



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

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Agreement to Execute Further Development of Garraf Oil Field to Increase Production

Japan Petroleum Exploration Co., Ltd. (JAPEX) announced that Japex Garraf Ltd.(consolidated subsidiary of JAPEX), PETRONAS Carigali Iraq Holding BV (as Operator, hereinafter “PETRONAS”) and North Oil Company (Iraqi national oil company as a state partner, hereinafter “NOC”) have reached an agreement to implement further development of Garraf Oil Field in the Republic of Iraq to increase production in accordance with the Final Development Plan (hereinafter “FDP”) approved by the Iraqi authority.

The consortium of PETRONAS and JAPEX was awarded the contract for the development and production of Garraf Oil Field located in southern Iraq in November 2009. Subsequently, Japex Garraf Ltd, PETRONAS and NOC (hereinafter collectively “Garraf Contractor”) has been actively engaged in development and production of the field. Since commencement of the first commercial production in August 2013, a total of 150 million barrels of crude oil has been produced and its current production volume is approximately 90,000 barrel per day on average.

The Garraf Contractor submitted the FDP to the Iraqi government in December 2013 for gradually ramping up its production volume to the plateau production target of 230,000 barrels per day, and continuously discussed the FDP with the Iraq government in detail. Since the FDP was approved by the Iraqi government for achievement of plateau production target in the fourth quarter of 2020, the operator and partners agreed with commencement of further development plan and its annual work program for 2018.

JAPEX, with its expertise in oil/gas exploration and development, will continuously contribute, through Japex Garraf Ltd, towards efficient development and optimization of production operations with a view to maximizing the project value.

In regards to the execution of the FDP, JAPEX does not recognize any impact on the consolidated financial forecasts of the fiscal year ending March 31, 2018. The impact in the fiscal year ending in March 31, 2019 and later will be disclosed promptly if and when it becomes necessary.

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