

Major asset acquisition in the UKCS

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PRESS RELEASE

JX Nippon Oil and Gas Exploration (President and CEO, Shigeo Hirai) announces that its wholly owned subsidiary, JX Nippon Exploration and Production (U.K.) Limited ("JXNEPUK", President and CEO, Kemmei Nakata), has signed sale and purchase agreements for the acquisition from the Eni group of companies ("Eni") of an extensive portfolio of non-operated oil and gas assets in the UK Continental Shelf (UKCS).

Mr. Hirai said:-

"This is an important contribution to JX's upstream goal of global production of 200,000 barrels of oil equivalent per day by 2020. The acquisition of these assets gives JX substantial long-term oil and gas production in the UK where JX has built up considerable expertise over the past twenty years".

The portfolio comprises Eni's entire interests in seventeen producing fields and several discoveries that are either being developed or are expected to be developed shortly.

The main features of this acquisition are that JXNEPUK will:

- hold a 28.89% stake in the Mariner field, for which final development approval is expected shortly;
- add to its existing participation in the Andrew, Magnus, ETAP, Kinnoull and Merganser fields;
- increase its interest in the Culzean gas condensate development from 17.07% to 34.01%; and
- establish a presence in the Flotta Catchment Area, including the Claymore field.

Strategically the transaction is part of the plan to build a long-term robust profit centre in the UK. Additional activities toward this goal in 2012 have included a successful 27th Licence Round award that expanded our exploration operatorships West of Shetland, and the acquisition, through a swap, of equity in the Kinnoull field.

JXNEPUK will make a significant investment in the UKCS over the next several years that will raise equity production by the end of the decade to around 40,000 - 50,000 barrels of oil equivalent per day.

The transfer of the licence interests is subject to the normal UK regulatory and joint venture approvals and certain assets are also subject to pre-emption by existing participants.