



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

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Koriyama North Pipeline to be Constructed

Japan Petroleum Exploration Co., Ltd. (hereafter, "JAPEX") announces its decision to construct a new pipeline for the transportation of natural gas between Motomiya-City and Koriyama-City in Fukushima Prefecture (hereafter, "Koriyama North Pipeline").

Over the years, JAPEX has constructed and operated Niigata-Sendai Pipeline (261km, operation commenced April 1996) and Shiroishi-Koriyama Pipeline (95km, operation commenced March 2007), and has been supplying natural gas along the said pipelines through JAPEX's affiliate, TOHOKU NATURAL GAS Co., Inc., established jointly with Tohoku Electric Power Co., Inc.

JAPEX has been whole saling natural gas to Tobu Gas Co., Ltd. Fukushima Branch (hereafter, "Tobu Gas"), which covers Koriyama-City area in its town gas business, since Shiroishi-Koriyama Pipeline commenced operation. The Koriyama North Pipeline will be a new pipeline that bifurcates from the Shiroishi-Koriyama Pipeline within Motomiya-City situated in the north of Koriyama-City and extends toward the eastern region of Koriyama-City which is also a Tobu Gas service area. The construction of this pipeline will significantly enhance the capacity to supply natural gas to Koriyama-City as well as the stability of that supply, and enable JAPEX to respond more flexibly than in the past to the customer's demand, mainly for industrial use. Utilizing the Koriyama North Pipeline in collaboration with Tobu Gas, JAPEX will promote the widespread use of natural gas, thereby contributing to the protection of the environment and economic stimulation in the region.

Natural gas is expected to come into more widespread use in the future as an environmentally friendly energy source. JAPEX is currently investigating the commercialization of a project to construct an LNG receiving terminal in Soma, Fukushima Prefecture (November 30, 2012 news release), with a view to improving the gas supply infrastructure as well as securing a stable gas source (LNG) to further strengthen an integrated natural gas supply system comprising upstream, midstream and downstream operation.

JAPEX will pay careful attention to matters of safety when constructing the Koriyama North Pipeline and greatly appreciate your understanding and cooperation in this regard.

【Outline of Koriyama North Pipeline】

- Section: From Motomiya-City, Fukushima Prefecture (gas pipeline bifurcation point from the Shiroishi-Koriyama Pipeline) to Koriyama-City, Fukushima Prefecture
- Length: Approximately 12km
- Diameter: 6 inches (150mm)
- Design pressure: 6.86MPa
- Commencement of service: February 2015 (scheduled)

【Natural gas pipeline network】

