

First oil from the Kinnoull field in the UK North Sea

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PRESS RELEASE

JX Nippon Oil and Gas Exploration Corporation (President and CEO, Shunsaku Miyake) is pleased to announce that its wholly owned subsidiary, JX Nippon Exploration and Production (U.K.) Limited (“JXNEPUK”), commenced commercial oil production from the Kinnoull field in the Central North Sea on 29 December 2014.

The Kinnoull project was sanctioned in 2011 and since then has been progressed by the field operator BP. The project scope included the installation of sub-sea facilities to tie-back Kinnoull to the host platform Andrew, and extensive modifications on the Andrew Platform. These modifications will enable the Andrew owners to increase recovery from the Andrew field, improve the performance and reliability of the Andrew facilities and enable the processing of Kinnoull fluids.

Hydrocarbons were re-introduced to the Andrew platform earlier in December to complete plant commissioning and Kinnoull commenced production on 29 December 2014.

Gross production from Andrew and Kinnoull is forecast to peak around 50,000 barrels of oil equivalent per day. This will make a significant contribution to JXNEPUK in terms of production, and will enable the extension of Andrew field life. JXNEPUK has a 22.94% interest in Kinnoull.

The JX group has been conducting oil and gas exploration, development and production in the UK Continental Shelf (UKCS) for twenty years. It is committed to expanding further its activities in the UKCS, which is one of the core areas of the group’s worldwide upstream business. JXNEPUK participates in forty-eight UK Licences and operates five of these Licences. JXNEPUK is a co-venturer in sixteen producing fields and is engaged in the development of several large UKCS projects including the Mariner heavy oil project (29% Working Interest) and the Culzean uHPHT project (34% Working Interest). Recently JXNEPUK was provisionally awarded a further seven blocks in the UKCS 28th Offshore Oil and Gas Licensing Round.

