

Natural Gas Flow at Davy Jones No.1 in Gulf of Mexico

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PRESS RELEASE

JX Nippon Oil & Gas Exploration Corporation ("NOEX") (President and CEO, Makoto Koseki) announced today that one of NOEX's 100% subsidiary companies, JX Nippon Oil Exploration (Gulf) Limited ("NOEX Gulf"), confirmed natural gas flow at an undetermined rate from the Davy Jones No.1 well *1 on South Marsh Island Block 230 in the Gulf of Mexico.

Davy Jones is an ultra-deep high-pressure high-temperature ("HPHT") prospect. NOEX Gulf, together with McMoRan Oil & Gas LLC (Operator) and other partners, have jointly carried out drilling operations at the Davy Jones Prospect since August 2009. The Davy Jones No.1 well made a gas discovery on the prospect in January 2010. The Davy Jones offset appraisal well located on South Marsh Island Block 234 (Davy Jones No.2 well *2) confirmed the spread of hydrocarbon on the Davy Jones Prospect in February 2011. The completion work of the Davy Jones No.1 well has been carried out and the preparation for the flow test has been conducted to date correspondingly.

South Marsh Island Block 230 is located in approximately 20 feet of water on the shelf of the Gulf of Mexico about 16 miles offshore Louisiana. Most of the shallow water ultra-deep play in the Gulf of Mexico is left un-explored, and NOEX believes this outcome of the flow test is remarkable in light of demonstrating natural gas flow from an ultra-deep HPHT prospect for the first time within the area embracing numerous candidates of the same type. NOEX Gulf and its partners are to verify the reservoir volume as well as the production capability of the Davy Jones Prospect through further testing.

NOEX Group, as an enterprise active in the Gulf of Mexico, where there are currently enormous oil and gas fields in production as well as enriched business opportunities, will continue to strengthen our operations in the Gulf.

*1 TD 29,004ft TVD

*2 TD 30,517ft TVD

Working Interest of Davy Jones Prospect	
McMoRan Oil & Gas LLC	63.36%
Energy XXI GOM, LLC	15.84%
NOEX Gulf	12.00%
Moncrief Offshore LLC	8.80%

<South Marsh Island Block 230>

