

## Nippon Oil Exploration Limited Entered into Block 16-2 Production Sharing Contract Offshore Vietnam

November 16, 2007

### PRESS RELEASE

Nippon Oil Corporation (President: Mr. Shinji Nishio) announced today that Nippon Oil Exploration Limited ("NOEX") (President: Mr. Teruo Omori.), its upstream arm and a wholly owned subsidiary, entered into a Production Sharing Contract (PSC) for Block 16-2 Offshore Vietnam. NOEX (40%) was awarded Block 16-2 along with its other partners PetroVietnam Exploration and Production Corporation Limited ("PVEP" as Operator, 45%)- a wholly owned subsidiary of Vietnam National Oil and Gas Group (Petrovietnam) and Joint Venture VietsovPetro ("VSP", 15%). NOEX, PVEP and VSP signed PSC with Petrovietnam acting as the national oil company of the Socialist Republic of Vietnam.

Block 16-2 covers 2,785km<sup>2</sup> with water depth of approximately 40-50m and is located in the Cuu Long Basin adjacent to Bach Ho, which is known as the biggest oil and gas field in Vietnam, and Te Giac Trang, and other oil fields discovered in 2005. Block 16-2 is also within close proximity to the Rang Dong and Phuong Dong oil fields in Block 15-2, which are operated by Japan Vietnam Petroleum Co., Ltd (JVPC), a subsidiary of NOEX.

During the first phase of the exploration period, it is expected that new 3D seismic acquisition and processing activities will be conducted and 2 exploration wells will be drilled.

Nippon Oil Group is aiming to expand its upstream operations and has been conducting exploration, development and production activities around the world. It has been expanding its upstream operations in the Southeast Asian region, especially in Vietnam, where NOEX now has interests in Block 16-2, Block 15-2 (Rang Dong (46.5%) and Phuong Dong (64.5%) oil fields) and Block 5-1 b/c (35%).

#### 1. Project Summary

(a)Block	Block 16-2 Offshore Vietnam		
(b)Signing date	16 <sup>th</sup> November, 2007		
(c)Block Acreage	2,785km <sup>2</sup>		
(d)Water Depth	40-50m		
(e)Working Interests	PVEP (*1)		45%
	NOEX (*2)		40%
	VSP (*3)		15%

(\*1) 100% subsidiary of Petrovietnam

(\*2) 100% subsidiary of Nippon Oil Corporation

(\*3) 50%/50% Joint Venture company of Petrovietnam and Russia's state-owned Zarubezhneft

## 2. Term

(a) Exploration Period (b) Plan	3 years Acquisition, processing new 3D seismic, drilling of 2 exploration wells
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