



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

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**Exercise of Option to Acquire Additional Interests in Exploration Licence, UK North Sea
and Establishment of New Subsidiary**

As stated in a press release issued on 25th March 2014, JAPEX UK E&P LIMITED, wholly owned by Japan Petroleum Exploration Co., Ltd. (“JAPEX”), executed a farm-out agreement with Apache North Sea Limited (“Apache”) to acquire participating interests in four licences located in the UK North Sea in return for the payment of certain well and other costs.

We are pleased to hereby announce that, through its newly established subsidiary, JAPEX UK E&P CENTRAL LIMITED (“JUKC”), and the financial assistance of Japan Oil, Gas and Metals National Corporation (“JOGMEC”), the option has now been exercised under the agreement with Apache to acquire increased working interests in License P1998 (the Val D’Isere prospect) and P2001 (the Les Arcs prospect). In return for the payment of certain well and other costs, JUKC can now acquire a 10% working interest in the Val D’Isere prospect and a 20% working interest in the Les Arcs prospect. Apache remains the designated operator for both of the Val D’Isere and Les Arcs prospects.

The Val D’Isere prospect and the Les Arcs prospect licences are located approximately 300km east of Aberdeen, in the North Sea, covering a total area of 175 km² with a water depth of around 100m. A 3D seismic survey is being reprocessed and one well is planned on each prospect in the future.

These transfers of interest in the UK North Sea are subject to United Kingdom Government and co-venturer approvals.

