

Farmout of Participating Interest in Deepwater Block R, Offshore East Malaysia

January 30, 2015

PRESS RELEASE

JX Nippon Oil & Gas Exploration Corporation (President: Mr. Shunsaku Miyake) is pleased to announce that as part of its portfolio strategy, its wholly owned subsidiary, JX Nippon Oil & Gas Exploration (Deepwater Sabah) Limited ("JX Deepwater Sabah") (President: Mr. Hironori Wasada), which is the operator of Deepwater Block R, offshore East Malaysia ("the Block") holding 37.5% participating interest in the Block has farmed out 10% participating interest to Santos Sabah Block R Limited, a wholly owned subsidiary of Santos Limited, a major Australian oil & gas exploration and production company.

INPEX Offshore South West Sabah, Limited ("INPEX South West Sabah"), a wholly owned subsidiary of INPEX Corporation and joint venture partner in the Block, has also farmed out 10% participating interest to Santos Sabah Block R Limited from its existing 37.5% participating interest. As a result of these 2 farmout transactions, the participating interest of each partner in the Block became JX Deepwater Sabah 27.5%, INPEX South West Sabah 27.5%, PETRONAS Carigali Sdn. Bhd (a wholly owned subsidiary of PETRONAS) 25.0% and Santos Sabah Block R Limited. 20.0% respectively.

The Block is a deepwater block located offshore East Malaysia with a surface area of approximately 672 km² and water depth ranging from 100 metres - 1,400 metres. Large reserves of oil have been discovered in neighbouring blocks in recent years.

After the acquisition of the Block in January 2012, a three-dimensional seismic survey and geological and geophysical studies were conducted as pre-drilling evaluation work. JX Deepwater Sabah, together with its joint venture partners, continues to conduct exploration activities in the Block and 3 wildcat wells are scheduled to be drilled in 2015.

In Malaysia, we are also the operator for Block SK10, offshore East Malaysia where we are involved in gas production and are currently studying further development of the block. We are also the operator and carrying out exploration activities in Deepwater Block 2F offshore East Malaysia. In addition, we are participating as a non-operator in gas production activities in Block SK8, in exploration activities in Block PM308A offshore West Malaysia and Deepwater Block 3F offshore East Malaysia.

We consider Malaysia to be one of the core countries for our business and will make further endeavours to increase our activities and presence in Malaysia, including acquisition of new business opportunities.

Project Summary

(1)Block	Deepwater Block R
(2)Block Acreage	Approx. 672 km ²
(3)PSC execution	January 17, 2012
(4)Participating Interest	JX Nippon Oil & Gas Exploration (Deepwater Sabah) Limited 27.5% (Operator) INPEX Offshore South West Sabah, Ltd. 27.5% PETRONAS Carigali Sdn. Bhd. 25.0% Santos Sabah Block R Limited. 20.0%

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