



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

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Joint Study for Geothermal Energy Development in Fukushima, Japan

Japan Petroleum Exploration Co., Ltd. (hereafter, “JAPEX”) is pleased to announce that as a member of the Fukushima Geothermal Project Team, JAPEX will commence a joint study for geothermal energy development starting from late September this year at the Bandaisan area in Bandai Asahi National Park, Fukushima Prefecture.

The Fukushima Geothermal Project Team is comprised of ten companies: Idemitsu Kosan Co., Ltd., INPEX CORPORATION, Sumitomo Corporation, JAPEX, Geothermal Energy Research & Development Co., Ltd., Japan Metals & Chemicals Co., Ltd., Mitsui Oil Exploration Co., Ltd., Mitsubishi Gas Chemical Company, Inc., Mitsubishi Corporation and Mitsubishi Materials Corporation.

1. Area of the Study

The Bandaisan area in Bandai Asahi National Park (Bandai town, Inawashiro town, Kitashiobara village, all these municipalities belonging to Yama gun, located in the piedmont of Mt. Bandaisan), Fukushima Prefecture, Japan.

In addition to the above piedmont area of Mt. Bandai, the Azuma Adatara area, Fukushima Prefecture, is also considered the future study area for which discussions are continued with local communities.

2. Outline of the Study

The joint study includes the following surveys for the initial phase. These surveys will not affect the environment or hot springs in the area:

- Survey for hot spring sources, geochemical analysis of fluids: Observation, sampling and analysis of hot spring water and ground water
- Survey for geological alteration zones: geological surface survey for the areas surrounding the Bandaisan area and sampling of adequate size of rocks
- Micro-seismicity survey: Installation of sensors to detect and record micro-earthquakes
- Environmental research: Impacts on social environment (laws and regulations etc.) and natural environment (landscape, fauna and flora etc.)

3. Schedule of the Study

The Initial phase of the study will be conducted in the fiscal year 2014 (ending March 31, 2014). Once we confirm geothermal potential in these areas based on the result of the initial study, we will move on to the second phase of the study in the fiscal years 2015-2016 with the consent by the local communities secured.