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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 25<sup>th</sup> 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 km<sup>2</sup> 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.

## [Outline of New JAPEX Subsidiary]

Establishment : 15th September 2014

Registered Company Name : JAPEX UK E&P CENTRAL LIMITED (UK Company) : 1 Pound Sterling (at the date of the establishment) Capital

Director : Kazuo Nakayama (Senior Managing Director of JAPEX)

Location : London, UK

Shareholder : at the date of the establishment JAPEX 100%

> after DECC approval **JAPEX** 50%

> > JOGMEC 50%

Accounting Closing Month : December

## [Outline of licences]

Number of Block : P.1998, P.2001

Location : UK North Sea, approximately 300km east from Aberdeen

Total acreage : 175km<sup>2</sup>

Participating Interest in return for JUKC		Participating Interest in return for JUKC	
payment of certain well and other costs		payment of certain well and other costs	
(prior to option exercise)		(after option exercise)	
P1998 (blocks 21/9b,21/10b)			
Apache North Sea Limited	55%	Apache North Sea Limited	50%
Premier Oil UK Limited	40%	Premier Oil UK Limited	40%
JAPEX UK E&P LIMITED	5%	JAPEX UK E&P CENTRAL LIMITED	10%
P2001(block 22/6e)			
Apache North Sea Limited	50%	Apache North Sea Limited	40%
Premier Oil UK Limited	40%	Premier Oil UK Limited	40%
JAPEX UK E&P LIMITED	10%	JAPEX UK E&P CENTRAL LIMITED	20%

