



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

June 26, 2020

Company Name: Japan Petroleum Exploration Co., Ltd. (JAPEX)
Representative: Masahiro Fujita, Representative Director and President
Security Code: 1662 (First Section of Tokyo Stock Exchange)
Inquiries: Corporate Communication Office
TEL.: +81-3-6268-7110

Commercial Production Commencement of Crude Oil from Shallow Reservoir at the Yufutsu Oil and Gas Field in Hokkaido

Japan Petroleum Exploration Co., Ltd. (JAPEX) announced that the production of heavy crude oil commenced today from the Takinoue Formation (hereinafter “the shallow reservoir”), which is located above the current producing reservoirs of the Yufutsu Oil and Gas field at Tomakomai City, Hokkaido.

The presence of crude oil in the shallow reservoir was confirmed by a production testing in 2013, and since economic viability was secured by workover of existing wells and diversion of idle production facilities, we decided the development of the shallow reservoir in June 2017(*). Subsequently, workover of the existing wells, installation of production equipment for wellheads and the processing facilities for heavy oil were being conducted, and after completion of production testing and commissioning in June 2020, commercial production of crude oil began today.

The initial production rate of crude oil from the shallow reservoir is approximately 200 kiloliters per day. We will continue reservoir evaluation based on the analysis of production data and will examine the possibility of the further development potential in the shallow reservoir.

We will continue to place the highest priority on safety in the production and operation of oil and gas fields in Japan and overseas, while maximizing the value of oil and gas resources by maintaining and increasing production at existing fields and conducting exploration activities to discover new oil and gas fields.

The impact of this matter on the consolidated financial results for the fiscal year ending March 31, 2021 has already been factored into the full-year earnings forecast disclosed on May 14, 2020.

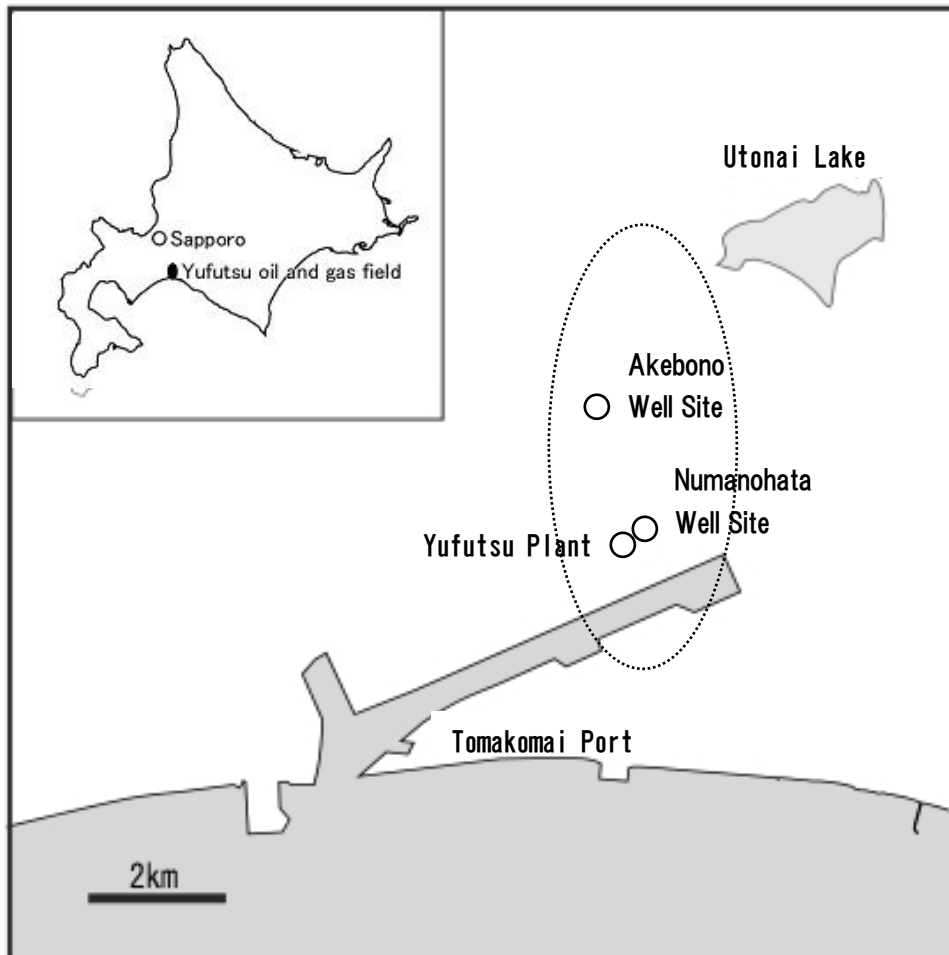
Notice)

* Refer to “Commencement of Oil Development of a Shallow Reservoir of Yufutsu Oil and Gas Field in Hokkaido” announced on July 22, 2017.

https://www.japex.co.jp/newsrelease/pdfdocs/JAPEX20170622_YufutsuShallowFormationDevelopment_i.pdf

(Reference)

Map of the Yufutsu Oil and Gas Field and its main sites concerning this announcement



Photos



Production equipment of wellheads



Crude oil processing facility