

March 19, 2013

Japan Petroleum Exploration Co., Ltd.
Mitsubishi Corporation

Oil Production in Indonesia's Terang Gas Field Reaches 10 Million Barrels

The Japan Petroleum Exploration Co., Ltd. (JAPEX) and Mitsubishi Corporation (MC) are pleased to announce that total production at the Terang gas field located in the Kangean PSC area in East Java, Indonesia has reached 10 million barrels of oil equivalent since the field started commercial production on May 26, 2012.

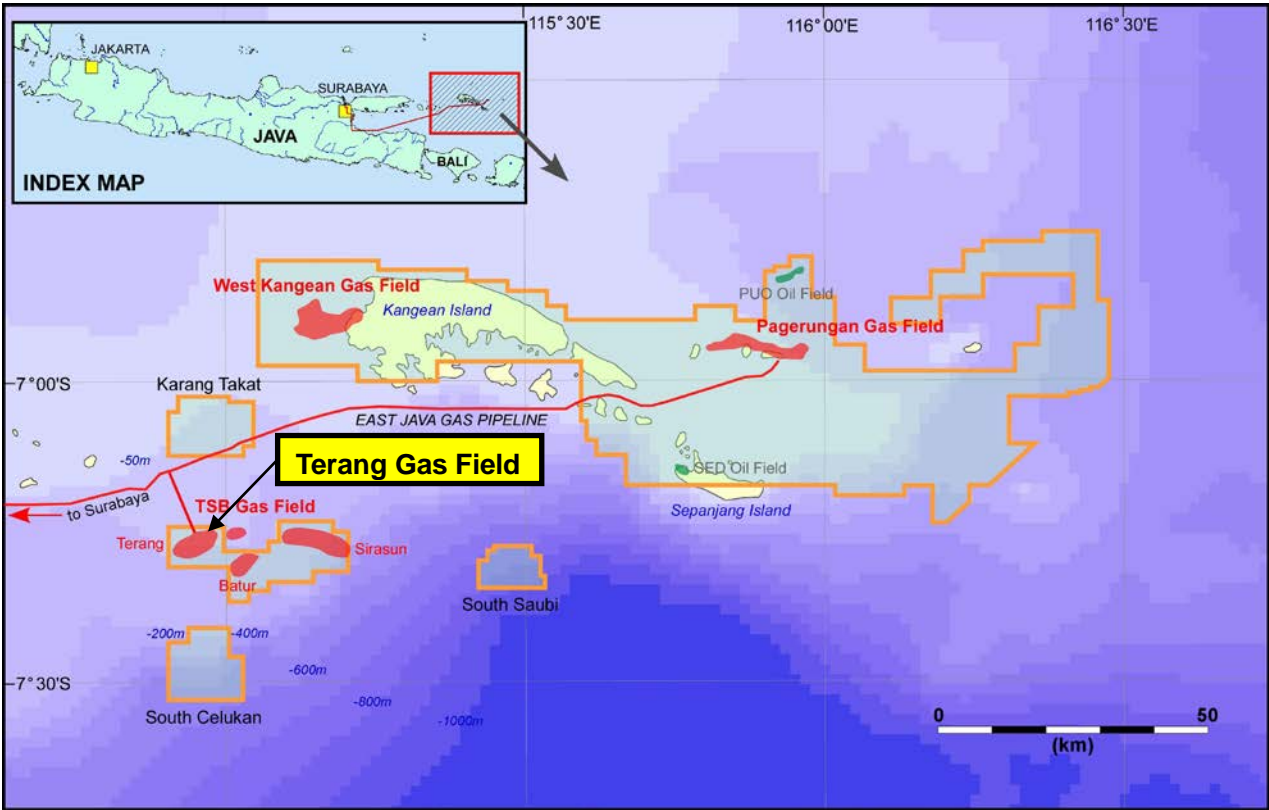
The JAPEX-MC partnership in the Kangean PSC area goes back to May 2007, and since then, the 4 oil and gas fields located there (Pagerungan gas field, Sepanjang oil field, PUO oil field and Terang gas field) have collectively produced oil and gas of over 20 million barrels of oil equivalent. Representatives from Kangean Energy Indonesia Ltd. (KEI), the operator of the PSC area, Rudi Rubiandini, Director of the Indonesian government's Special Task Force for Upstream Oil and Gas Business Activities (SKKMigas) and other relevant parties gathered in Jakarta on February 27 to commemorate the achievement.

Terang gas field is located offshore, approximately 90km north of Bali (at a water depth of 90m) and is part of the TSB gas field complex, which is composed of Terang, Sirasun and Batur gas fields. There are 4 production wells, including horizontal wells. In the first 8 months of operations alone, production from Terang gas field reached a total of 10 million barrels, with daily gas production averaging 240 million cubic feet (approximately 40 thousand barrels of oil equivalent per day). Natural gas produced in the same gas field is gathered in Floating Production Units (FPU) and transported through the East Java Gas Pipeline to be sold to the state owned power company and fertilizer factories in the outskirts of Surabaya, East Java. There is a strong demand for gas in the region, and the operation of these gas fields will contribute to providing a stable supply of energy as well as to the growth of the local economy.

As we move towards starting development on the Sirasun and Batur gas fields, also located within the TSB field, we are simultaneously seeking to develop newly discovered gas fields such as the West Kangean field, located offshore West Kangean Island, Indonesia and to start exploration at the South Saubi Prospect, where large-scale oil discovery is expected. Advancing in these efforts will continue to assist with ensuring a stable supply of energy to the Indonesian market.

Reference Information

Location of Kangean PSC and Terang Gas Field



Commemorating the achievement of 20 million barrels on February 27

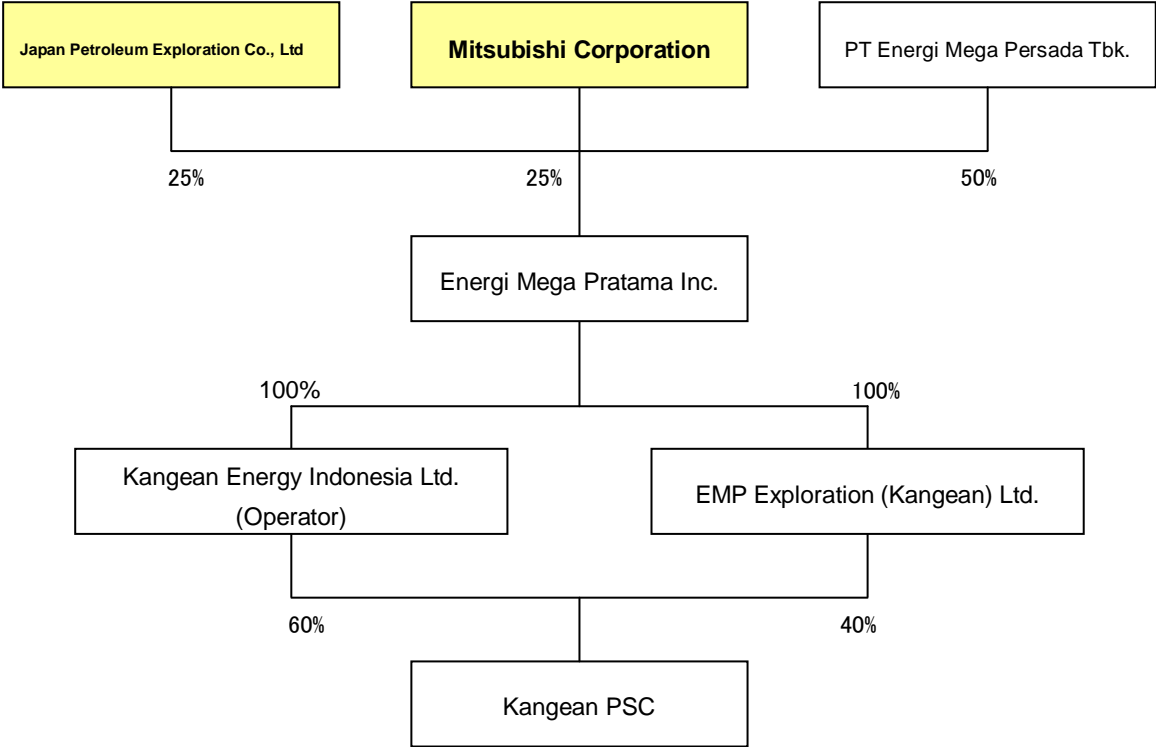


Director of SKKMigas, Rudi Rubiandini (center) surrounded by participants at the event. Others in this photograph include JAPEX Chairman, Yuji Tanahashi (2nd from right) and KEI President Katsuo Suzuki (far right).



Some 215 VIPs attended the commemoration ceremony

Kangean PSC Investment Scheme



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