



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

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Status of Demonstration Experiment for Tight Oil of The Onnagawa Formation in Akita Prefecture (Ayukawa Shale Oil) [Follow up]

Japan Petroleum Exploration Co., Ltd. (hereafter, "the Company") has ended the demonstration experiment in the captioned work on October 8, 2012 that began on October 1, 2012.

We hereby inform you of the status of the experiment following our release of last week (October 4, 2012) as follows:

1. Process of operations

October 1, 11:50	Start of acid treatment test (injection of acid treatment fluid) for the Onnagawa shale formation (a depth of 1800m) of Ayukawa Oil and Gas Field
October 2, 9:40 12:00	Conclusion of fluid injection (total amount of fluid injected: 141.6 kl) Start of discharge of the fluid injected by gas lift method (*)
October 3, 6:30	Confirmation of a mixture of a small amount of crude oil in the fluid recovered on the ground from underground
October 4 (as of 7:00 = reported)	Amount of fluid recovered: 52.1 kl Amount of crude oil included in the recovered fluid: 6.9 kl
October 5-8	Fluid recovery work
October 8, 8:00	Completed fluid recovery work Total amount of fluid recovered: 100.6 kl Total amount of crude oil included in the recovered fluid: 31.1 kl (Well is sealed and withdrawal of materials conducted thereafter)

(*) "Gas lift" means a releasing of high-pressure gas into the well to reduce the specific gravity of the fluid inside the well, and to pump up the fluid to the surface using the expanding lift energy of the gas.

2. Evaluation results

Detailed analysis of the data obtained from the demonstration experiment will now begin and no evaluation has been made of the results, such as the total quantity of crude oil extracted.

3. Future plans

The Company will conduct detailed analysis of the data obtained, as well as planning of flow tests using existing facilities, pressure measurements, etc. After those work, evaluation work will be conducted on the possible volume of production and the results of improved productivity based on the results obtained, and then, the Company will evaluate on the possibility of conducting work for the following years.