



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

Consolidated financial results for the six months ended September 30, 2010

November 5, 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.

The provision of this document should not be construed as a solicitation for investment.

Copyright : All information contained herein is protected by copyright, and may not be copied or reproduced without the prior consent of JAPEX.

Note: The following abbreviations are used within this document:

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

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

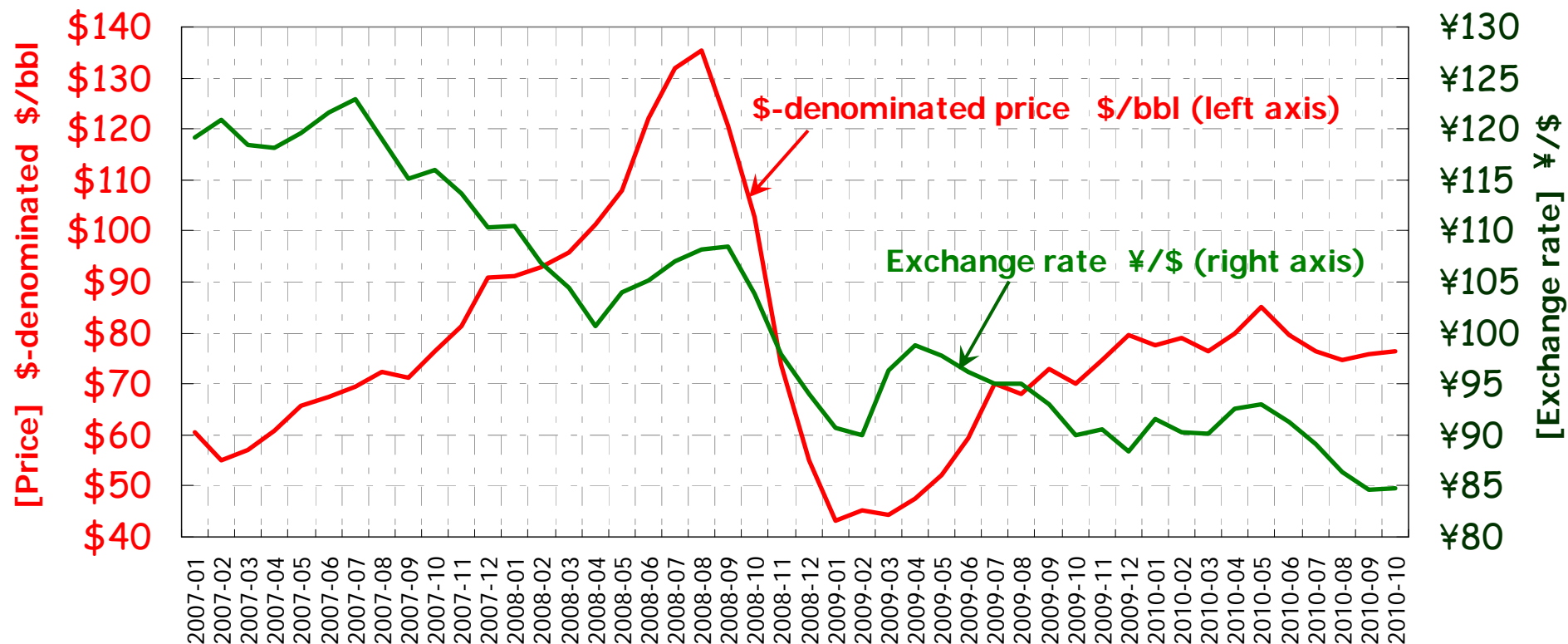
(a) = Actual result

(e) = Estimate

Any inquiries about the information contained herein or other Investor Relations questions should be directed to:

Investor Relations Group, Media & Investor Relations Department,
Japan Petroleum Exploration Co., Ltd.
TEL: +81-3-6268-7111

Trends in Crude oil prices and Foreign exchange rates



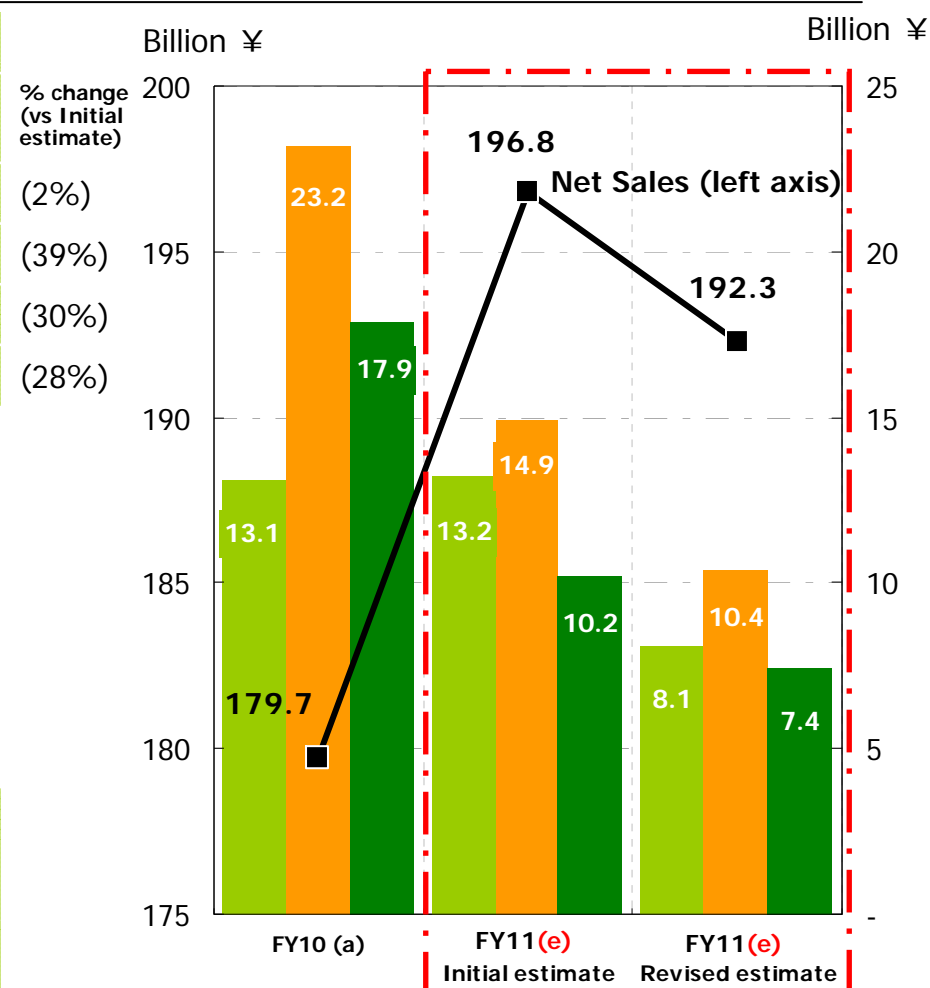
Japan Crude Cocktail (JCC) Price in the first ten days October 2010

on a prompt report basis : **USD 76.49 / bbl**

Yen 84.82 / USD

Revised estimates for FY2011 (Highlight)

[Billion ¥]	FY10 (a)	FY11 (e)			% change (vs Initial estimate)
		Initial estimate (May '10)	Revised estimate (Nov. '10)	change	
Net Sales	179.7	196.8	192.3	(4.5)	(2%)
Operating income	13.1	13.2	8.1	(5.1)	(39%)
Ordinary income	23.2	14.9	10.4	(4.5)	(30%)
Net income	17.9	10.2	7.4	(2.8)	(28%)
JCC price USD/bbl	67.50	80.00	79.53	(0.47)	
Exchange rate Yen/USD	92.74	90.00	87.56	(2.44)	
Bitumen price CAD/bbl	50.15	56.65	49.31	(7.34)	
Exchange rate Yen/CAD	88.07	85.00	80.00	(5.00)	
	1Q (a)	2Q (a)	3Q (e)	4Q (e)	
JCC price USD/bbl	80.54	79.96	80.00		
Bitumen price CAD/bbl	59.37	46.16	45.70		



Main points of revised estimate : causes of increase(+) or decrease(-)

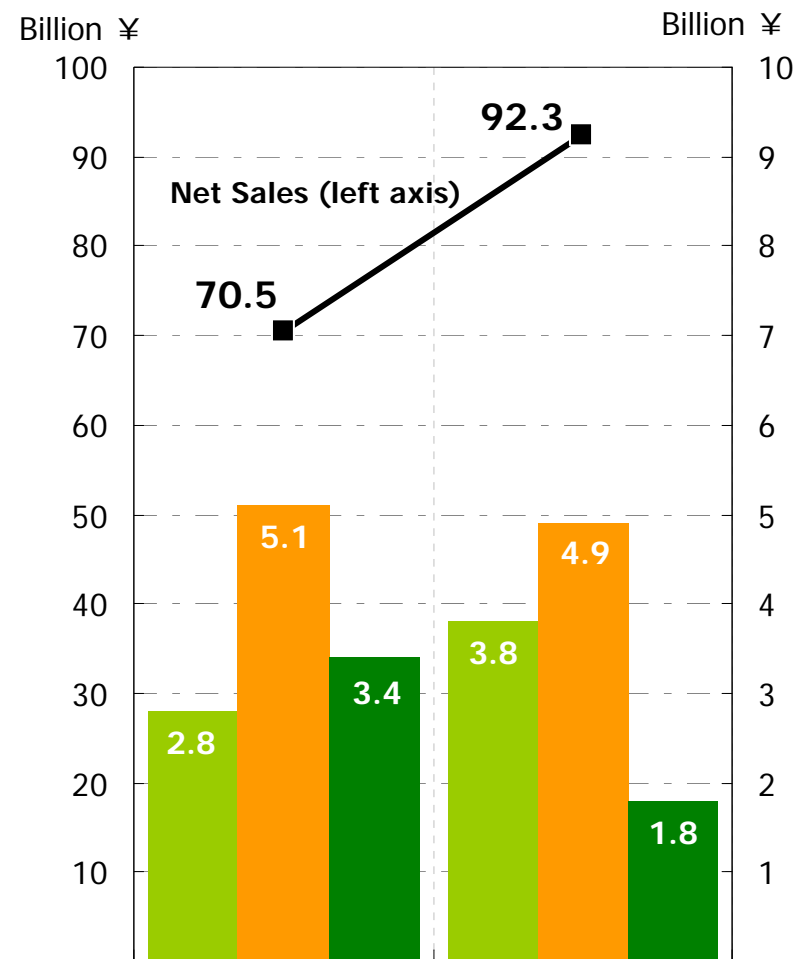
□ Domestically produced crude oil and natural gas	- ¥ 4.2 billion	} Ordinary income - ¥ 4.5 billion
□ Bitumen	- ¥ 1.3 billion	
□ Exploration expenses	+ ¥ 1.0 billion	

- Operating income (right axis)
- Ordinary income (right axis)
- Net income (right axis)

JAPEX

Actual results for 1H FY2011 (Summary)

[Billion ¥]	FY10 1H (a)	FY11 1H		% change (vs Initial estimate)
		Initial estimate (May '10) (e)	(a)	
Net Sales	70.5	91.1	92.3	1%
Operating income	2.8	4.1	3.8	(8%)
Ordinary income	5.1	5.2	4.9	(6%)
Net income	3.4	2.1	1.8	(12%)
JCC price USD/bbl	56.83	80.00	78.95	
Exchange rate Yen/USD	96.36	90.00	90.71	
Bitumen price CAD/bbl	42.10	58.35	52.98	
Exchange rate Yen/CAD	82.97	85.00	83.76	



Main points of difference with initial estimate :

- Operating income - ¥ 0.3 billion (-8%)
 - Net Sales - ¥ 1.1 billion
 - Exploration expenses / SG&A expenses + ¥ 0.8 billion
- Ordinary income - ¥ 0.3 billion (-6%)
- Net income - ¥ 0.3 billion (-12%)

- Operating income (right axis)
- Ordinary income (right axis)
- Net income (right axis)

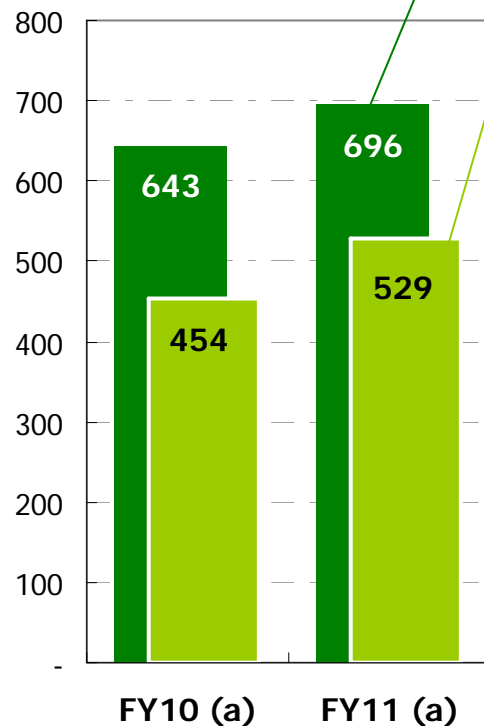
Actual sales of Natural gas in 1H FY2011

Sales volume : Million M3		FY10	FY11	change
Net sales : Million ¥		1H(a)	1H(a)	
Natural gas :	Sales volume	643	696	53
	Net sales	24,924	27,039	2,115
Of which, Domestically produced gas :	Sales volume	454	529	74

-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.

Million M3



Sales volume (total)

Of which, domestically produced gas

Sales volume increased by 53 million M3 (+8%) vs FY10.

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

Net sales increased by ¥ 2.1 billion (+8%) vs FY10.

<Cause of increase >

- Increase in demand. (+53 million M3 (+8%))
- Rise in sales prices.

<Cause of decrease >

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

Actual sales of Crude oil in 1H FY2011

Sales volume : Thousand KL Net sales : Million ¥		FY10 1H(a)	FY11 1H(a)	change
Crude oil:	Sales volume	967	946	(21)
	Net sales	33,008	38,242	5,233

-Decrease in equity oil of Japex New Nanhai Ltd.
-Rise in crude oil and bitumen prices.

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	250	246	(4)
	Net sales	9,394	11,083	1,689
Overseas subsidiary crude oil:	Sales volume	23	3	(20)
	Net sales	598	117	(480)
Bitumen:	Sales volume	188	197	9
	Net sales	4,140	5,512	1,372

-Rise in crude oil 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	56.83	78.95	22.12
Exchange rate	Yen/USD	96.36	90.71	(5.65)
Bitumen price	CAD/bbl	42.10	52.98	10.88
Exchange rate	Yen/CAD	82.97	83.76	0.79

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 results for 1H FY2011 (vs FY2010)

[Million ¥]	FY10 1H(a)	FY11 1H(a)	change
Net sales	70,567	92,369	21,802
Gross profit	23,106	24,140	1,034
Exploration expenses	5,386	6,023	636
SG&A expenses	14,855	14,272	(582)
Operating income	2,864	3,845	981
Non-operating income (expenses)	2,320	1,083	(1,236)
Ordinary income	5,184	4,929	(255)
Extraordinary income (losses)	(204)	(2,414)	(2,210)
Income taxes	1,231	243	(988)
Minority interests in income	250	374	124
Net income	3,498	1,896	(1,602)

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

Gross profit

Domestic crude oil and natural gas
+ ¥0.2 billion
Overseas consolidated subsidiaries
+ ¥0.8 billion

Exploration expenses

Domestic exploration - ¥2.4 billion
Overseas exploration + ¥1.7 billion

Non-operating income (expenses)

Equity in earnings (losses) of affiliates
- ¥0.6 billion
Receipt of compensation - ¥0.5 billion

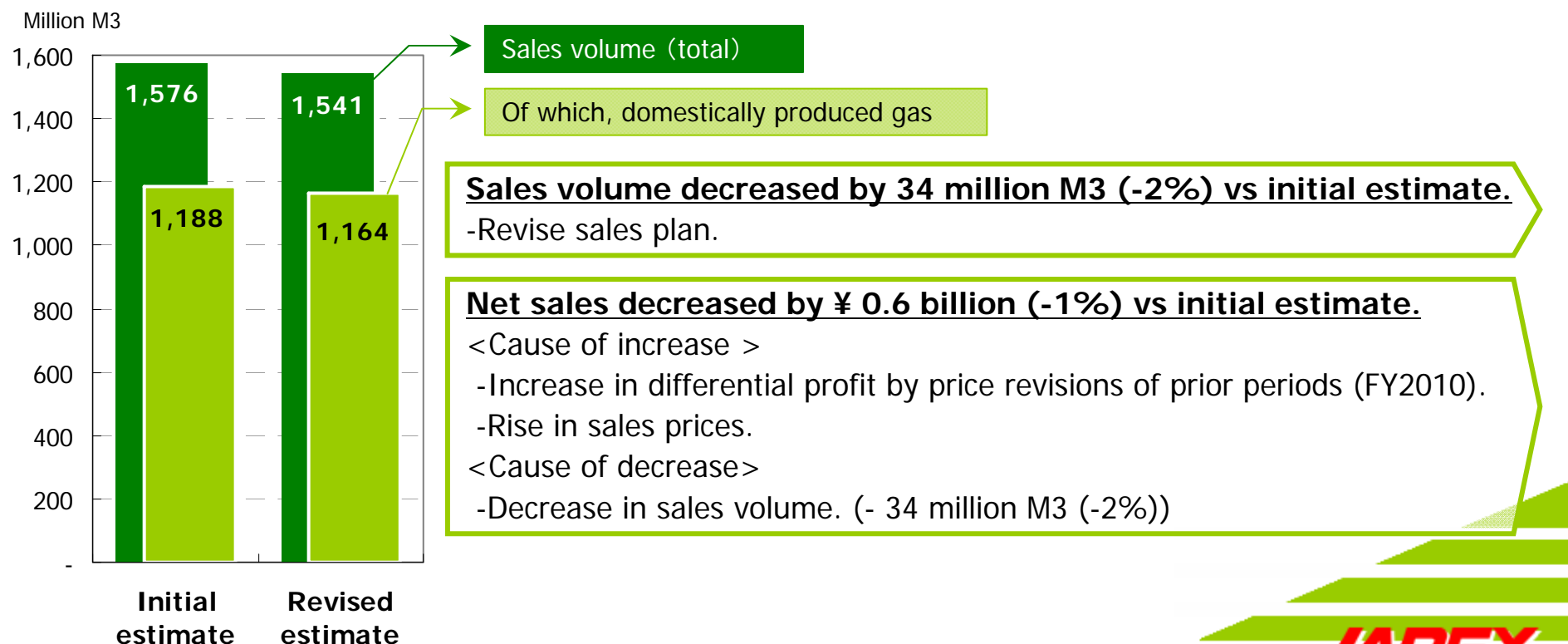
Extraordinary income (losses)

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

Revised estimated Natural gas sales in FY2011 (vs Initial estimate)

Sales volume : Million M3 Net sales : Million ¥		Initial estimate (May '10)		Revised estimate (Nov. '10)		change	
		1H (e)	Full (e)	1H (a)	Full (e)	1H	Full
Natural gas :	Sales volume	706	1,576	696	1,541	(10)	(34)
	Net sales	26,819	60,376	27,039	59,749	220	(627)
Of which, Domestically produced gas :	Sales volume	534	1,188	529	1,164	(4)	(24)

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



Revised estimated Crude oil sales in FY2011 (vs Initial estimate)

Sales volume : Thousand KL Net sales : Million ¥		Initial estimate (May '10)		Revised estimate (Nov. '10)		change	
		1H (e)	Full (e)	1H (a)	Full (e)	1H	Full
Crude oil :	Sales volume	969	2,017	946	1,883	(23)	(134)
	Net sales	40,536	83,713	38,242	73,708	(2,293)	(10,006)
Breakdown of equity oil							
Domestically produced crude oil :	Sales volume	270	594	246	540	(24)	(54)
	Net sales	12,297	26,804	11,083	23,840	(1,213)	(2,964)
Overseas subsidiary crude oil :	Sales volume	2	5	3	6	1	1
	Net sales	67	128	117	195	51	67
Bitumen :	Sales volume	196	410	197	398	1	(13)
	Net sales	6,116	12,430	5,512	9,869	(603)	(2,562)
Oil price and Exchange rate assumptions							
JCC price	USD/bbl	80.00	80.00	78.95	79.53	(1.05)	(0.47)
Exchange rate	Yen/USD	90.00	90.00	90.71	87.56	0.71	(2.44)
Bitumen price	CAD/bbl	58.35	56.65	52.98	49.31	(5.37)	(7.34)
Exchange rate	Yen/CAD	85.00	85.00	83.76	80.00	(1.24)	(5.00)

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.).

Revised estimates for FY2011 (vs Initial estimate)

[Million ¥]	Initial estimate (May '10)	Revised estimate (Nov. '10)	change
Net sales	196,891	192,319	(4,572)
Gross profit	55,595	49,999	(5,596)
Exploration expenses	11,795	10,763	(1,031)
SG&A expenses	30,533	31,092	559
Operating income	13,267	8,144	(5,123)
Non-operating income (expenses)	1,640	2,310	670
Ordinary income	14,908	10,454	(4,454)
Extraordinary income (losses)	(2,073)	(2,456)	(383)
Income taxes	1,759	(101)	(1,860)
Minority interests in income	811	666	(145)
Net income	10,265	7,434	(2,831)

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

Gross profit

Domestic crude oil and natural gas	- ¥4.2 billion
Overseas consolidated subsidiaries	- ¥1.3 billion

Exploration expenses

Domestic exploration	+ ¥0.7 billion
Overseas exploration	+ ¥0.2 billion

Non-operating income (expenses)

Dividends income	+ ¥0.9 billion
Equity in earnings (losses) of affiliates	+ ¥0.6 billion
Loss on valuation of securities	- ¥0.6 billion
Foreign exchange losses	- ¥0.7 billion

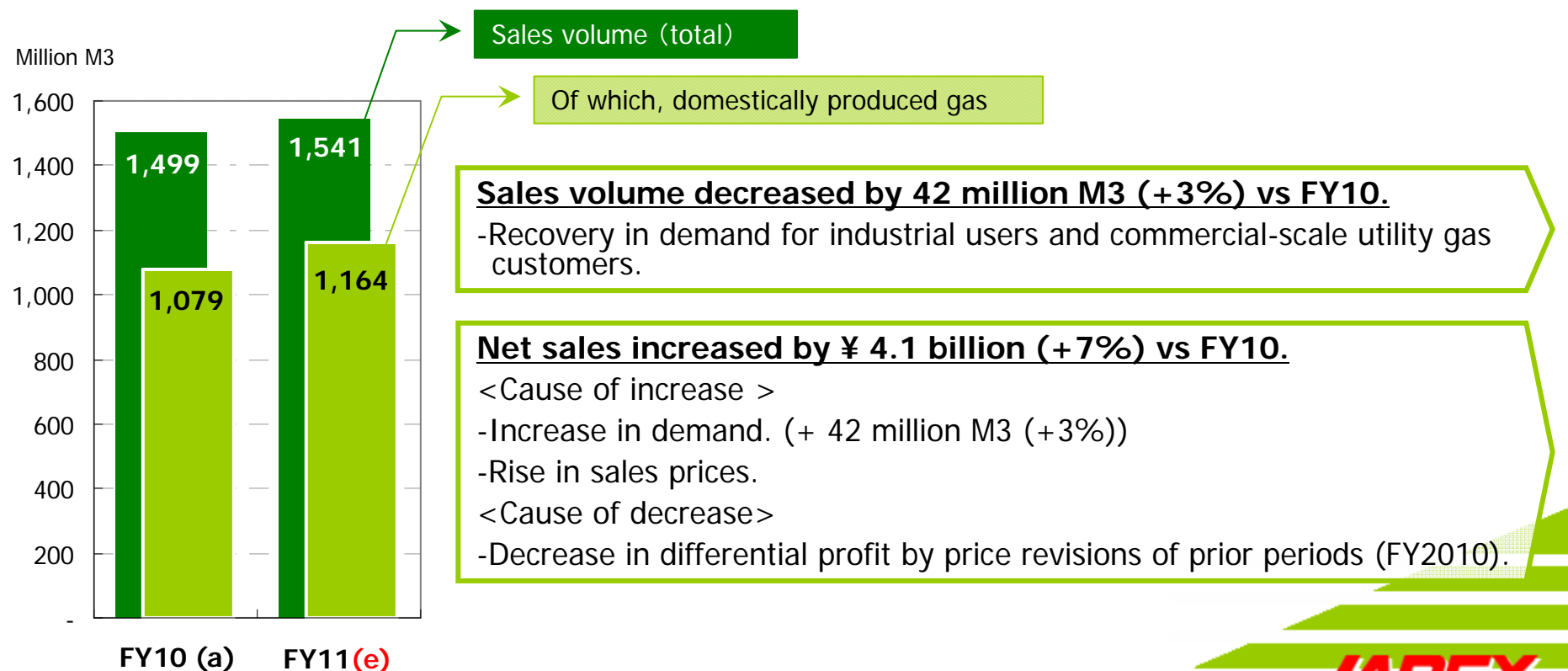
Extraordinary income (losses)

Loss on adjustment for changes of accounting standard for asset retirement obligations	- ¥0.3 billion
--	----------------

Revised estimated Natural gas sales in FY2011 (vs FY2010)

Sales volume : Million M3		FY10	FY11 Revised estimate (Nov. '10)		change (vs FY10)	
Net sales : Million ¥		Full (a)	1H (a)	2H (e)		Full (e)
Natural gas:	Sales volume	1,499	696	845	1,541	42
	Net sales	55,593	27,039	32,710	59,749	4,155
Of which, Domestically produced gas:	Sales volume	1,079	529	635	1,164	85

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



Revised estimated Crude oil sales in FY2011 (vs FY2010)

Sales volume : Thousand KL		FY10	FY11 Revised estimate (Nov. '10)			change
Net sales : Million ¥		Full (a)	1H (a)	2H (e)	Full (e)	(vs FY10)
Crude oil:	Sales volume	2,125	946	937	1,883	(242)
	Net sales	80,742	38,242	35,466	73,708	(7,035)

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	564	246	294	540	(24)
	Net sales	23,122	11,083	12,757	23,840	718
Overseas subsidiary crude oil:	Sales volume	25	3	3	6	(20)
	Net sales	690	117	78	195	(496)
Bitumen:	Sales volume	411	197	201	398	(14)
	Net sales	11,433	5,512	4,357	9,869	(1,565)

Oil price and Exchange rate assumptions

JCC price	USD/bbl	67.50	78.95	80.00	79.53	12.03
Exchange rate	Yen/USD	92.74	90.71	85.00	87.56	(5.18)
Bitumen price	CAD/bbl	50.15	52.98	45.70	49.31	(0.84)
Exchange rate	Yen/CAD	88.07	83.76	80.00	80.00	(8.07)

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.).

Revised estimates for FY2011 (vs FY2010)

[Million ¥]	FY2010 (a)	FY2011 (e)	change
Net sales	179,752	192,319	12,567
Gross profit	54,285	49,999	(4,286)
Exploration expenses	10,396	10,763	367
SG&A expenses	30,769	31,092	322
Operating income	13,119	8,144	(4,975)
Non-operating income (expenses)	10,087	2,310	(7,778)
Ordinary income	23,206	10,454	(12,753)
Extraordinary income (losses)	162	(2,456)	(2,618)
Income taxes	4,443	(101)	(4,545)
Minority interests in income	986	666	(320)
Net income	17,939	7,434	(10,506)

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

Gross profit

Domestic crude oil and natural gas
- ¥1.9 billion
Overseas consolidated subsidiaries
- ¥2.0 billion

Exploration expenses

Domestic exploration - ¥2.5 billion
Overseas exploration + ¥2.1 billion

Non-operating income (expenses)

Dividends income - ¥5.6 billion
Equity in earnings (losses) of affiliates
- ¥1.2 billion
Loss on valuation of securities
- ¥0.6 billion




Extraordinary income (losses)

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

3Q-4Q : Oil price and Exchange rate assumptions and impact on profits

		FY2010			FY2011				
		1H (a)	2H (a)	Full (a)	1Q (a)	2Q (a)	3Q (e)	4Q (e)	Full (e)
JCC price	USD/bbl	56.83	75.98	67.50	80.54	76.96	80.00		79.53
Exchange rate	Yen / USD	96.36	90.59	92.74	92.00	89.03	85.00		87.56
Bitumen price	CAD/bbl	42.10	56.94	50.15	59.37	46.16	44.97	46.50	49.31
Exchange rate	Yen /CAD	82.97	88.07	88.07	91.36	83.76	81.18	80.00	80.00

3Q-4Q :	JCC price	Exchange rate	Bitumen price (4Q)
Assumption	USD 80 /bbl	Yen 85 /USD	CAD 46.50 /bbl (Yen 80 /CAD)

3Q-4Q :	USD 1 /bbl increase in crude oil prices would push profits up by...	A weakening in the yen to Yen 5/USD would push profits up by...	CAD 1/bbl increase in bitumen prices would push profits up by...
Impact on Profits			
Operating income	140 million Yen	450 million Yen	(600 thousand CAD) 48 million Yen
Net income	90 million Yen	320 million Yen	(520 thousand CAD) 42 million Yen

Note: In addition to the impact of exchange rate fluctuations shown on the above, translation adjustments of foreign-currency- denominated receivables and payables also occur.
Actual profits are influenced by a variety of other factors besides crude oil prices and exchange rates.