



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

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Final Investment Decision for Seagull Project in U.K. North Sea

Japan Petroleum Exploration Co., Ltd. (JAPEX) announced that the final investment decision for the Seagull oil project in the UK North Sea (hereinafter "Seagull") has been agreed by Neptune Energy (*1), the operator, and its joint venture partners BP and JAPEX. Seagull is expected to initially produce around 50,000 boepd (80 per cent oil) across its 10-year design life.

The submission of Field Development Plan (hereinafter "FDP") for Seagull to the Oil and Gas Authority of the UK government (hereinafter "OGA") was completed by agreement of all the participants on March 28 (GST). Execution works will commence subject to the OGA's approval of the FDP, with first production planned by the end of 2021.

Seagull is a high pressure, high temperature development located in the Central North Sea on UK licence P1622 Block 22/29C, 17km south of the BP Operated ETAP Central Processing Facility (CPF). Seagull will be tied back to the ETAP CPF partially utilising existing subsea infrastructure. Gas from the development will come onshore at the CATS processing terminal at Teesside, while oil will come onshore through the Forties Pipeline System to the Kinneil Terminal, Grangemouth.

Neptune is the operator of Seagull and has a 35% equity interest, and its joint venture partners are BP with 50% and JAPEX with 15%. JAPEX acquired its interest in March 2014 through its local subsidiary JAPEX UK E&P LIMITED (*2).

The JAPEX group has been making the contribution to its evaluation and verification (*3) for the decision in Seagull since our acquisition and will also continue to contribute for maximizing of its value with our obtained technologies and expertise in oil and gas E&P.

There will be no impact on the consolidated financial forecasts for the fiscal year ending March 31, 2019. The impact on consolidated financial forecasts after the fiscal year ending March 31, 2019 will be disclosed promptly if necessary.

(Note)

*1: Participating to the project through its 100% subsidiary Neptune E&P UKCS Ltd., please refer their website:

<https://www.neptuneenergy.com/en>

*2: Please refer our disclosure released on March 25, 2014, "Acquisition of Interest in Exploration License, UK North Sea and Establishment of New Subsidiary"

https://www.japex.co.jp/english/newsrelease/pdfdocs/20130325_Hokkai_E.pdf

*3: Please refer our disclosure released on November 2, 2015, "Success of Flow Test in Appraisal Well of Seagull Discovery, U. K. North Sea"

https://www.japex.co.jp/english/newsrelease/pdf/20151102_SeagullDiscovery_E.pdf

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(Appendix)

[Outline of Seagull]

License	P1622 Block 22/29C (Seagull)	
Location	U.K. North Sea, 300km east of offshore Aberdeen	
Participating Interest	Neptune E&P UKCS Limited (Operator)(*)	35%
	BP Exploration Operating Company Limited (**)	50%
	JAPEX UK E&P LIMITED (***)	15%

(*)100% Subsidiary of Neptune Energy / (**)Subsidiary of BP / (***) 100% subsidiary of JAPEX

[Location Map]

