



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

October 10, 2012

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Successful Production of Natural Gas in Niigata Prefecture

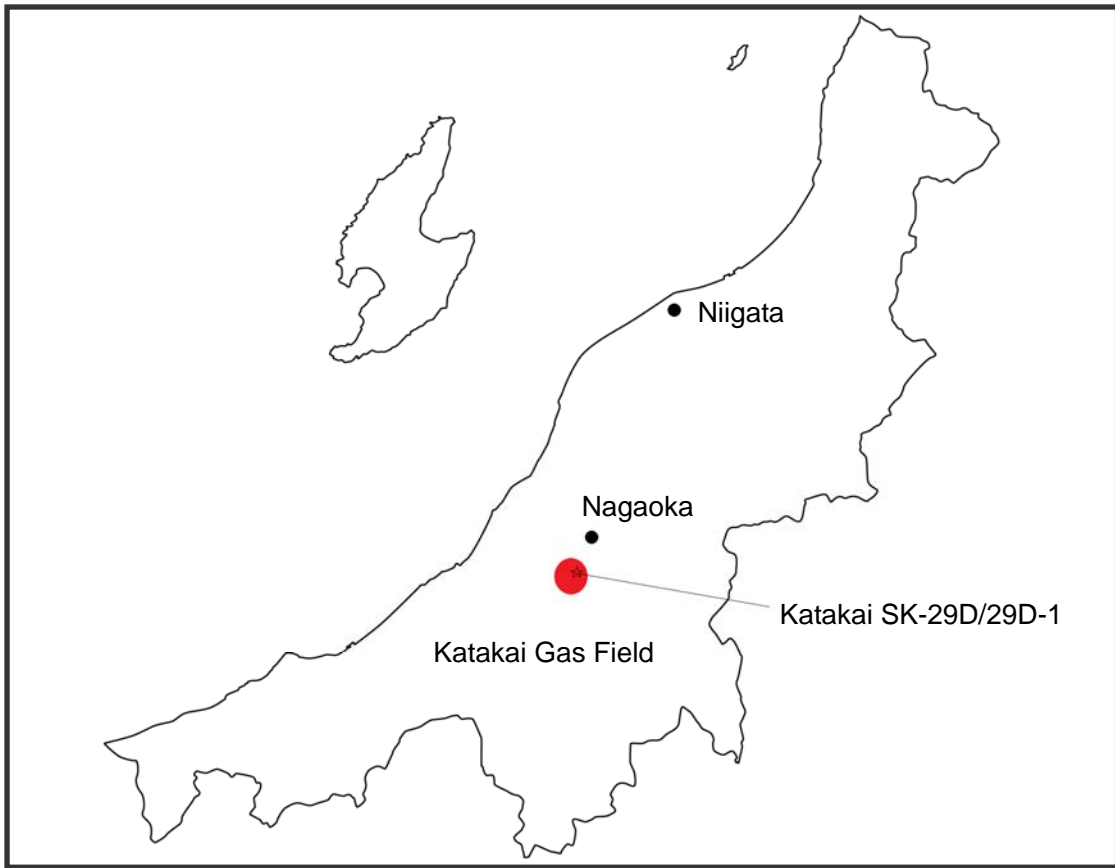
Japan Petroleum Exploration Co., Ltd. (hereafter, “the Company”) announces that it has succeeded in the production of approximately 290,000 cubic meters (m³) of natural gas and approximately 33 kl of condensate (crude oil) per day as a result of production test, in the Katakai Gas Field located in Ojiya, Niigata Prefecture. The Company began drilling an extension well of Katakai SK-29D as a main well and its branch well of Katakai SK-29D-1 in April 2012.

The well is a multiple branch well (refer to attached image). After evaluating the drilling on the main well, a new branch well was drilled from an intermediate point of the main one for efficient production of natural gas.

The Company will conduct evaluation of the expansion of the Gas Field, based on the test results and intends to begin preparations for future production from this well. The Company intends to continue exploration work in the surrounding areas of the Katakai Gas Field to further organize and boost the long-term, stable supply of natural gas.

Overview of Katakai SK-29D and Katakai SK-29D-1 extension wells

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|------------------|---|-------------------------------------|
| 1. Location | 9067 Aza Nakahara, Katakai, Ojiya, Niigata Prefecture
(refer to attached Katakai Gas Field location map) | |
| 2. Scope: | Green tuff formation | |
| 3. Test depth: | 4,217-4,900 m (main well)
4,217-4,940 m (branch well) | |
| 4. Test results: | Natural gas | Approx. 290,000 m ³ /day |
| | Condensate (crude oil) | Approx. 33 kl/day |



Katakai SK-29D/29D-1
Production test scene



Multiple branch well image drawing

