

JX sale of its working interest in UK Licence containing the Blane Oil Field in North Sea

July 28, 2017

PRESS RELEASE

JX Nippon Oil and Gas Exploration Corporation (“JX”) (President and CEO, Shunsaku Miyake) is pleased to announce that its wholly owned subsidiary, JX Nippon Exploration and Production (U.K.) Limited (President and CEO, Hidetoshi Ohashi), has agreed to sell its entire 17.07% working interest of UK Licence P111 Block 30/3a UPPER, comprising a part of the Blane oil field (“Blane Field”) in the North Sea, to Faroe Petroleum (U.K.) Limited (“Faroe”).

The Blane Field is located on the UK continental shelf, extending into the Norwegian Sector, which was discovered in 1989 and started production in 2007. Blane Field had 2016 gross production of approximately 2,900 boepd. Faroe is an existing partner in the UK licence, in which part of the Blane Field is located.

The divestiture is carried out as a part of the fundamental revision of JX’s upstream portfolio and the optimization of the investment level designed to improve its financial performance in the prevailing business environment.

Attachment

1. JX Nippon Exploration and Production (U.K.) Limited

- (1) President and CEO: Hidetoshi Ohashi
- (2) Shareholders: JX Nippon Oil & Gas Exploration Corporation 100%
- (3) Paid-in capital: \$1,764 million
- (4) Established: 2 December 1996

2. Summary of block

- (1) Location: North Sea
- (2) Licence and Block: UK Licence P.111, Block 30/1a UPPER
- (3) Participating interest (before the transaction) :
 - Repsol Sinopec Resources UK Limited (30.49%, Operator)
 - Faroe Petroleum (U.K.) Limited (37.20%)
 - JX Nippon Exploration and Production (U.K.) Limited (17.07%)
 - Dana Petroleum (BVUK) Limited (15.24%)