



April 29, 2013

Company Name: Japan Petroleum Exploration Co., Ltd. (JAPEX)
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**Completion of Participation in Natural Gas Development & Production Project
and LNG Project in British Columbia, Canada**

Japan Petroleum Exploration Co., Ltd. (JAPEX) previously announced in our news release on March 4th, 2013 that it entered into a Heads of Agreement with Petroliam Nasional Berhad (PETRONAS) to participate in a natural gas development and production project in British Columbia, Canada and a planned LNG project on the western coast of the same province, both of which are undertaken by PETRONAS through Progress Energy Canada Ltd and its affiliates.

Today, JAPEX is pleased to announce that it has completed the necessary procedures for the participation in the project.

JAPEX acquired a 10% interest of the natural gas blocks in North Montney, British Columbia through our Canadian subsidiary, JAPEX Montney Ltd. established on March 7th, 2013, as well as 10% interest of Pacific Northwest LNG Project which is under contemplation located on Lelu Island within the District of Port Edward on land administered by the Port of Prince Rupert (estimated LNG production volume: 12MMtonnes/y), including a commitment to offtake 1.2MMtonnes/y of LNG which is equivalent to the 10% interest.

In commemoration of the completion of our participation, we had a signing ceremony at the New Otani, Tokyo on April 29, with Tan Sri Dato' Shamsul Azhar Abbas, President & CEO of PETRONAS and its top management. In the ceremony, PETRONAS and JAPEX reconfirmed our decades-long relationship and mutual enthusiasm toward the project.

Outlines of the natural gas development & production project and LNG project are as below:

1. Natural gas development and production project

Location North Montney, British Columbia, Canada

2. LNG Project

Plant Location Lelu Island, within the District of Port Edward on land administered by the Port of Prince Rupert, British Columbia, Canada

LNG Production 12MMtonnes/y

Final Investment Decision Planned end of 2014

First LNG Production Planned end of 2018

3. About JAPEX Montney Ltd.

Registered Company name JAPEX Montney Ltd. (Alberta, Canada)

Location Calgary, Alberta, Canada

Director Osamu Watanabe (President of JAPEX)

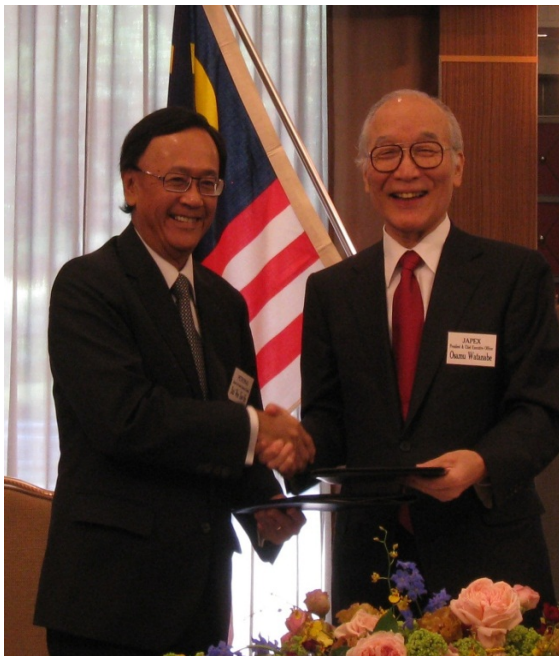
Establishment March 7th, 2013

<Signing Ceremony>



Participants at the signing ceremony :

Progress Energy Chairman, *Dato' Wee Yaw Hin* (far left) / JAPEX President, *Osamu Watanabe* (2nd from left) / President & CEO of PETRONAS, *Tan Sri Dato' Shamsul Azhar Abbas* (center left) / JAPEX Chairman, *Yuji Tanahashi* (center right) / Pacific Northwest LNG Chairman, *Datuk Anuar Ahmad* (2nd from right) / JAPEX Executive Vice President, *Hiroshi Sato* (far right).



Signatories at the ceremony :

Progress Energy Chairman, *Dato' Wee Yaw Hin* (left)
JAPEX President, *Osamu Watanabe* (right)



Pacific Northwest LNG Chairman,
Datuk Anuar Ahmad (right)
JAPEX President, *Osamu Watanabe* (left)