

First Gas from Layang Field of Block SK10 offshore Sarawak, Malaysia

June 15, 2017

PRESS RELEASE

Mr. Shunsaku Miyake, President and CEO of JX Nippon Oil & Gas Exploration Corporation is pleased to announce that its subsidiary JX Nippon Oil & Gas Exploration (Malaysia) Limited, the Operator of Block SK10 offshore Sarawak, Malaysia with a participating interest of 75%, commenced commercial gas production from Layang Field on 28 May, 2017.

Layang Field is located approximately 7 km east of the producing Helang Gas Field in Block SK10. Natural gas produced from Layang Field, together with natural gas from Helang Gas Field, will be supplied through subsea pipelines to the MLNG Tiga Sdn. Bhd. liquefaction plant in Bintulu, Sarawak, which is partly owned by JXTG Nippon Oil & Energy Corporation. The natural gas will be sold as LNG after liquefaction to its customers including buyers in Japan.

The initial production of natural gas and condensate from Layang Field is estimated about 12,000 boed.

As per the Medium-Term Management Plan released on 12th May 2017, we will allocate our business resources preferentially to the regions, such as Southeast Asia, where we can exercise our strength, pursuing strategy of selection and concentration. We intend to maintain and strengthen our long-term good relationship in Malaysia and enhance our capacity to raise revenue through our E&P business activity as Operator.

Summary of Block SK10, offshore Sarawak, Malaysia and Company Profile of JX
Nippon Oil & Gas Exploration (Malaysia) Limited

1. Summary of Block SK10, offshore Sarawak, Malaysia

(1) Signing Date	November 16, 1987	
(2) Participants	JX Nippon Oil & Gas Exploration (Malaysia) Limited	75%
	PETRONAS Carigali Sdn. Bhd.(*)	25%
(3) History	Signing of PSC with PETRONAS	Nov 1987
	Signing of JOA with PETRONAS Carigali Sdn. Bhd	Nov 1987
	Discovery of Helang Gas Field	Nov 1990
	Discovery of Layang Field	May 1991
	Commencement of commercial production from Helang Gas Field	Nov 2003
	Approval of the Field Development Plan for Layang Field by PETRONAS	Mar 2014

(*) A wholly owned subsidiary of PETRONAS

2. Company Profile of JX Nippon Oil & Gas Exploration (Malaysia) Limited

(1) Company Name	JX Nippon Oil & Gas Exploration (Malaysia) Limited
(2) Date of Establishment	October 14, 1987
(3) Location of Head Office	1-1-2 Otemachi, Chiyoda-ku, Tokyo
(4) Capital	13.1 billion yen (as of end of May 2017)
(5) Representative	Hironori Wasada, Representative Director and CEO (Director, Executive Officer, Senior Vice President, Executive Director of Business Division 1 of JX Nippon Oil & Gas Exploration Corporation)
(6) Shareholder	JX Nippon Oil & Gas Exploration Corporation (78.7%) INPEX CORPORATION (15.0%) Mitsubishi Corporation (6.3%)
(7) Business Activities	The exploration and development of petroleum, natural gas, other mineral resources in and around Malaysia. The recovery, processing, storage, sale and purchase of petroleum, natural gas, other mineral resources and the by-products of these and to carry on related business in connection with above objects.

< Location of Helang Gas Field and Layang Field >

