



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

Consolidated financial results for the three months ended June 30, 2010

August 6, 2010

Japan Petroleum Exploration Co., Ltd.

Cautionary statement

Any information contained herein with respect to JAPEX's plans, estimates, strategies and other statements that are not historical facts are forward-looking statements about the future performance of JAPEX. Readers should be aware that actual results and events may differ substantially from these projections due to various factors.

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Note: The following abbreviations are used within this document:

1H = First half (1Q-2Q)

2H = Second half (3Q-4Q)

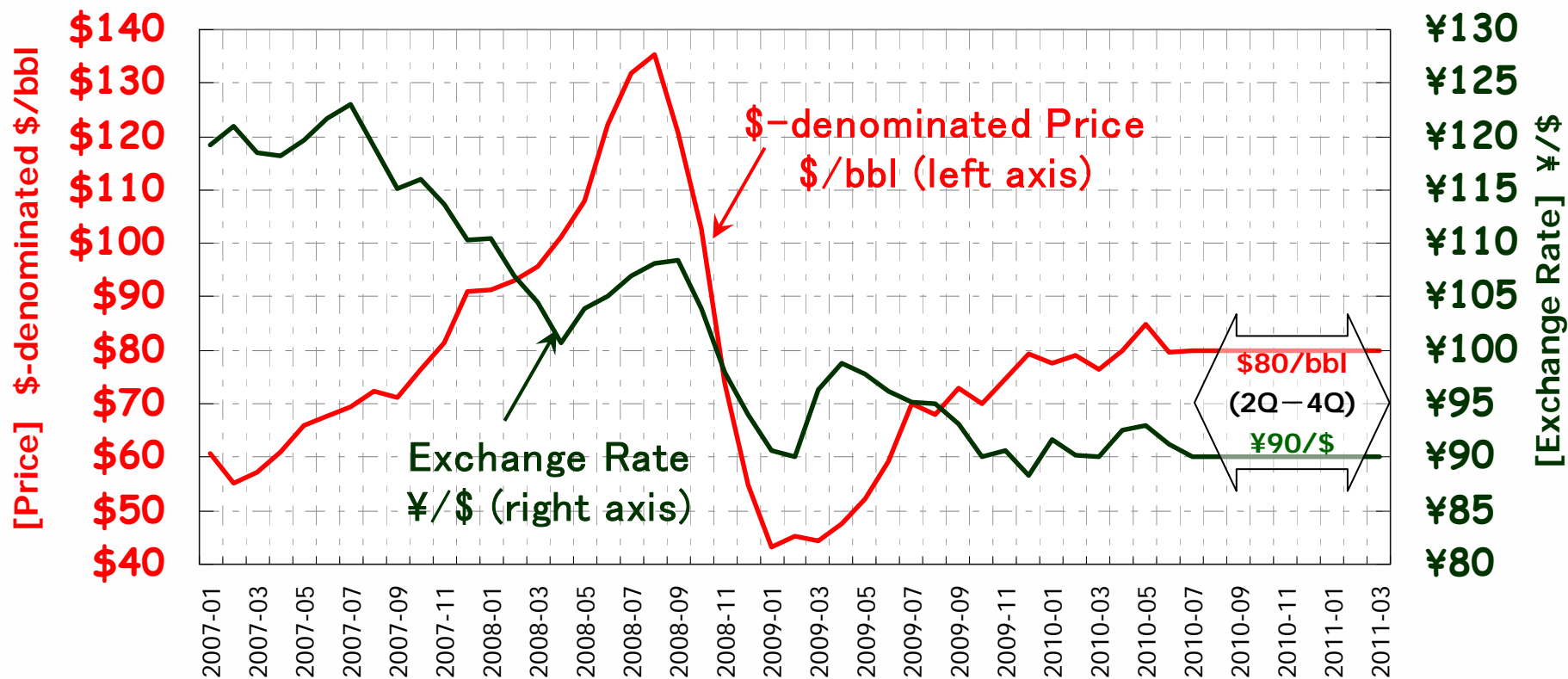
(a) = Actual result

(e) = Estimate

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Trends in Crude oil prices and Foreign exchange rates



Japan Crude Cocktail (JCC) Price in June 2010

on a prompt report basis: **\$ 79.65 /bbl**

¥ 91.29 / \$

Consolidated financial estimates for the FY2011 [Highlight]

[Billion ¥]	FY2010			FY2011			change			1Q-4Q % change
	1Q (a)	1Q-2Q (a)	1Q-4Q (a)	1Q (a)	1Q-2Q (e)	1Q-4Q (e)	1Q	1Q-2Q	1Q-4Q	
Net sales	37.7	70.5	179.7	46.5	91.1	196.8	8.7	20.5	17.1	10%
Operating income	2.4	2.8	13.1	5.1	4.1	13.2	2.6	1.3	0.1	1%
Ordinary income	4.6	5.1	23.2	6.1	5.2	14.9	1.5	0.0	(8.2)	(36%)
Net income	4.1	3.4	17.9	3.7	2.1	10.2	(0.3)	(1.3)	(7.6)	(43%)

[Oil price (USD/bbl) and Exchange rate (Yen/USD) assumptions]

JCC price	47.92	56.83	67.50	80.54	80.00	80.00	32.63	23.17	12.50
Exchange rate	97.69	96.36	92.74	92.00	90.00	90.00	(5.69)	(6.36)	(2.74)

[Bitumen price (CAD/bbl) and Exchange rate (Yen/CAD) assumptions]

Bitumen price	31.53	42.10	50.15	59.37	58.35	56.65	27.84	16.25	6.50
Exchange rate	77.99	82.97	88.07	91.36	85.00	85.00	13.37	2.03	(3.07)

Regarding consolidated financial forecasts, an examination of the first quarter results revealed that no changes are necessary to the six months and full-year forecasts released on May 14, 2010.

[Main points compared with previous year]

■ Operating income	-Gross profit	+¥1.3 billion	
+¥0.1 billion	-Exploration expenses and SG&A expenses	-¥1.1 billion	Domestic exploration expenses
■ Ordinary income	-Non-operating income (expenses)	-¥8.4 billion	Dividends income, Equity in earnings (losses) of affiliates
-¥8.2 billion			
■ Net income	-Extraordinary income (losses)	-¥2.2 billion	Application of new accounting standards
-¥7.6 billion	-Income Taxes	+¥2.8 billion	

Actual sales of Crude oil in the three months ended June 30, 2010

(Y o Y comparison)

Sales volume : Thousand KL Net sales : Million ¥		FY09	FY10	FY11	change
		1Q(a)	1Q(a)	1Q(a)	
Crude oil:	Sales volume	606	557	426	(130)
	Net sales	40,679	17,866	18,871	1,004

Decrease in purchased crude oil.
Rise in crude oil and bitumen prices.

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	126	127	135	8
	Net sales	9,001	4,345	6,354	2,009
Overseas subsidiary crude oil:	Sales volume	41	22	1	(20)
	Net sales	2,703	565	54	(511)
Bitumen:	Sales volume	106	98	101	3
	Net sales	3,822	1,517	3,477	1,960

Increase in sales volume.
Rise in sales prices.

Decrease in equity oil of Japex New Nanhai Ltd.

Increase in sales volume.
Rise in sales prices.

Oil price and Exchange rate assumptions

JCC price	USD/bbl	100.94	47.92	80.54	32.63
Exchange rate	Yen / USD	103.08	97.69	92.00	(5.69)
Bitumen price	CAD/bbl	58.09	31.53	59.37	27.84
Exchange rate	Yen /CAD	97.95	77.99	91.36	13.37

Sales volume and net sales of "Domestically produced crude oil" stated herein do not include purchased crude oil.
Sales volume and net sales of "Overseas subsidiary crude oil" are the sum totals of the sales volumes and net sales reported by two overseas consolidated subsidiaries (Japex New Nanhai Ltd. and Japex (U.S.) Corp.).

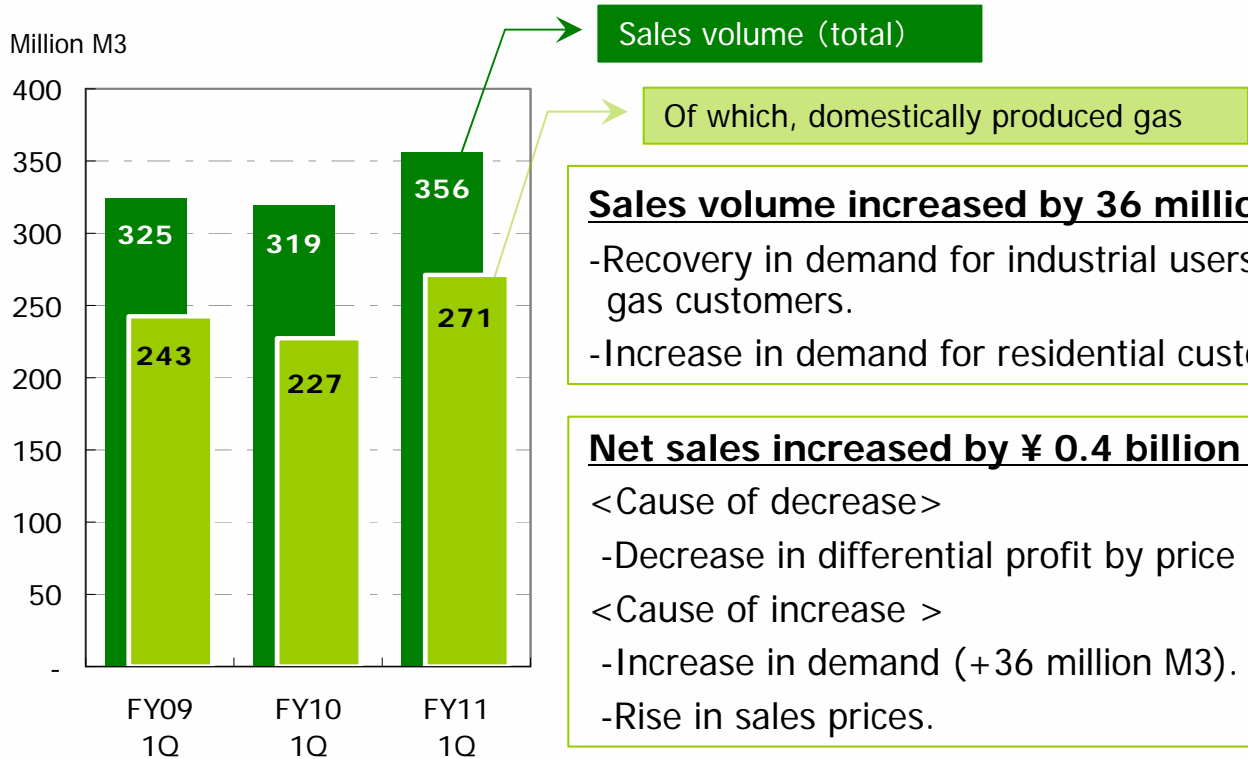
Actual sales of Natural gas in the three months ended June 30, 2010

(Y o Y comparison)

Sales volume : Million M3		FY09	FY10	FY11	change
Net sales : Million ¥		1Q(a)	1Q(a)	1Q(a)	
Natural gas:	Sales volume	325	319	356	36
	Net sales	11,505	13,779	14,226	447
Of which, Domestically produced gas:	Sales volume	243	227	271	43

-Increase in demand for industrial users and utility gas customers.
-Rise in sales prices.

Sales volume of "Domestically produced gas" stated herein does not include purchased gas.



Sales volume increased by 36 million M3 (+11.5%) y o y

- Recovery in demand for industrial users and commercial-scale utility gas customers.
- Increase in demand for residential customers.

Net sales increased by ¥ 0.4 billion (+3.2%) y o y

<Cause of decrease>

- Decrease in differential profit by price revisions of prior periods (FY2010).

<Cause of increase >

- Increase in demand (+36 million M3).
- Rise in sales prices.

Consolidated financial results for the three months ended June 30, 2010

(Y o Y comparison)

[Million ¥]	FY10	FY11	change
	1Q(a)	1Q(a)	
Net sales	37,790	46,526	8,736
Gross profit	12,675	14,914	2,239
Exploration expenses	2,866	2,402	(463)
SG&A expenses	7,310	7,335	24
Operating income	2,497	5,176	2,678
Non-operating income (expenses)	2,182	1,017	(1,164)
Ordinary income	4,679	6,194	1,514
Extraordinary income (losses)	(93)	(2,377)	(2,284)
Income taxes	355	(121)	(477)
Minority interests in income	124	207	82
Net income	4,106	3,730	(375)

« Causes of increase(+) or decrease(-) »

Gross profit

Domestic crude oil and natural gas
+¥1.1 billion
Overseas consolidated subsidiaries
+¥1.4 billion

Exploration expenses

Domestic exploration -¥1.0 billion
Overseas exploration +¥1.5 billion

Non-operating income (expenses)

Equity in earnings (losses) of affiliates
-¥0.5 billion
Loss on valuation of securities
-¥0.5 billion

Extraordinary income (losses)

Loss on adjustment for changes of accounting standard for asset retirement obligations
-¥2.3 billion