



Regarding Acquisition of Tight Oil and Gas Assets in the U.S.

December 18, 2025

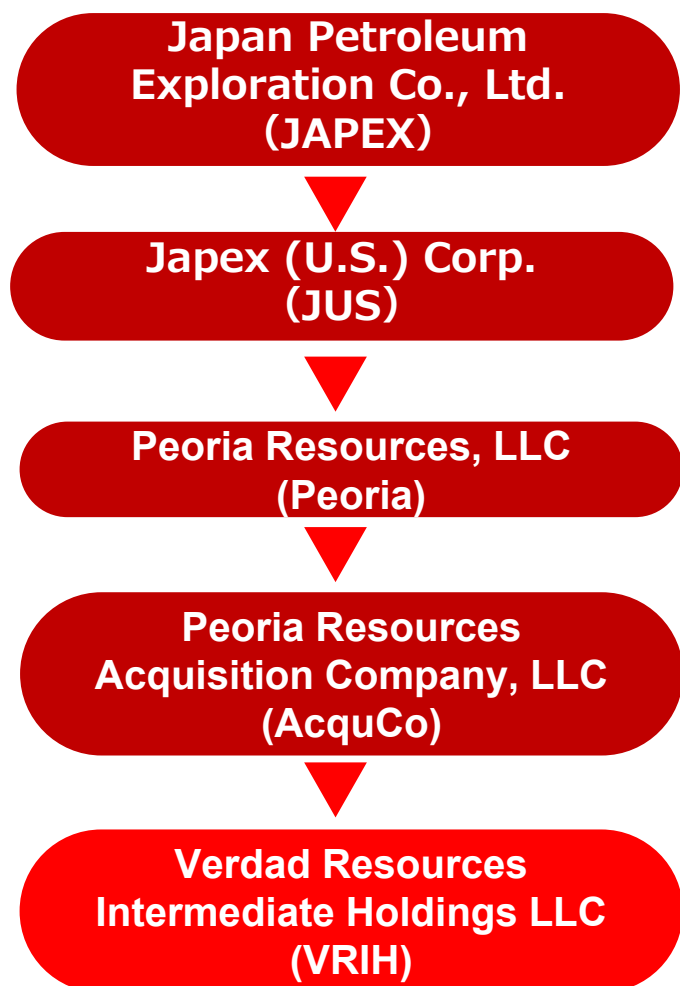
Japan Petroleum Exploration Co., Ltd.

Note: This document has been translated from the Japanese original for reference purposes only.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Acquisition of Tight Oil and Gas Assets in the U.S.

- Japan Petroleum Exploration Co., Ltd. (JAPEX) has resolved to acquire tight oil and gas assets in the U.S. (hereinafter “the Assets”) through the acquisition of all equity interests in Verdad Resources Intermediate Holdings LLC (VRIH) via Peoria Resources Acquisition Company, LLC (AcquCo), managed by Peoria Resources, LLC (Peoria), an overseas subsidiary. The date of the interest transfer is scheduled for around the end of February 2026 upon completion of the agreed closing procedures.



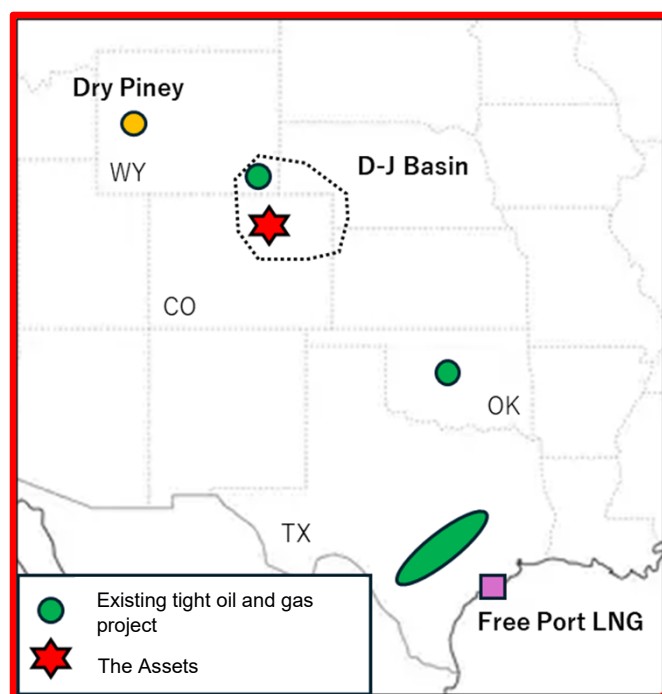
<Overview of the Assets>

Item	Content
Oil-Gas Production Ratio	Light oil: 49% NGL (Natural Gas Liquids): 24% Natural gas: 27%
Main Acquired Assets	Wells in production: over 1,000 Wells planned development: over 1,000
Forms of Mining Rights Concession	Oil and gas lease agreement
Interest Ratio	Varying by mining district
Sales and Transportation	Selling to wholesale distributors within the U.S.

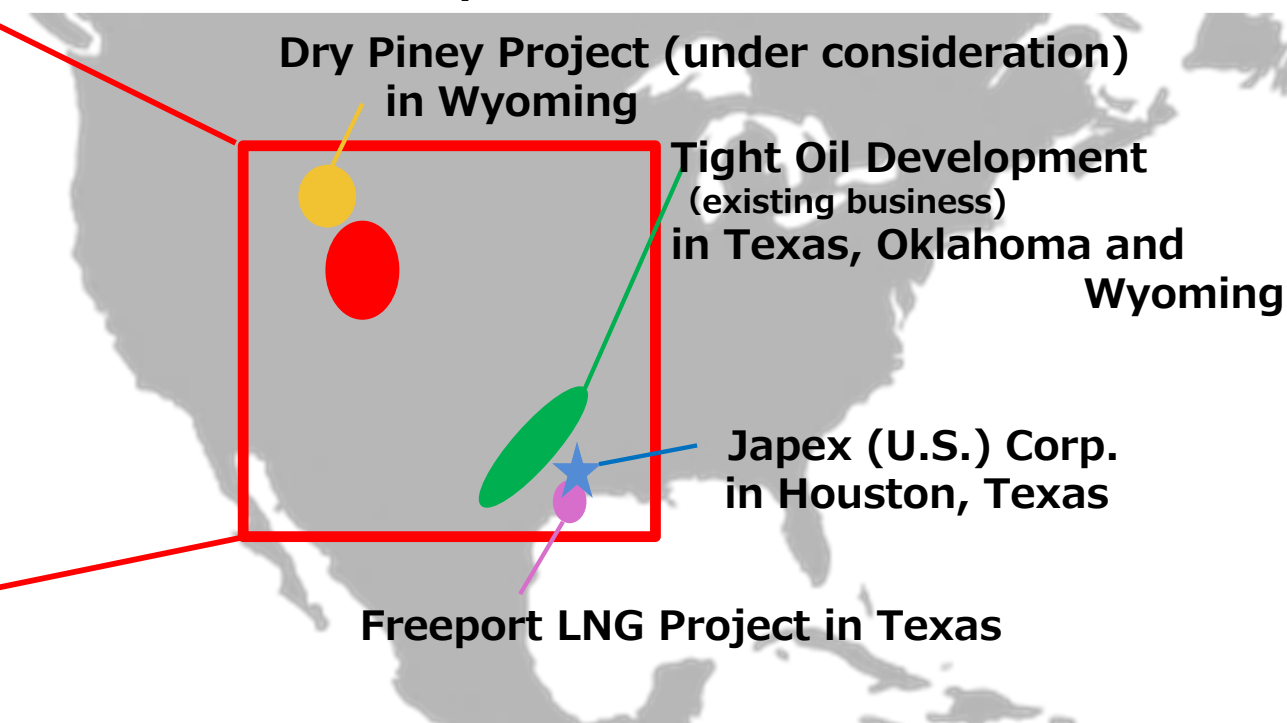
Location of the Assets

Item	Content
Location of the Assets	Denver-Julesburg Basin in northeastern Colorado (Some interests are in southeastern Wyoming)

“Tight Oil and Gas Development” (operator assets) acquired this time in Colorado and Wyoming



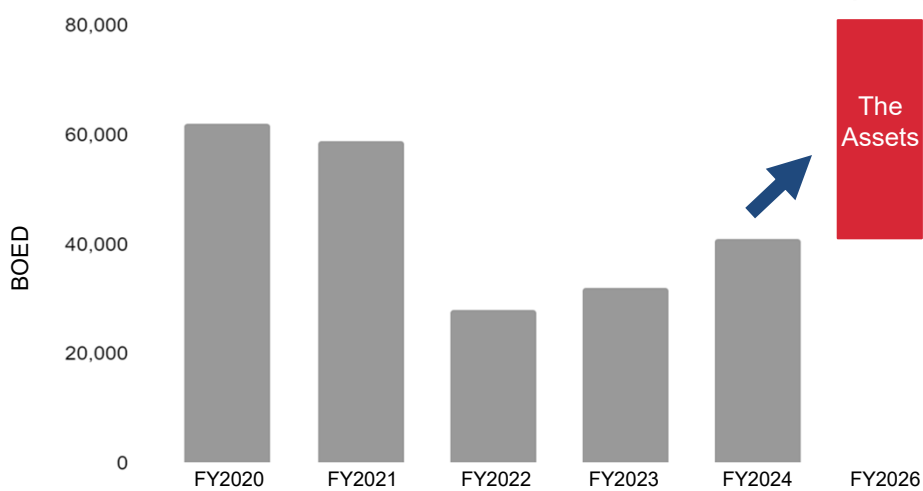
< U.S. Business Expansion >



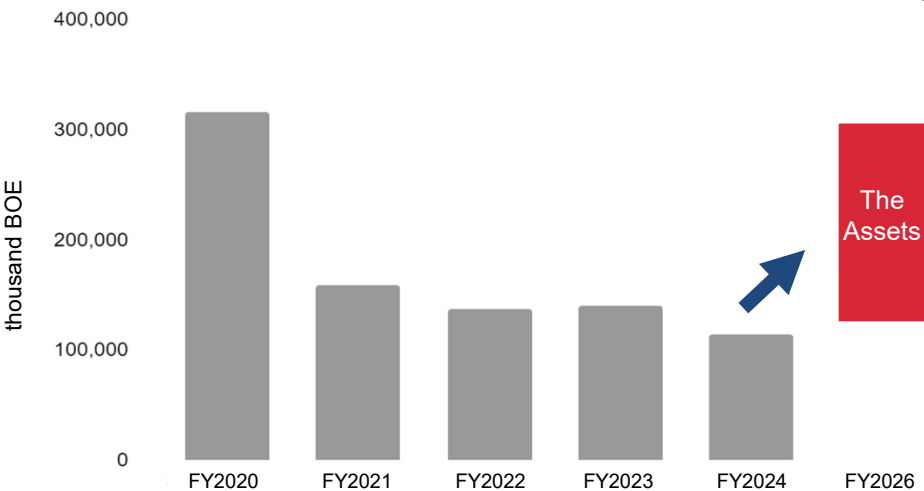
Expected production volume and reserves for the Assets

- Production volume is expected to increase by approximately twofold, and proven reserves are projected to rise by approximately threefold.

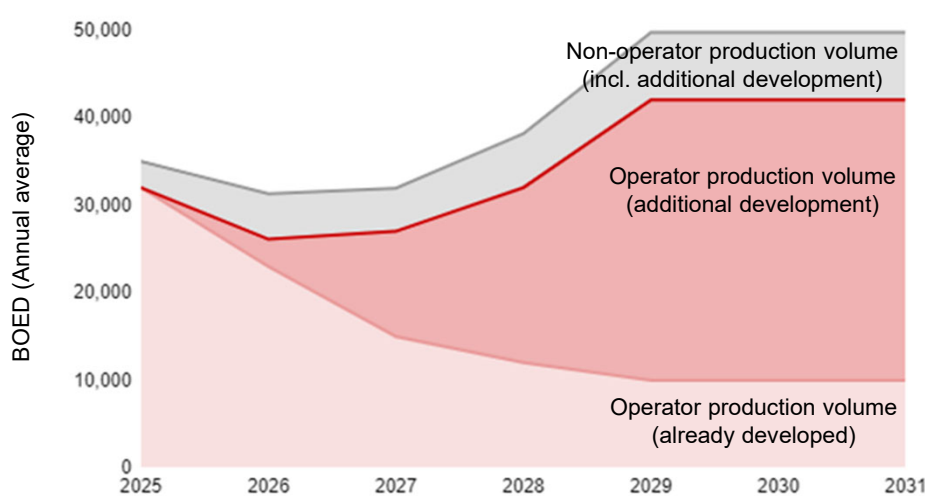
JAPEX Consolidated Net Proved Reserves Outlook (Image)



JAPEX Consolidated Production Volume Outlook (Image)



Production Profile of the Assets (Image)



Future Initiatives for the Operator Business

- Going forward, following the prescribed procedures, we plan to acquire an equity stake in VRIH around the end of February 2026.
- Peoria employees will lead production and development to launch the operator business. In addition to employees already hired at Peoria by the end of February 2026, recruitment efforts will also target employees primarily engaged in operations under the seller, with plans to secure approximately 50 personnel required for the development and operation of the Assets.
- JAPEX plans to continuously advance development from 2026 through the early 2030s.

< Operational Structure of the Asset via Peoria (image)>

role	Overview
CEO	Mr. Greg WEST Former CEO of Treadstone Energy Partners. Prior to that, he worked at BP for 20 years and possesses extensive experience.
CTO	Mr. David KITA Former Vice President of Subsurface at Treadstone Energy Partners. Prior to that, he worked at Castleton Resources, Vine Oil & Gas, and BP.
Operations Dept.	Approximately 15 people, responsible for drilling and completion, production, sales, HSE personnel, etc.
Engineering Dept.	Approximately 15 people, including geologists, reservoir engineers, etc.
Land Dept.	Approximately 10 people, responsible for regulatory compliance, mining area management, etc.
Finance Dept.	Approximately 10 people, including accounting staff.

(Reference) U.S. Business Expansion

Future outlook for core assets development

- Acquired operator assets for tight oil development, which will serve as a source of revenue, and aims to acquire gas assets and cooperate with Freeport LNG in the future
- Applying North American business management expertise cultivated at Japex (U.S.) Corp. (JUS) and Peoria Resources LLC to the Dry Piney project
- Leveraging business experience from the Dry Piney project, including CCS operations, to enhance E&P business

