



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

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### **Conduct of Exploratory Drilling at Offshore Hidaka Area of Hokkaido**

Japan Petroleum Exploration Co., Ltd. (JAPEX) announced today that it will conduct an exploratory drilling operation at offshore Hidaka area of Hokkaido, for the purpose of understanding the presence of crude oil and natural gas in the designated area, as part of the commissioned project by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry (ANRE).

ANRE selected the location approximately 50 kilometers offshore of Hidaka area of Hokkaido and the depth of approximately 1,070 meters as the prospecting well location based on the geophysical survey results obtained through its owned seismic vessel "SHIGEN," and ANRE has prepared and developed the actual plan of exploratory drilling with JAPEX.

JAPEX is proceeding with the preparation for site-survey planned on September to October of 2018 to determine seafloor condition at the prospecting well location. Based on the result of site-survey, JAPEX schedules to conduct the exploratory drilling operation at the location during March to July of 2019.

Since its establishment, JAPEX has expanded and strengthen our business by exploration and production of crude oil and natural gas in both domestic and overseas, with stable energy supply to society as our mission. JAPEX considers that this project will make further contributions for stable energy supply in Japan as well as enhancement of our corporate value, if commercial production of crude oil and natural gas could be achieved in the future through the success of this project.

JAPEX will execute this project with safety as the first priority, along with getting continued understanding and cooperation by local community and local governments.

The effect of this project to the consolidated financial forecasts is negligible.

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(Appendix) Map of the prospecting well location on the project

(Appendix)

**Map of the prospecting well location on the project**

