

New Oil Discovery in WA-435-P, offshore Canning Basin, Western Australia

August 19, 2014

PRESS RELEASE

JX Nippon Oil & Gas Exploration Corporation (“JX Nippon”) (President and CEO: Shunsaku Miyake) is pleased to announce that its wholly owned Australian subsidiary, JX Nippon Oil & Gas Exploration (Australia) Pty Ltd has made an oil discovery in the Phoenix South-1 exploration well in the Exploration Permit WA-435-P, located in the offshore Canning Basin, Australia.

Wireline and formation pressure tools have confirmed at least four discrete oil columns ranging in thickness between 26 and 46 meters in the Triassic Lower Keraudren Formation, within an overall, sand-rich section between 4,160 and 4,500 meters below sea level.

The Phoenix South-1 well is located offshore western Australia, 180 km north of Port Hedland. Formation evaluation is still underway and final calculation of hydrocarbon pay will depend on additional analysis.

This area includes a number of large, undrilled structures including those in the adjacent Permit WA-437-P held by the same partners, located south to WA-435-P, with potential to be significant additional oil accumulations. Further exploration and appraisal is planned for 2015.

JX Nippon is committed to further exploration activities and evaluation studies with the joint venture partners aiming towards commercial development offshore western Australia.

1. JX Nippon Oil & Gas Exploration (Australia) Pty Ltd

- (1) Registered Corporate Office: Perth, Australia
- (2) Managing Director: Hironori Wasada
- (3) Paid-in Capital: A\$34,809M (as of April, 2014)
- (4) Establishment: April, 1997

2. Summary of WA-435-P

- (1) Permit Location: North West Shelf, offshore Australia
- (2) Permit Name: WA-435-P
- (3) Participating Interest:

Apache Northwest Pty Ltd	(40%)
JX Nippon Oil & Gas Exploration (Australia) Pty Ltd	(20%)
Finder Exploration Pty Ltd	(20%)
Carnarvon Petroleum Limited	(20%)
- (5) Operator: Apache Northwest Pty Ltd

WA-435-P/Phoenix South-1 Well Location Map

