



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

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Start of Power Generation at FGP Fukushima Natural Gas Power Plant Unit No.1

Japan Petroleum Exploration Co., Ltd. (JAPEX) announced that Fukushima Natural Gas Power Plant (hereinafter "the power plant") started to generate electric power by the Unit No.1, as the first parallel operation in commissioning today. The power plant is under construction by Fukushima Gas Power Co., Ltd. (hereinafter "FGP"), which is a project company to promote the project of natural gas-fired power generation at Soma Port in Shinchi Town, Fukushima Prefecture (hereinafter "the project") with the business partners including JAPEX.

This power plant uses regasified LNG (Liquefied Natural Gas) for fuel, given lower environmental burden and has a generating capacity of 1.18 million kW by two-generation units of GTCC (Gas Turbine Combined-Cycle) that achieves higher efficiency. FGP and its business partners decided on the commercialization in October 2016, and the construction of the plant started in October 2017. By proceeding as planned, the commissioning of the Unit No.1 has been conducted from late November, and the plant achieved the first parallel operation today.

Aiming the commercial operation of the plant since the spring of 2020, further examinations and verifications of Unit No.1 will be proceeded. Also, the construction of Unit No.2 of the plant will continue, aiming the commercial operation in the summer of 2020.

Besides, as second phase construction, the No.2 LNG tank with 230,000 KL capacity and additional regasification equipment is under construction by JAPEX entrusted from FGP in Soma LNG Terminal. The commissioning of the second phase is also proceeding sequentially, and additional regasification equipment and started to send regasified LNG to the plant as the fuel of power generation. The commercial operation of additional regasification equipment will be spring of 2020, and of No.2 LNG tank in the summer of 2020.

Please refer to the appendix for the outline of the plant and the second construction phase in Soma LNG Terminal, as well as the corporate profile of FGP.

For the stable supply of electricity by lower cost and environmental burden, and the contribution of economic

development in the surrounding area, FGP and the business partners including JAPEx will be proceeding the construction work of the power plant with safety management as the first priority, with understanding and cooperation by the local residents and the relevant authorities.

JAPEx will proceed to conduct the business with the aspiration of stable energy supply and to contribute for the local areas through our activities, aiming for the realization of "Growth to the Integrated Energy Company Utilizing Oil and Gas E&P and its Supply Basis" as raised in Long-term Vision and Mid-term Business Plan announced in May 2018.

There will be no impact on the consolidated financial forecasts for the fiscal year ending March 31, 2020. The impact on consolidated financial forecasts after the fiscal year ending March 31, 2021 will be disclosed promptly if necessary.

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Appendix

1. Outline of Fukushima Natural Gas Power Plant

Name	Fukushima Natural Gas Power Plant
Site	Soma Port No.4 Warf, Shinchi Town, Fukushima Prefecture
Area	10 ha
Method	Gas Turbine and Steam Power (Gas Turbine Combined Cycle (GTCC) type)
Capacity	1.18 million kW (two units of 0.59 million kW)
Fuel	Natural Gas (Regasified LNG) * Storage and regasification of LNG will be entrusted to JAPEX Soma LNG Terminal, located adjacent to the plant
Generating Efficiency	Approximately 61% (Based on Lower Heat Generation)
Commercial Operation (Planned)	Unit No.1: Spring of 2020 Unit No.2: Summer of 2020

2. Outline of the Second Construction Phase in Soma LNG Terminal

No.2 LNG Tank	Storage Capacity: 230,000 KL (Ground Pre-stress Concrete (PC) Type) Commercial Operation: Summer of 2020 (Planned)
Additional Regasified Equipment	Gas Conducting Capacity: 5 MPa 75t/h × 2 Commercial Operation: Spring of 2020 (Planned)

3. Corporate Profile of Fukushima Gas Power Co., Ltd. (As of December 16, 2019)

Name	Fukushima Gas Power Co., Ltd. (Abbreviation: FGP)	
Head Office	Sapia Tower, 1-7-12, Chiyoda-ku, Tokyo 100-0005 Japan	
Foundation	April 23, 2015	
Representative	Yoshitaka Ishii, President and Chief Executive Officer (Director and Managing Executive Officer of Japan Petroleum Exploration Co., Ltd.)	
Capital Stock	1,074 million yen (Capital Stock: 537 million yen / Capital Reserve: 537 million yen)	
Shareholders (Business Partners) / Investment Ratio	Japan Petroleum Exploration Co., Ltd.	33%
	Mitsui & Co., Ltd.	29%
	Osaka Gas Co., Ltd.	20%
	Mitsubishi Gas Chemical Co., Inc.	9%
	Hokkaido Electric Power Co., Inc.	9%
Main Business	Promoting the Natural Gas-Fired Electric Power Generation Business	
Local Office	The Plant Construction Office	