

Confirmation of significant hydrocarbon discovery

March 11, 2011

PRESS RELEASE

JX Nippon Oil & Gas Exploration Corporation ("Nippon") (Mr. Makoto Koseki, President and CEO) announced today that the appraisal well 22/25a-10z on the Culzean discovery has confirmed the presence of a significant hydrocarbon accumulation. Nippon is participating in the Culzean discovery as a Joint Venture partner through its wholly owned subsidiary, JX Nippon Exploration and Production (U.K.) Limited ("JXNEPUK").

The well, operated by Maersk Oil, was drilled in the UK sector of the Central North Sea in 89 m of water depth to verify the extension of the original 2008 Culzean discovery well (22/25a-9z).

Gas and condensate has been confirmed at an average depth of ca. 4.5 Km, within the target reservoirs of Triassic and Jurassic age. The well has been tested in two intervals and delivered an equipment constrained rate of nearly 40 MMscf/d of gas in addition to 900 Bbls/d of condensate from each interval. The discovery is considered to be one of the most promising UKCS discoveries of recent years.

The Joint Venture has agreed to a programme of further appraisal drilling, including a downdip sidetrack, to assess the full extent of the field.

JXNEPUK has been actively exploring, developing and producing oil and gas in the North Sea since 1993 and is committed to further expanding its business in the region, which is one of Nippon's core areas worldwide.

The Joint Venture comprises: Maersk Oil (Operator), 49.99% participation interest; JXNEPUK, 17.06%; Eni UK, 16.95% and BP, 16.00%.

1. JX Nippon Exploration and Production (U.K.) Limited

- (1) President and CEO: Makoto Koseki
- (2) Shareholders: JX Nippon Oil & Gas Exploration Corporation 100%
- (3) Paid-in capital: GBP57.51million
- (4) Established: December 2, 1996

2. Culzean Location Map

