production of Natural Gas and Crude Oil from an Exploration Well in Hokkaido**

Japan Petroleum Exploration Co., Ltd. (“JAPEX” or “the Company”) began drilling the Akeno SK-1D exploration well (total depth 5,265m) from August 2011 with the aim of developing the Akeno structure to the west of the Yufutsu oil and gas field in Hokkaido. More recently, and as a result of production test, the Company is successfully producing 60,000m<sup>3</sup> of natural gas and 60kl of crude oil per day.

Production test was conducted along the sedimentary layer (the fractured conglomerate of the Ishikari Group and also its underlying fractured granite basement) at a depth of between 4,707m and 5,265m from January 25, 2012. The test newly confirmed the existence of natural gas and crude oil within the Akeno structure.



Moving forward, JAPEX will utilize the results of production test to conduct an evaluation of projected reserves and the extent of oil and gas layers. Together with renewed exploration activities, the Company will the structure’s development potential.

#### Overview of the Akeno SK-1D Exploration Well

1. Location      Approximately four kilometers northwest of the Yufutsu plant in Tomakomai City, Hokkaido (please refer to the separate location map (Appendix) attached)
2. Scope        The fractured conglomerate of the Ishikari Group (Eocene) to the fractured granite basement (Cretaceous)
3. Results      Test depth 4,707m to 5,265m (excavation depth)  
Daily capacity: Natural gas 60,000m<sup>3</sup>/D; crude oil 60kl/D

Akeno SK-1D Exploration Well Location Map

