

Re. K2 Acquisition of an oil & gas interest in the U.S. from Anadarko Petroleum Corporation

May 18, 2007
Nippon Oil Corporation
Mitsubishi Corporation

PRESS RELEASE

Nippon Oil Exploration U.S.A. Limited (NOEX USA), a wholly owned subsidiary of Nippon Oil Exploration Limited (President, Teruo Omori), which is an upstream arm of Nippon Oil Corporation (President, Shinji Nishio) and MCX Gulf of Mexico, LLC (MCX: Representative, Tetsuro Kuwabara), a subsidiary of Mitsubishi Corporation (President, Yorihiro Kojima), jointly acquired a 23.2% working interest (11.6% each) in the K2 Unit located in the deepwater outer continental shelf of the Gulf of Mexico within the U.S. The interest was acquired by NOEX USA and MCX from Anadarko Petroleum Corporation (Anadarko), an independent oil and gas company, through a joint bidding proposal.

Anadarko will remain the operator of the K2 unit, with a 41.8% working interest. Other partners are ENI Petroleum US LLC, ConocoPhillips Company, Union Oil of California, NOEX USA and MCX.

The K2 Unit, 1,300 meters in water depth, is located in 200 kilometers offshore of the State of Louisiana. Having recent successive discoveries of large reservoirs in the area surrounding the K2 Unit, the developments have lately attracted attention in the industry. The current gross production from the K2 Unit is approximately 40,000 barrels of oil equivalent per day (Boed) and allocation to both NOEX USA and MCX is to be 9,300 Boed. In addition to long-term stable hydrocarbon production, further increases in oil and gas reserves are expected through development and exploration programs in the future.

Nippon Oil Group and Mitsubishi Corporation Group have been focusing their efforts on the U.S. Gulf of Mexico, where there are a number of oil and gas fields both in production and undeveloped with high potential. Each of the companies is committed to expand business activities in the U.S. Gulf of Mexico which is one of each company's strategic core areas. Both companies have the same focus in other areas which include Asia, Oceania and the North Sea.

End

