



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

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Construction plan of an LNG Receiving Terminal in Soma and a Connecting Pipeline

Japan Petroleum Exploration Co., Ltd. (hereinafter "the Company") has decided to start a Front-End Engineering Design, and begin discussions with related government agencies and so on to construct an LNG receiving terminal in Shinchi Town, Fukushima Prefecture (Soma Port) along with a connecting pipeline. The vaporized LNG gas received at the terminal is to be carried to the Company's Niigata-Sendai Pipeline, through the connecting pipeline to be connected at Natori City, Miyagi Prefecture.

Over the years, the Company has been supplying natural gas produced domestically along the Sea of Japan in Niigata, Yamagata and Akita prefectures, as well as vaporized LNG gas received from overseas, to those on the demand side including power plant, city gas and industrial users in the relevant areas. The Company has been supplying gas to these users through its pipelines that run between Niigata and Sendai and between Shiroishi and Koriyama, as well as through LNG satellite stations utilizing freight cars and tank trucks.

The Company expects demand for natural gas in the Tohoku region along the Pacific Ocean including Fukushima, Miyagi and Iwate to become increasingly strong going forward on the back of heightened awareness of the environment and energy conservation.

To respond to this increase in demand, the Company plans to construct an LNG receiving terminal and a connecting pipeline to provide a sufficient supply of natural gas over the medium to long terms. Also, in a bid to strengthen its function of providing stable gas supply, the Company decided to plan these construction in this region positioned along the Pacific coast.

As such, to move this business plan forward, including Front-End Engineering Design, the Company has decided to establish Soma Project Division on November 30.

[Plan Overview]

(LNG receiving terminal)

1. Construction site Shinchi Town, Fukushima Prefecture (in Soma Port) <See attached map for location>
2. Facilities overview Sea vessel receiving berth, one large-scale storage tank, LNG vaporizer, tank truck shipping facility, etc.
3. Schedule Operations targeted to start in 2018

(Connecting pipeline)

1. Route Shinchi Town, Fukushima Prefecture to Natori City, Miyagi Prefecture
2. Distance Around 40km

LNG receiving terminal in Soma and a Connecting pipeline location map

