



September 2, 2013

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### **Production starts at the Garraf oil field in the Republic of Iraq**

Japan Petroleum Exploration Co., Ltd. (hereafter, "JAPEX") is pleased to announce that the First Oil has been achieved on August 31(LCT), 2013 from the Garraf oil field in Thi Qar Province, the southern part of the Republic of Iraq, which Japex Garraf Ltd., an affiliate of JAPEX, together with Malaysian National Oil Company PETRONAS, as Operator, and North Oil Company, as state partner, are jointly developing.

JAPEX, in partnership with PETRONAS, secured the winning bid in December 2009 under Iraq's Second Petroleum Licensing Round and was awarded the Development & Production Service Contract for the Garraf Contract Area (hereafter, "DPSC"), which is located in 85km north of City of Nasiriyah in southern Iraq.

After winning the bid, JAPEX, together with PETRONAS, started the development of the field, completed the construction of the base camp in March 2011, and started drilling of the wells in June 2011. Up to now, 11 wells (2 appraisal and 9 development wells) have been drilled and surface facilities necessary for the initial production have been constructed. Contractual obligation for the First Commercial Production is average 35,000 barrels oil per day (bopd) over 90 days and the plateau production of 230,000 bopd is planned to be achieved in 2017.

As for the export oil which Japex Garraf Ltd. will be entitled to lift under the DPSC, JAPEX is now elaborating its sales and marketing policy and working on various options, including the idea of bringing the export oil to Japan, as JAPEX has committed itself to the improvement of the energy supply of Japan.

## 【Summary of development project of the Garraf field】

### 1. Parties to DPSC

- South Oil Company
- Contractors                      Participating Interest      (Payment Share)
  - PCIHBV                              45%                              (60%)
  - Japex Garraf Ltd.                      30%                              (40%)
  - North Oil Company                      25%                              ( - )

Note: North Oil Company's participating interest share of costs and expenses will be carried by PCIHBV (PETRONAS Carigali Iraq Holding B.V.) and Japex Garraf Ltd. according to their respective participating interest share.

### 2. Contract Term: 20 years (extendable for a maximum period of five (5) years)

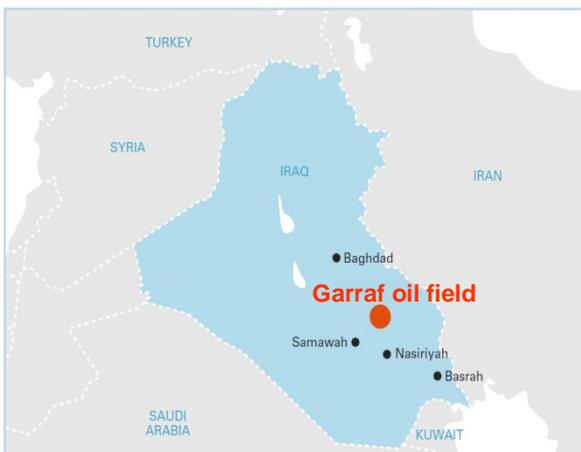
### 3. Planned Production

- Year-2017 and after : 230,000 bopd (Plateau Production Target)
- Expected cumulative production during the contract term: 1.3 billion barrels

### 4. Summary of Japex Garraf Ltd.

- President : Osamu Watanabe (President of JAPEX)
- Establishment : March 2010
- Shareholder : JAPEX 55%, JOGMEC 35%, Mitsubishi Corporation 10%

【Location map of Garraf oil field】



【Surface facilities】

