



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

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Company Name: Japan Petroleum Exploration Co., Ltd. (JAPEX)
President: Osamu Watanabe
Inquiries: Media and Investor Relations Department
TEL: +81-3-6268-7110

Geothermal Survey to be Conducted in Shibetsu Town, Hokkaido

Japan Petroleum Exploration Co., Ltd (JAPEX) announces that it will commence geothermal survey aiming for power generation in Musadake area in Shibetsu Town, Hokkaido.

This survey will start with preliminary works in June, followed by drilling of a exploratory well from August to November this year. Presently relevant permit applications are prepared to be submitted.

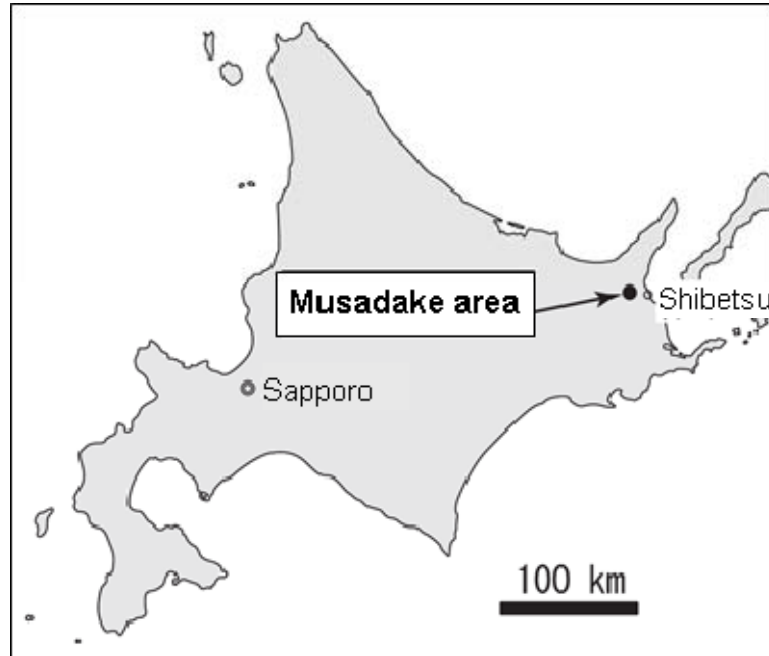
Geothermal surveys in this region were first conducted by JAPEX, followed by, a Japan's public R&D entity, New Energy and Industrial Technology Development Organization (NEDO) which discovered the existence of high-temperature formation over 280 degrees C underneath this area, which is considered to be sufficient for power generation.

This year's survey aims to confirm the extensions of high-temp formations and other reservoir characteristics necessary as the geothermal resources, which will last for three years. Presently around 15,000 kW of power plant is expected to start commercial operation in about ten years.

Japan, a land of volcanoes, has abundant geothermal resources and is the third richest country in the world in terms of geothermal energy. Further, geothermal energy is a clean and renewable with less greenhouse gas emission. Unlike solar or wind energy, geothermal energy is stable, which can generate continuously day and night. It is hoped that these and other benefits will lead to an increase in its use.

By utilizing technologies and experiences JAPEX has accumulated, and with the

collaboration and understanding of the local community, JAPEx aims to commercialize the geothermal power generation in this area.



Location of Survey Region