

Report on Performance in Fiscal 2006

(from April 1, 2006 to March 31, 2007)

Representative Director, President

Shinji Nishio

Director, Senior Vice President

Shigeo Hirai

April 26, 2007



NIPPON OIL
Your Choice of Energy

Outline of Today's Presentation

**1. Highlights of Consolidated Income (FY06) &
<'06/4-'07/3>
Progress of the Third Medium-Term Management Plan**

**2. Major Activities in FY06 &
<'06/4-'07/3>
Direction from FY07 forward
<'07/4-'08/3>**

**3. Review of Consolidated Income (FY06)
<'06/4-'07/3>**

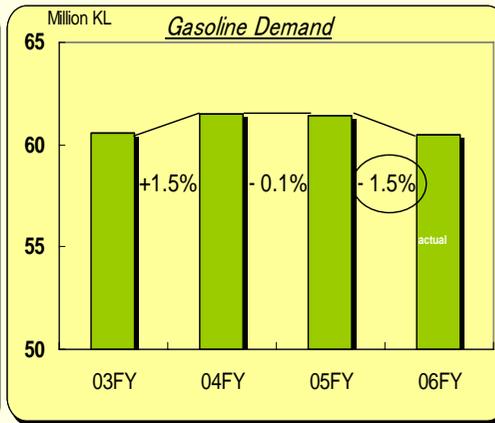
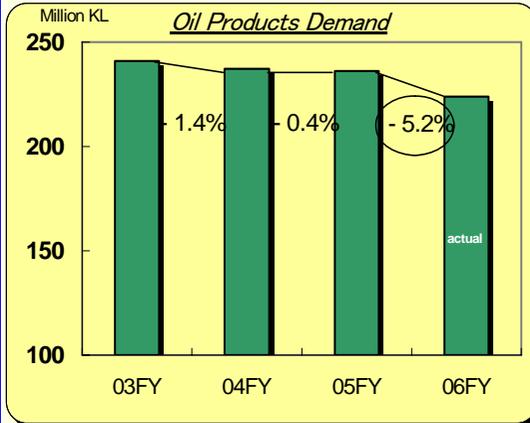
**4. Forecast for Consolidated Income (FY07)
<'07/4-'08/3>**

1.Highlights of Consolidated Income (FY06) & Progress of the Third Medium-Term Management Plan

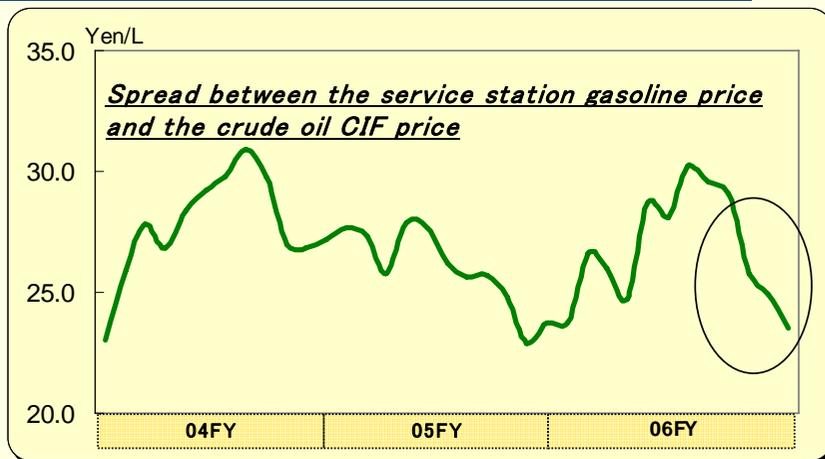
< Fiscal 2006 Business Environment >

[Petroleum Products Business]

● Demand for Petroleum Products Falls



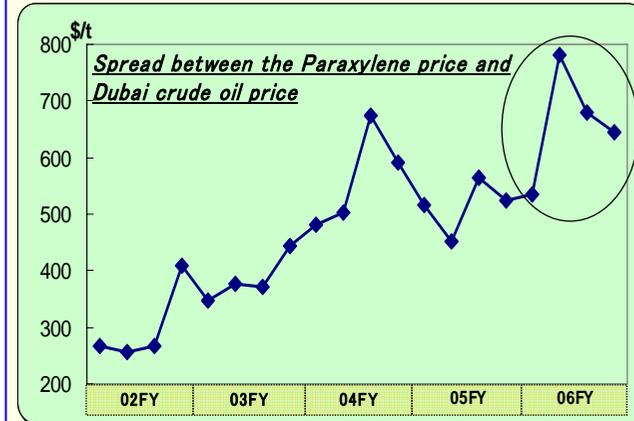
● Harsh Market Environment



[Petrochemical Products Business]

● Wide spreads continue

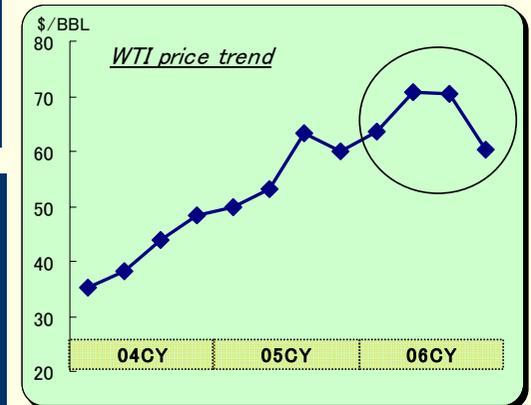
Reflects tight Asian demand-supply situation



[Oil and Natural Gas E&P Business]

● Crude oil prices high

● Intensifying competition to acquire resources



Highlights of Consolidated Income (FY06)

<'06/4-'07/3>

(JPY billion)

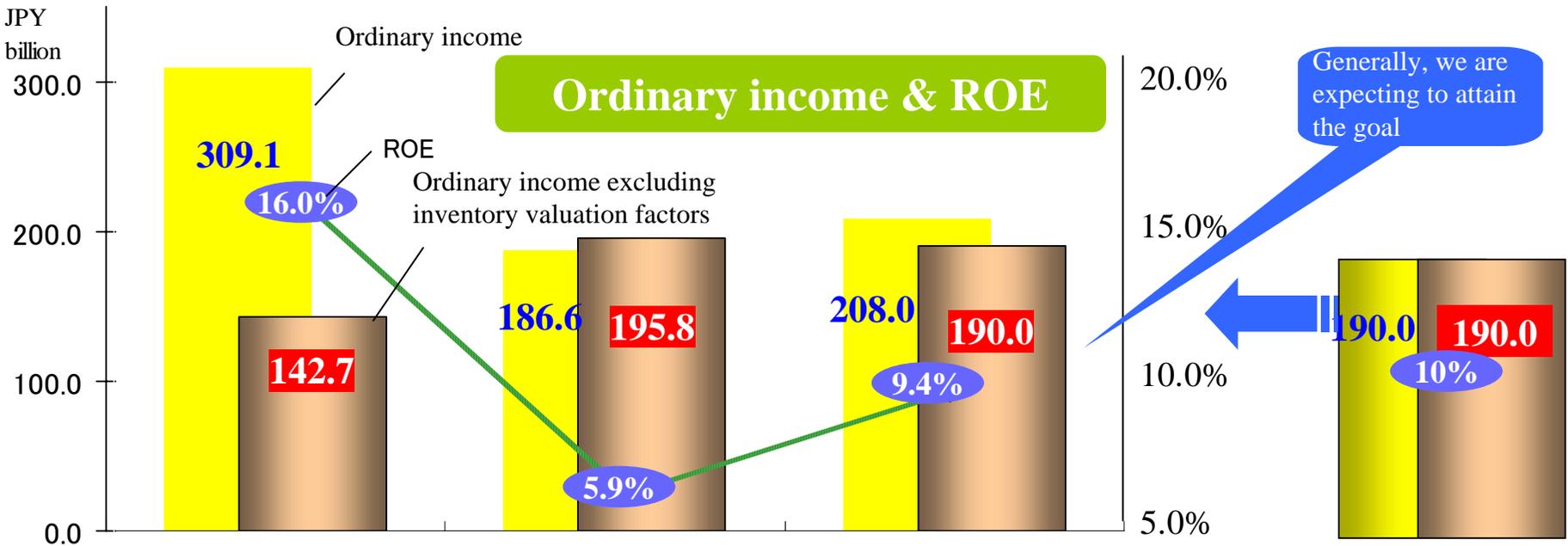
	05FY (<i>'05/4-'06/3</i>)	06FY (<i>'06/4-'07/3</i>)	Changes
Operating income	303.9	159.7	− 144.2
〔 Excluding inventory valuation factors 〕	〔 137.5 〕	〔 168.9 〕	〔 +31.4 〕
Non-Operating income and loss, net	5.2	26.9	+21.7
Ordinary income	309.1	186.6	− 122.5
〔 Excluding inventory valuation factors 〕	〔 <u>142.7</u> 〕	〔 <u>195.8</u> 〕	〔 <u>+53.1</u> 〕

Due to boosted profitability of Petrochemicals and E&P of Oil and Natural Gas, ordinary income excluding inventory valuation factors increased by ¥53.1 billion

<Progress of the Third Medium-Term Management Plan>

- Prospects for Target Achievement -

Ordinary income & ROE



Generally, we are expecting to attain the goal

	05FY (Actual)	06FY (Actual)	07FY (Forecast)	07FY (Initial Plan)
Dubai Crude Oil (\$/Bbl)	53.5	60.9	58.2	35.0
WTI Crude Oil (\$/Bbl)	56.6 (Jan-Dec)	66.3 (Jan-Dec)	61.8 (Jan-Dec)	40.0 (Jan-Dec)
Yen/Dollar exchange rate (Yen/\$)	112.7	117.0	119.8	105.0

	FY05 ('05/4-'06/3) <Actual>	FY06 ('06/4-'07/3) <Actual>	FY07 ('07/4-'08/3) <Forecast>	FY05-07 Total ('05/4-'08/3) <Forecast>	FY05-07 Total ('05/4-'08/3) <Initial Plan>
Cost reductions and improvements in efficiency (JPY billion)	-6.9	0	23.9	17.0	33.0
Capital investment	189.8	204.8	237.4	632.0	500.0
Net debt/equity ratio (31 Mar, 2006 <Actual>)	1,212.6 (88%)	1,297.1 (84%)	1,150.0 (72%)		Less than 900 (Approx. 70%)

2.Major Activities in FY06 &

Direction from FY07 forward

< Refining and Marketing Business (1) – Petroleum Products Business >

Major Activities in FY06

Japan: Increase efficiency and productivity

Overseas: Seize business opportunities

- ◆ Create more appropriate price (shift the increase in crude oil prices to consumers)
- ◆ Augment activities aimed at resolving problems at refineries (Accelerate spending for refinery safety, set up refinery project teams, etc.)
- ◆ Strengthen business alliance strategy



Maintain profit margins



Increase refinery competitiveness



Make refinery and distribution more efficient

Enhance presence in other Asian countries

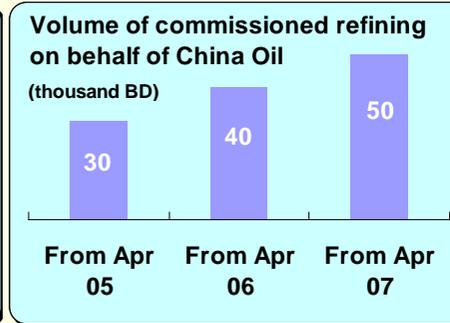
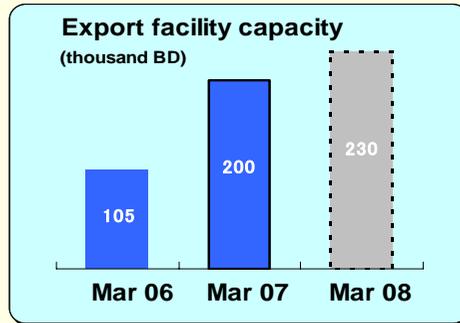


Capture Asia demand
Increase refinery competitiveness



Strengthen overseas presence

Expand exports



- ◆ Expand overseas lubricating oil business (Start up new plants in China and the United States)

Direction from FY07 forward

Amount of FY07 petroleum products business cost reduction: ¥ 24.2 billion

From FY06 to FY11, Japanese demand for petroleum products will fall 1.8% per year. (Agency for Natural Resources and Energy forecast)

As demand continues to fall, the efficiency of domestic petroleum product businesses must improve.

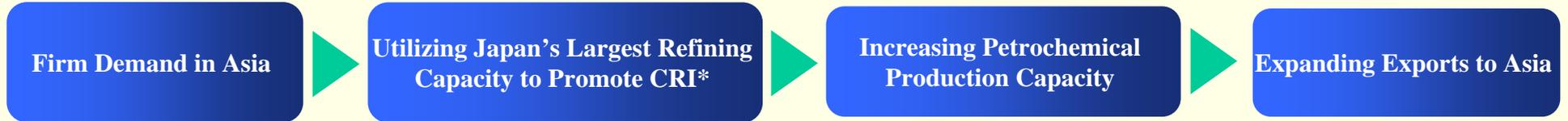
The overseas strategy must be reinforced (stronger alliance strategy, exports, etc.)

From FY05 to FY10, Asia demand (excluding Japan and Korea) for petroleum products will grow 3.9% annually. (IEA forecast)

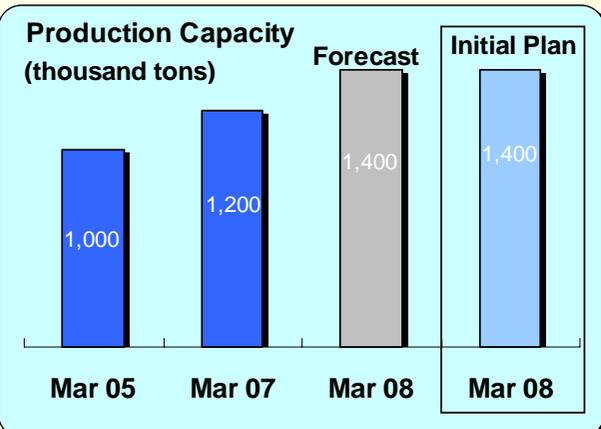
< Refining and Marketing Business (2) Petrochemical Products Business >

Major Activities in FY06

*Chemical Refinery Integration (CRI) Integration of petroleum refining and petrochemicals

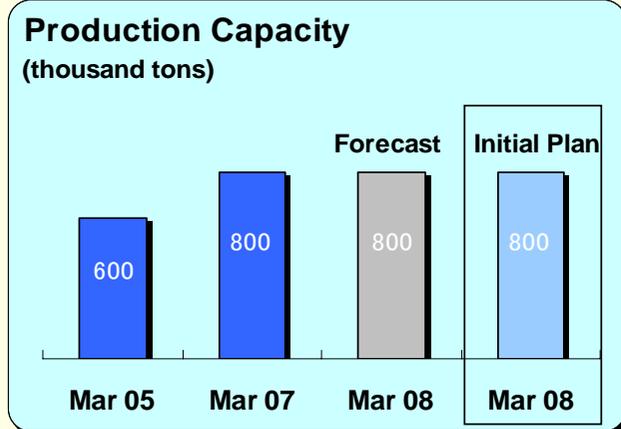


Paraxylene



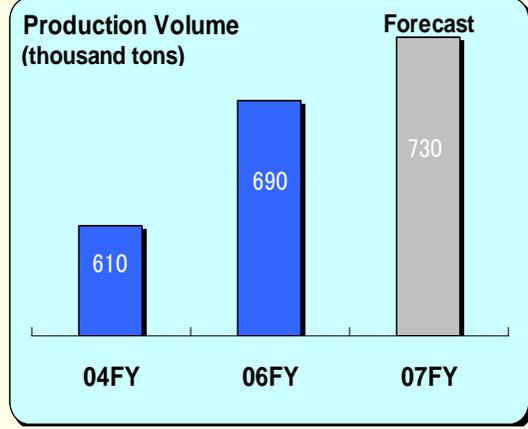
- ◆ Joint operation with Mitsubishi Gas Chemical Co., Ltd. (from April 06)
- ◆ Increase capacity by building facility at Sendai Refinery to increase production of xylene

Propylene



- ◆ Construction of new facility at Kawasaki plant to produce propylene

Benzene



- ◆ Increase production of benzene through CRI

Direction from FY07 forward

• Increase petrochemical production capacity by continuing to promote CRI while keeping a close eye on the demand-supply situation in Asia.

< Oil and Natural Gas E&P Business >

■ Major Activities in FY06

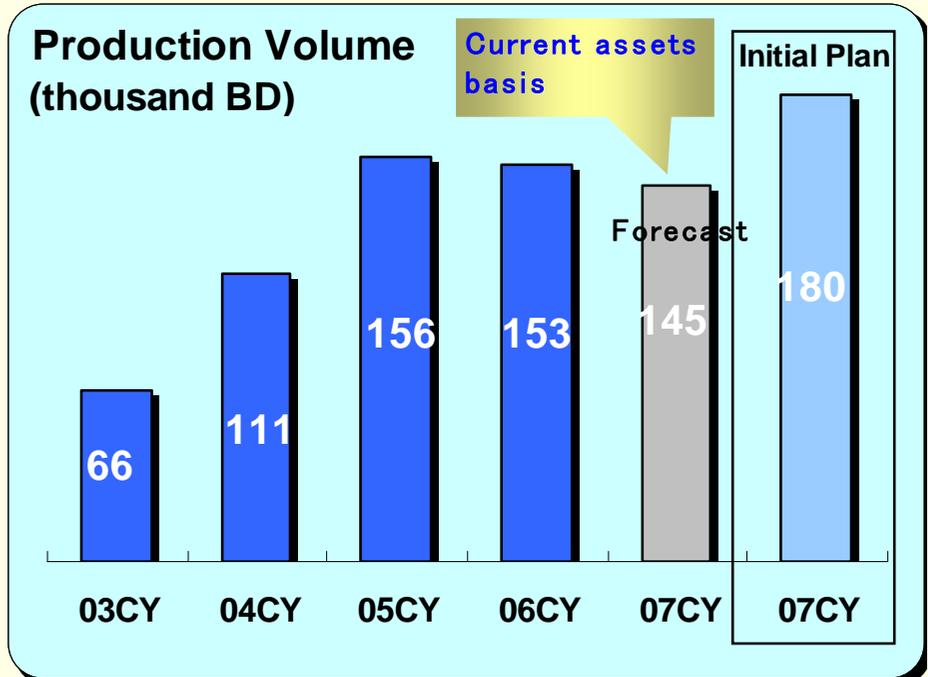
In FY05 and FY06, we maintained our approach of emphasizing investment efficiency in an environment of rising crude oil prices.

◆ In FY06 we acquired no new production assets.

◆ Existing project production went well overall

- Papua New Guinea : Started production at the SE Mananda oil field
- Canada (oil sands) : Completed construction of facilities to increase production capacity

◆ North Sea (U.K.) Acquired new exploration concessions (6)



Among them, NOC is the operator at four concessions

■ Direction from FY07 forward

• NOC will expand its businesses by acquiring new production assets and through exploration, chiefly in areas where it has expertise (Southeast Asia, Oceania, the North Sea (U.K.), Golf of Mexico (U.S.))

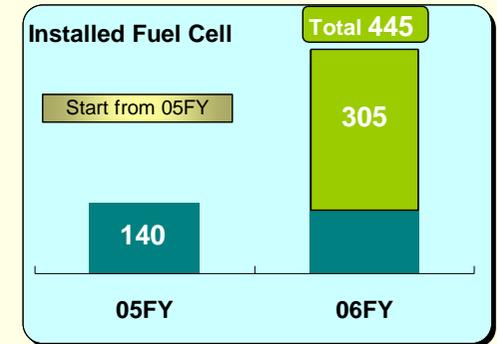
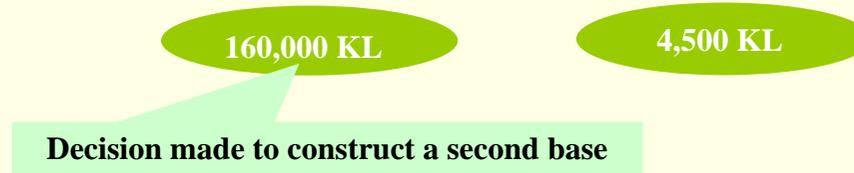
Areas in which NOC has acquired technology and know-how

< New Energy-type Business (Fuel Cells, Electricity, Gas, and Others) >

■ Major Activities in FY06

Implemented progressively as a strategy for the future

- ◆ Fuel cells: Alliances with Japan Energy and Cosmo Oil
- ◆ LNG: Operations started at the Mizushima and Hachinohe LNG bases



- ◆ GTL: Set up Nippon GTL Technology Research Association and began joint experimental studies
(Gas-to-liquids; converting natural gas to liquid fuel)
- ◆ Biomass Fuels: Set up Japan Biofuels Supply LLP and began joint import of ETBE
- ◆ Coal: Development of the Bulga Coal Mine Complex in Australia approved.
(Oakbridge Pty, in which NOC has a 15.2% stake, will run the development)

■ Direction from FY07 forward

• Strengthen activities that will lead to early earnings.

3. Review of Consolidated Income (FY06) <'06/4-'07/3>

< Highlights of Consolidated income (FY06) >

<'06/4-'07/3>

	05FY <'05/4-'06/3>	06FY <'06/4-'07/3>	Changes
Crude Oil Price (\$/Bbl)	54.0	61.3	+7.3
Exchange Rate (Yen/\$)	112.7	117.0	+4.3
Sales volume excluding Barter trade & others (million KL)	72.9	67.2	-5.7
Net Sales	Billion Yen 6,118.0	Billion Yen 6,624.3	Billion Yen + 506.3
Operating income (Excluding inventory valuation factors)	303.9 (137.5)	159.7 (168.9)	- 144.2 (+ 31.4)
Non-Operating income and loss,net	5.2	26.9	+ 21.7
Ordinary income (Excluding inventory valuation factors)	309.1 (142.7)	186.6 (195.8)	- 122.5 (+ 53.1)
Special gains and loss,net	- 10.8	- 14.4	- 3.6
Net income	166.5	70.2	- 96.3

< Changes in Operating Income by Business Segment (YoY) (FY06) >

Operating income	05FY	06FY	Changes
I. Refining & Marketing	Billions of yen 197.2	Billions of yen 29.3	Billions of yen -167.9
〔 Excluding inventory valuation factors 〕	〔 30.8 〕	〔 38.5 〕	〔 +7.7 〕
Petrochemicals	39.8	60.9	+21.1
II. E&P of Oil & Natural Gas	92.1	113.8	+21.7
III. Construction & Others	14.6	16.6	+2.0
Total	303.9	159.7	-144.2
〔 Excluding inventory valuation factors 〕	〔 137.5 〕	〔 168.9 〕	〔 +31.4 〕

Ordinary income

06FY
Billions of yen 47.2
〔 56.4 〕
60.3
123.9
15.5
186.6
〔 195.8 〕

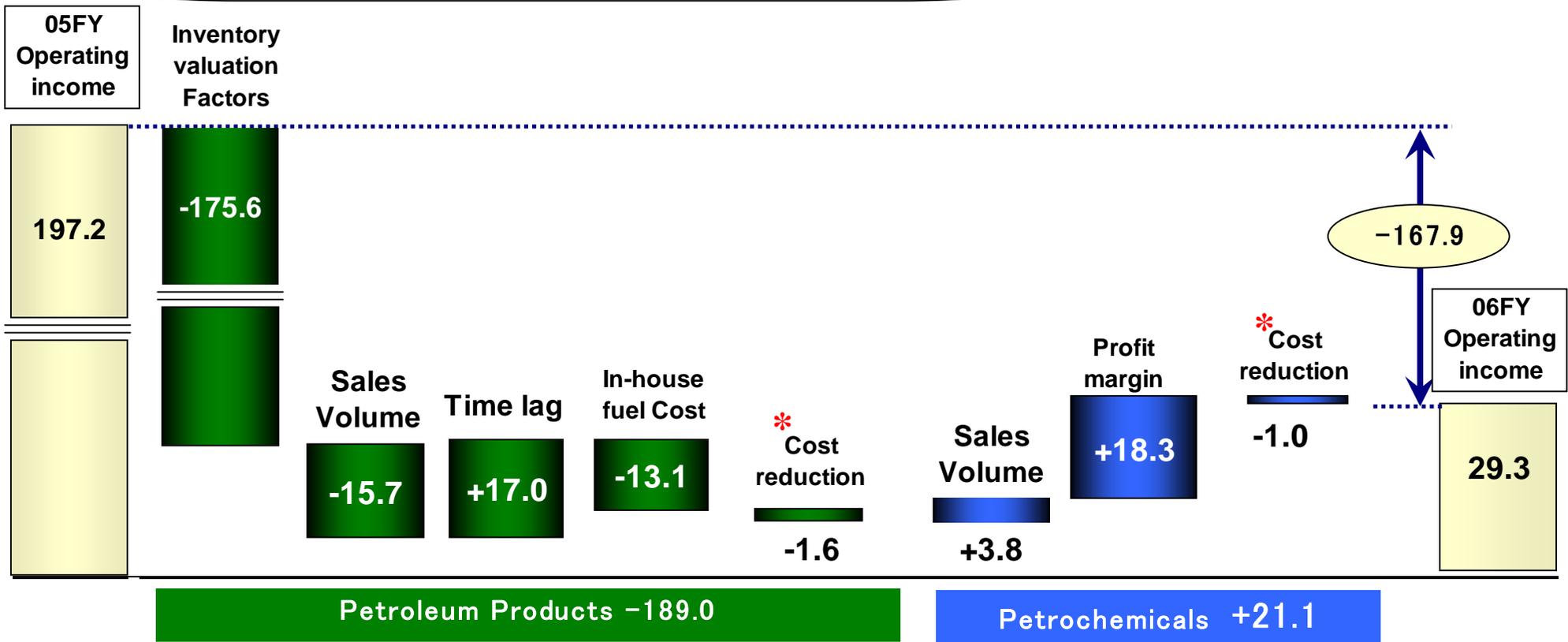
< Analysis of Changes in Operating income - Refining and Marketing (YoY) FY 06 >

Operating income
(Decrease of 167.9 billion Yen)

- The positive effect of inventory valuation factors on profitability greatly decreased.
- Decrease in sales volume of most petroleum products
- CRI initiative draws increase of sales volume of petrochemicals
- Increase in profit margin of petrochemicals centered on Paraxylene and Propylene

* Cost Reductions 0

- Petroleum Products -1.6 billion Yen
- Petrochemical Products -1.0
- Construction & Others +2.6



< Analysis of Changes in Operating income - E&P of Oil and Natural Gas (YoY) FY 06 >

Operating income
(increase of 21.7 billion Yen)

- Increase in Sales price due to surging crude oil price.



4.Forecast for Consolidated Income (FY07) <'07/4-'08/3>

Forecast for Consolidated Income (FY07)

<'07/4-'08/3>

	06FY <'06/4-'07/3>	07FY <'07/4-'08/3>	Changes
Crude Oil Price (\$/Bbl)	61.3	58.5	- 2.8
Exchange Rate (Yen/\$)	117.0	119.8	+ 2.8
Sales volume excluding Barter trade & others (million KL)	67.2	68.0	+ 0.8
Net Sales	6,624.3	6,760.0	+ 135.7
Operating income (Excluding inventory valuation factors)	159.7 (168.9)	Including the impact of Tax system revision 190.0 -15.0 (Depreciation cost increase) 172.0	+ 30.3 (+ 3.1)
Non-Operating income and loss, net	26.9	18.0	- 8.9
Ordinary income (Excluding inventory valuation factors)	186.6 (195.8)	Including the impact of Tax system revision 208.0 -15.0 (Depreciation cost increase) 190.0	+ 21.4 (- 5.8)
Special gains and loss, net	- 14.4	15.0	+ 29.4
Net income	70.2	118.0	+ 47.8

< Changes in Operating Income

by Business Segment (YoY) FY07 > <'07/4-'08/3>

Operating income	06FY	07FY	Changes	Ordinary income	
	<'06/4-'07/3>	<'07/4-'08/3>		07FY	<'07/4-'08/3>
I. Refining & Marketing	Billions of yen 29.3	Billions of yen 73.2	Billions of yen +43.9	Billions of yen 89.2	
〔 Excluding inventory valuation factors 〕	〔 38.5 〕	〔 55.2 〕	〔 +16.7 〕	〔 71.2 〕	
Petrochemicals	60.9	66.0	+5.1	64.3	
II. E&P of Oil & Natural Gas	113.8	101.9	- 11.9	104.4	
III. Construction & Others	16.6	14.9	- 1.7	14.4	
Total	159.7	190.0	+30.3	208.0	
〔 Excluding inventory valuation factors 〕	〔 168.9 〕	〔 172.0 〕	〔 +3.1 〕	〔 190.0 〕	

< Analysis of Changes in Operating Income

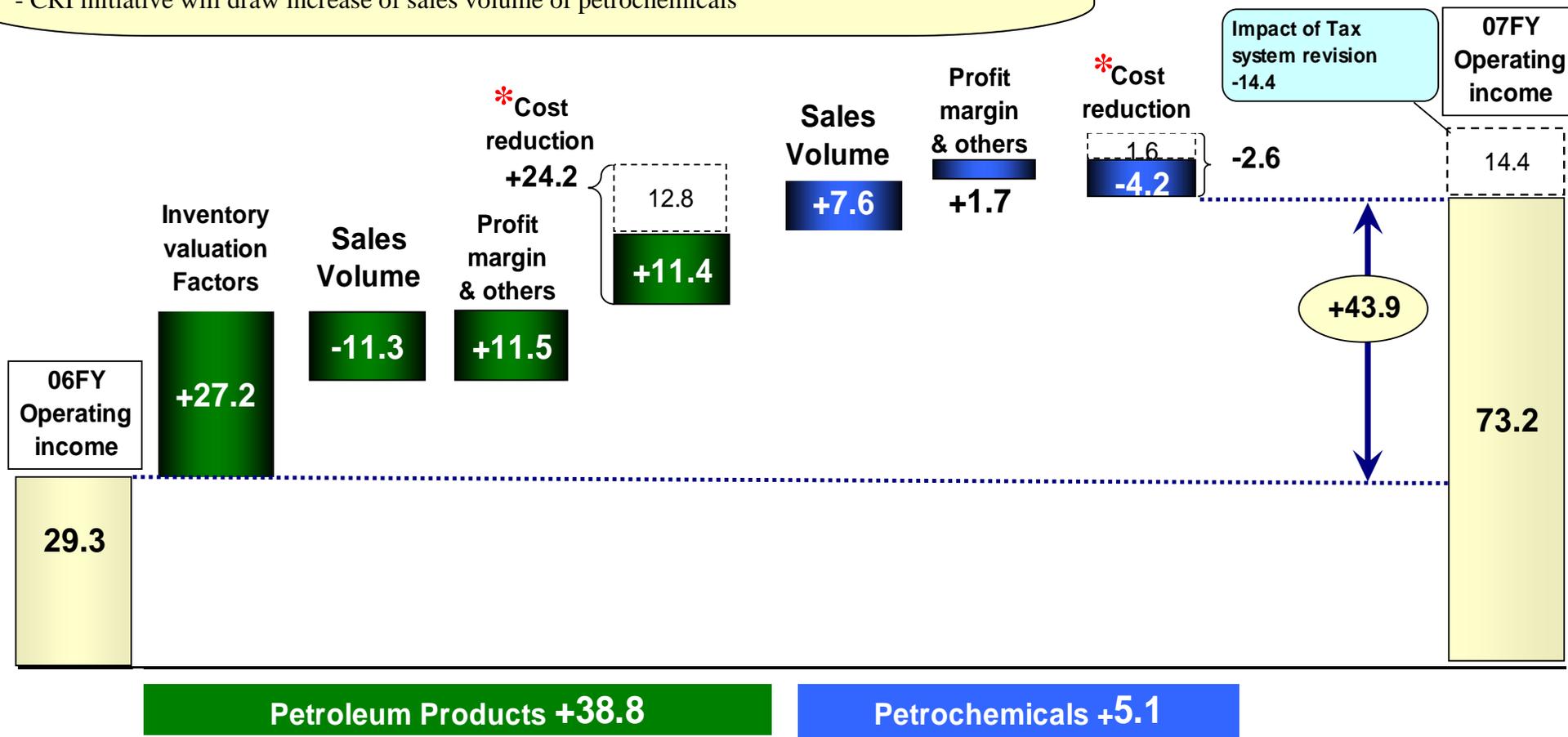
- Refining and Marketing FY07 > <'07/4-'08/3>

Operating income
(Increase of 43.9 billion Yen)

- The negative effect of inventory valuation factors on profitability will turn to the positive effect.
- Decrease in domestic sales volume of most petroleum products
- Progress of cost reductions and Improvements in efficiency
- CRI initiative will draw increase of sales volume of petrochemicals

* (Cost reduction and improvements in efficiency)

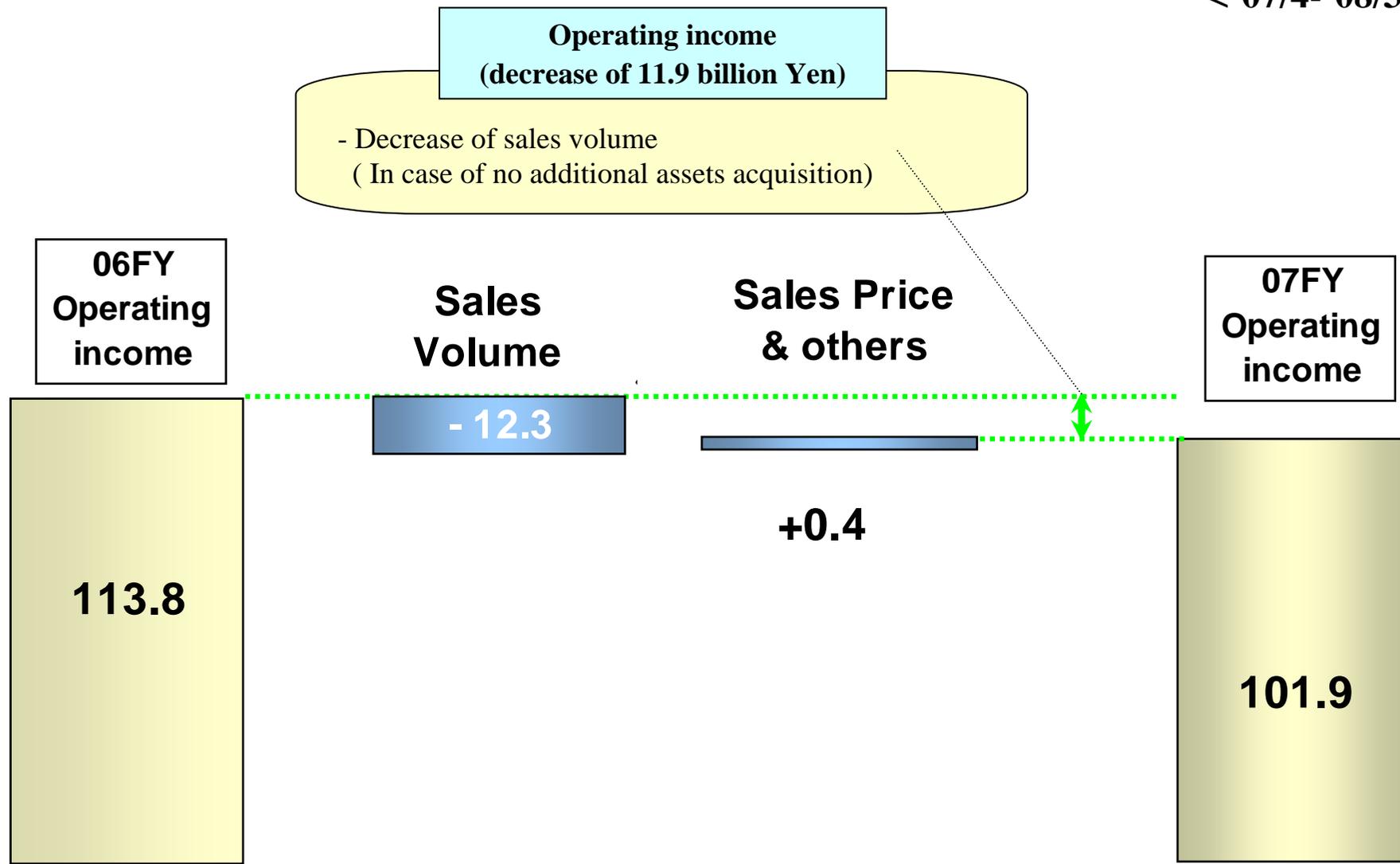
	Cost reduction and improvements in efficiency	Impact of Tax system revision	Total
Petroleum products	+24.2	-12.8	+11.4
Petrochemical products	-2.6	-1.6	-4.2
Construction & Others	+2.3	-0.6	+1.7
Total	+23.9	-15.0	+8.9



< Analysis of Changes in Operating Income

- E&P of Oil and Natural Gas FY07 >

<'07/4-'08/3>



Cautions with Respect to Forward-Looking Statements

The financial forecasts, management targets, and any other estimates and projections of the Company presented in this report are based on information available to management as of the date set forth within.

Please note that actual results may vary significantly from projected forecasts due to various uncertain factors, and as such, readers should take care when making investment decisions based solely on the forecasts herein.

The factors affecting actual results include but are not limited to economic conditions, crude oil prices, demand for and market conditions of oil-related products, and exchange rate and interest rate trends.

Report on Performance in Fiscal 2006

(from April 1,2006 to March 31, 2007)

Supplementary Information

April 26, 2007

< Contents >

1. Data Related Financial Results for FY06('06/4~'07/3) & Forecast for FY07 ('07/4~'08/3)

Net Sales and Operating Income by Operating Segment (Changes from the previous forecast) (FY06)	P3
Capital investments, Depreciation & amortization by Operating Segment (FY06)	P4
Sales Volume (Unconsolidated)	P5

2. Data Related to markets trend (Gasoline and petrochemicals)

Spread (Retail Gasoline Price – Crude Oil CIF Price)	P6
Spread (PX Price – Dubai Crude Oil Price)	P7
Spread (Benzene Price – Dubai Crude Oil Price)	P8
Spread (Propylene Price – Dubai Crude Oil Price)	P9

3. Data Related to Business Operations (Refining & Marketing)

Refining Capacity and Utilization Rates	P10
NOC's Share of Sales of the Four Light Oil Products (Consumption Basis)	P11
Number of Service Stations (Fixed-Type)	P12
Number of Company-Owned Service Stations, Number of Self-Service Facilities, Number of Dr. Drive Service Stations	P13
Number of Depots, Number of Employees	P14

4. Data Related to Business Operations (E&P)

Principal Overseas Operating Bases	P15
Principal E&P of Oil and Natural Gas Projects	P16
Outline of Principal E&P of Oil and Natural Gas Projects	P17
Individual E&P Project Overview (Gulf of Mexico)	P18
Individual E&P Project Overview (U.K. North Sea)	P19,20,21
Individual E&P Project Overview (Vietnam)	P22
Individual E&P Project Overview (Myanmar)	P23
Individual E&P Project Overview (Malaysia)	P24
Individual E&P Project Overview (Sarawak)	P25
Individual E&P Project Overview (Papua New Guinea)	P26
Individual E&P Project Overview (Australia)	P27,28
Individual E&P Project Overview (Canada)	P29
Individual E&P Project Overview (Indonesia)	P30
Individual E&P Project Overview (Libya)	P31

Supplementary Information (1)

Net Sales & Operating Income by Operating Segment FY06 <'06/4 - '07/3 >

- Changes from the previous forecast

(1) Sales

(billions of yen)

Total 6,624.3 (-15.7)					
Refining and Marketing			E&P* of Oil and Natural Gas	Construction	Other
Petroleum Products	Petrochemical Products				
5,488.0 (-42.0)	466.4 (+6.4)	5,954.4 (-35.6)	203.5 (+3.5)	407.9 (+17.9)	58.5 (-1.5)

*Exploration & Production

(2) Operating Income

(billions of yen)

Total 159.7 (-0.3)					
Refining and Marketing			E&P of Oil and Natural Gas	Construction	Other
Petroleum Products	Petrochemical Products				
-31.6 (+0.8)	60.9 (-3.0)	29.3 (-2.2)	113.8 (-0.9)	10.1(+2.0)	6.5 (+0.8)

Capital investments, Depreciation & amortization by Operating Segment FY06

<'06/4 – '07/3 >

	Capital investments *	Depreciation & amortization
Refining and Marketing	146.6	81.7
E&P of Oil and Natural Gas	43.3	39.6
Construction	8.9	4.9
Other	6.0	5.7
Total	204.8	131.9

* Figures include investments and loans

Sales Volume by Petroleum Product Type (Unconsolidated)

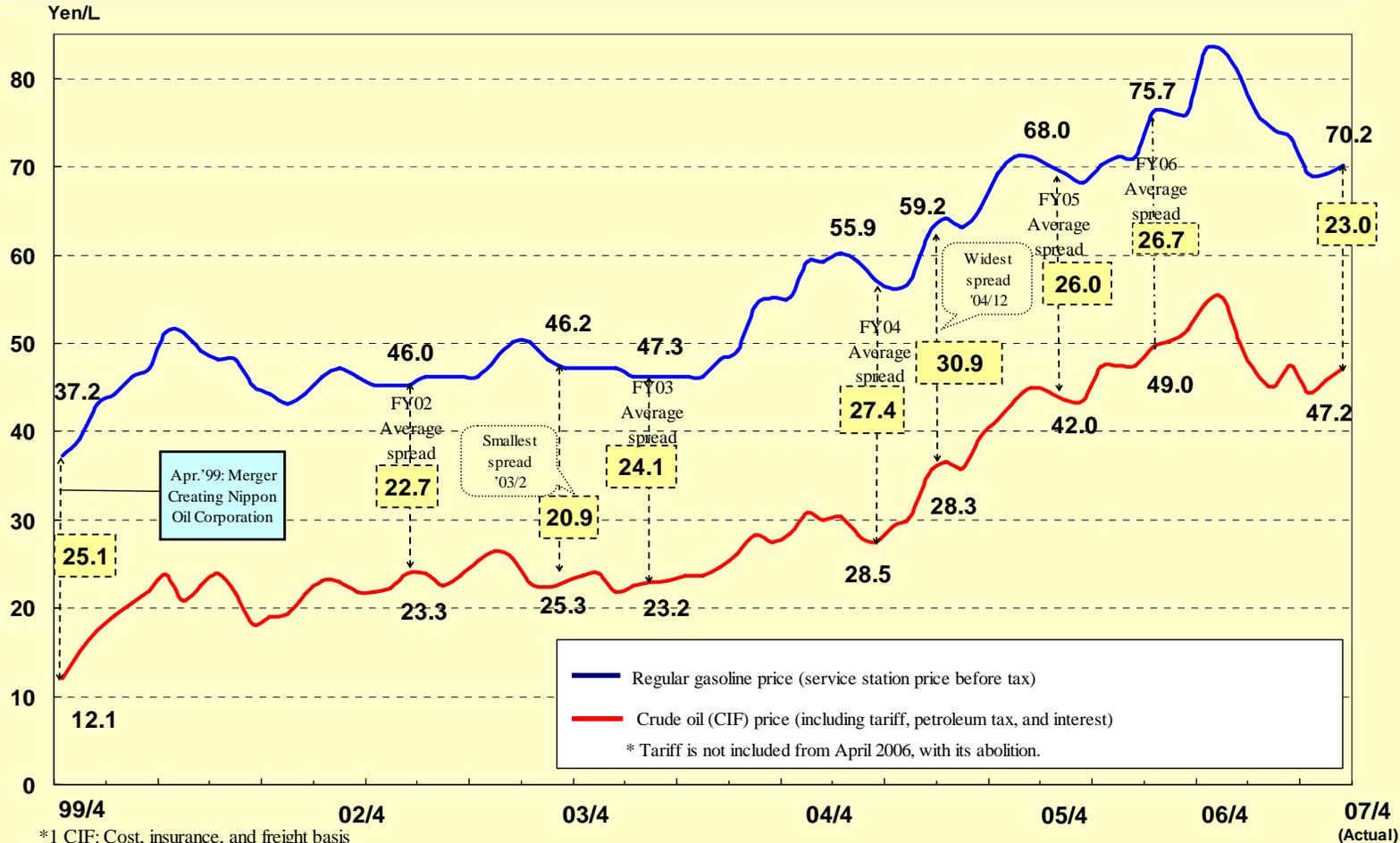
	05FY	Changes	06FY
	10,000 KL	%	10,000 KL
Gasoline	1,450	− 3.2	1,403
(High Octane)	(274)	(− 9.9)	(247)
(Regular)	(1,161)	(− 1.6)	(1,142)
Naphtha	216	− 16.8	180
JET	117	+ 6.2	125
Kerosine	748	− 18.6	608
Diesel Fuel	861	− 3.5	830
Heavy fuel oil A	809	− 13.0	704
Heavy fuel oil C	884	− 18.7	719
(For Electric Power)	(459)	(− 19.9)	(368)
(For General Use)	(425)	(− 17.3)	(351)
Total - Domestic Fuel Oil	5,085	− 10.1	4,569
Crude Oil	252	− 3.5	243
Petrochemicals	389	− 1.4	384
Lubricants & Specialities	287	− 5.2	272
Exported Fuel Oil	1,272	− 1.8	1,249
Total - Excluding Barter trade & others	7,285	− 7.8	6,717
Barter trade & others	1,981	+ 4.2	2,063
Total	9,266	− 5.2	8,780

Supplementary Information (2)

< Spread (Retail Gasoline Price – Crude Oil CIF Price) >

Quarterly spread trend (since Apr 2005)

'05/4-6	'05/7-9	'05/1H	'05/10-12	'06/1-3	'05/2H	05FY	'06/4-6	'06/7-9	'06/1H	'06/10-12	'07/1-3	'062H	06FY
27.4	27.1	27.3	25.9	23.8	24.9	26.0	25.4	27.2	26.3	29.7	24.6	27.2	26.7

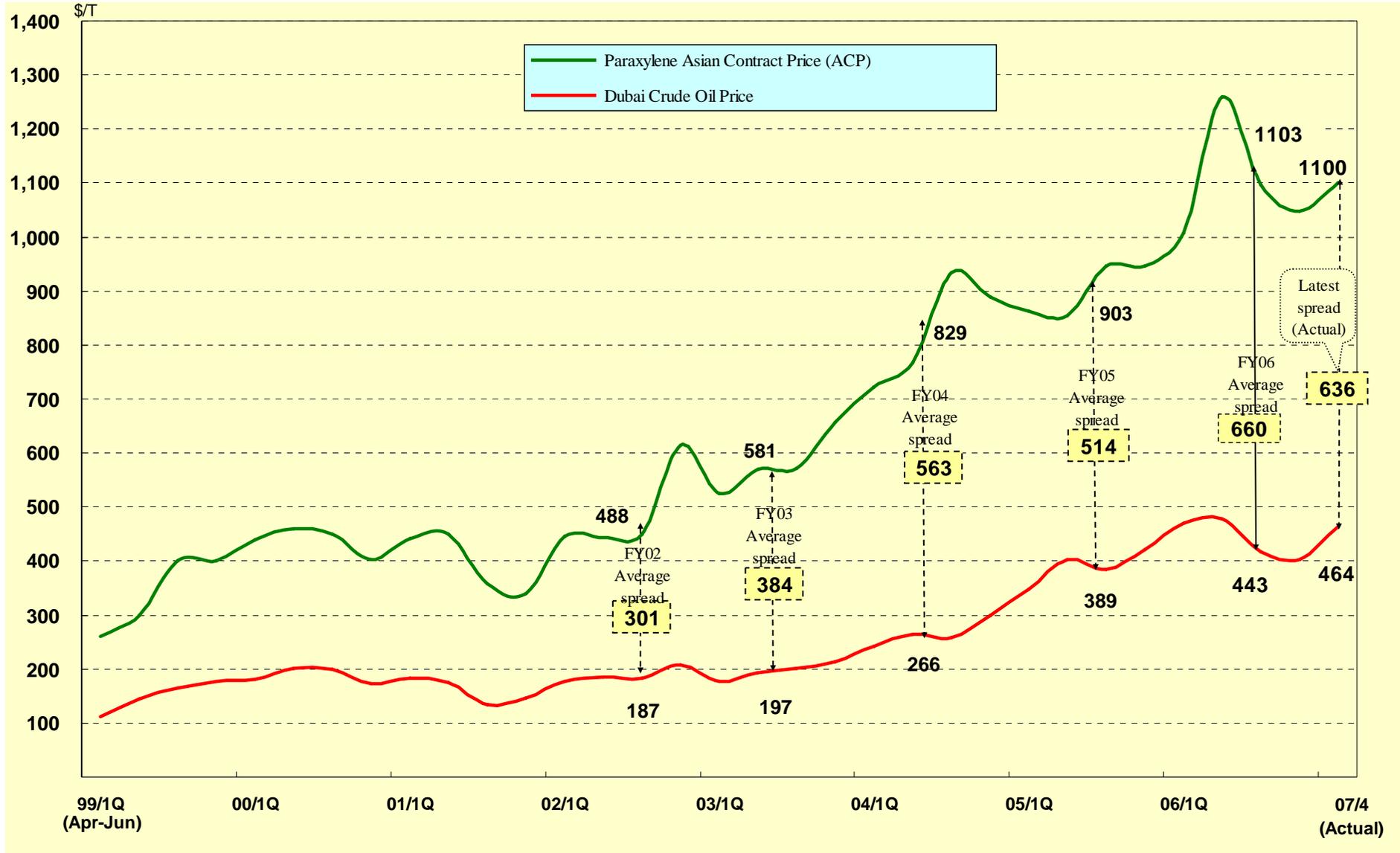


*1 CIF: Cost, insurance, and freight basis

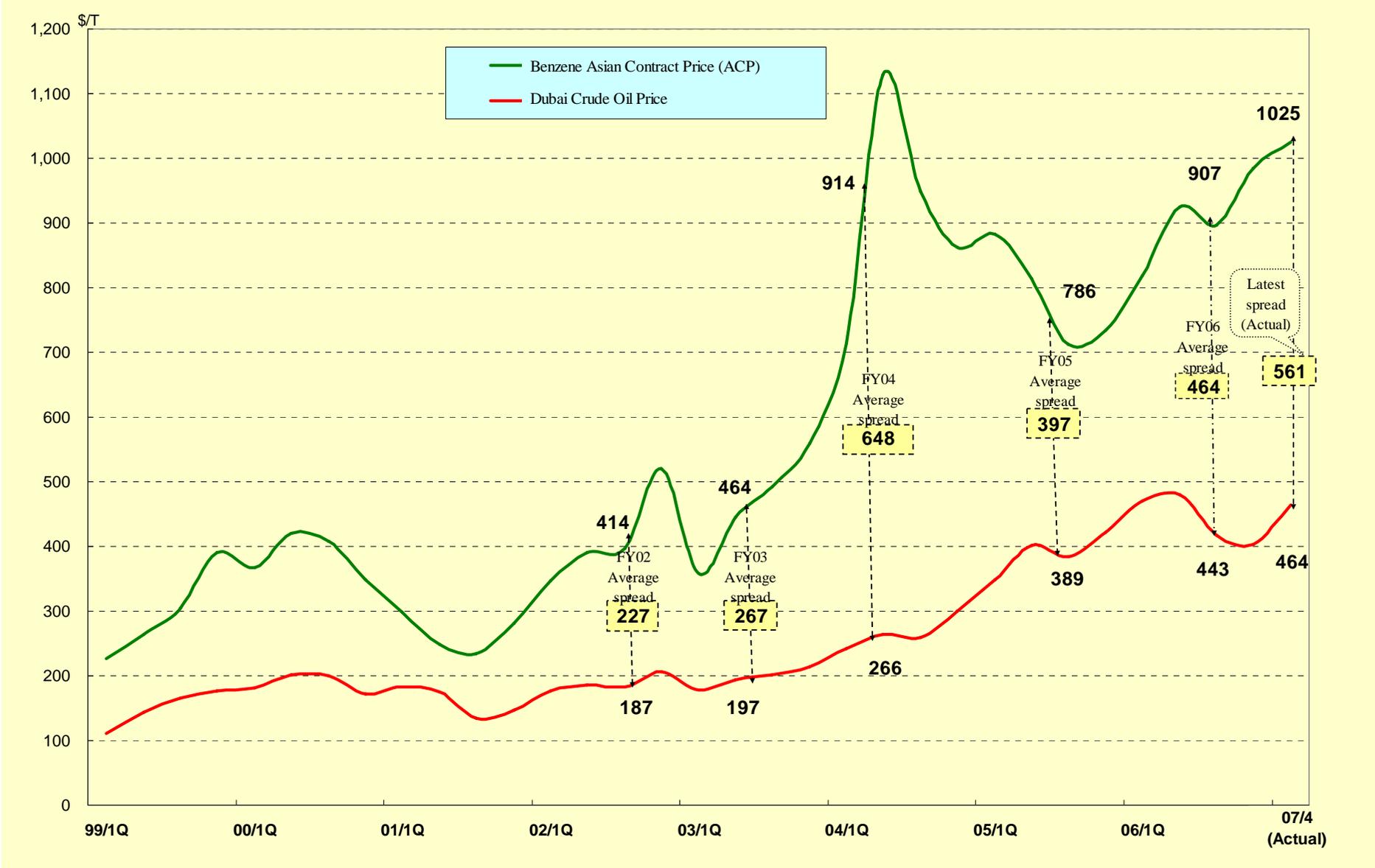
*2 The Repeal of the Specific Petroleum Product Law is officially known as the Provisions Measures Law on the Importation of Specific Petroleum Refined Products.

Note: Figures are calculated by the Company based on publicly announced data from the Agency for Natural Resources and Energy.

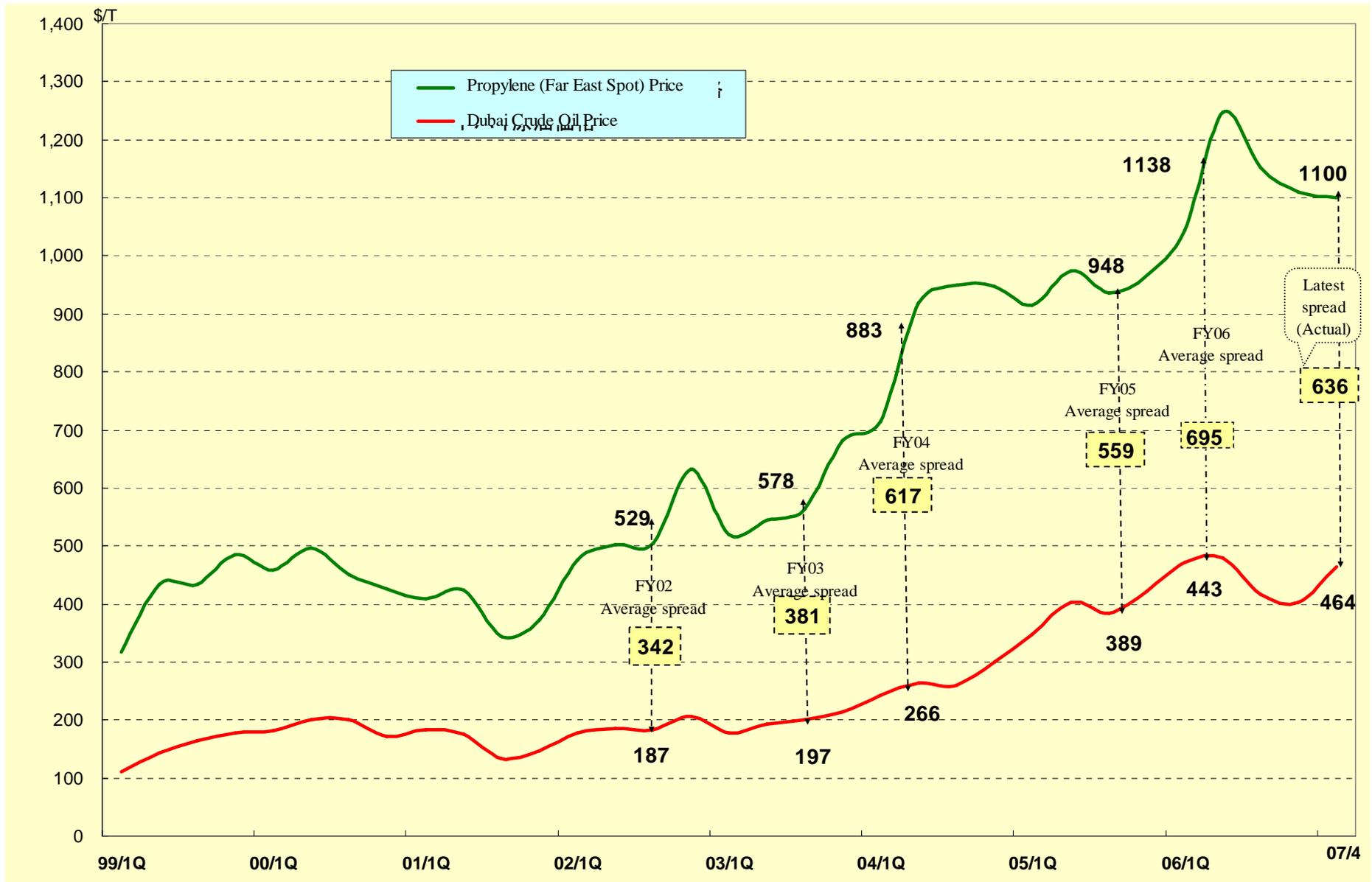
< Spread (PX Price – Dubai Crude Oil Price) >



< Spread (Benzene Price – Dubai Crude Oil Price) >



< Spread (Propylene Price – Dubai Crude Oil Price) >



Supplementary Information (3)

<Refining Capacity and Utilization Rates>

	(million BD)							
	FY97 (^{'97/4 - '98/3})	FY98 (^{'98/4 - '99/3})	Merger Creating NOC FY99 (^{'99/4 - '00/3})	FY00 (^{'00/4 - '01/3})	FY01 (^{'01/4 - '02/3})	FY02 (^{'02/4 - '03/3})	FY03 (^{'03/4 - '04/3})	FY04 (^{'04/4 - '05/4})
NOC Group ^{*1}	1.35 (80%)	1.37 (78%)	1.35 (74%)	1.35 (76%)	1.23 (81%)	1.22 (84%)	1.27 (83%)	^{*4} 1.22 (87%)
Total for Japan	5.32 (81%)	5.37 (78%)	5.35 (77%)	5.27 (79%)	4.97 (81%)	4.98 (81%)	^{*3} 4.89 (83%)	^{*4} 4.77 (84%)
	FY05			FY06				
	1H (Apr.-Sep.)	2H (Oct.-Mar.)	Total	1H (Apr.-Sep.)	2H (Oct.-Mar.)	Total		
NOC Group ^{*1}	1.22 (84%)	1.22 (93%)	1.22 (88%)	1.22 (83%)	1.22 (85%)	1.22 (84%)		
Total for Japan	4.77 (83%)	4.77 (91%)	4.77 (87%)	4.77 (81%)	^{*5} 4.83 (-)	^{*5} 4.83 (-)		

Notes: *1. Figures through FY00 are the sum of figures for Nippon Oil Company and Mitsubishi Oil Company, which merged in Apr.'99.

*2. Figures in parentheses are averages for the fiscal years.

*3. Discontinuation of crude oil processing at the Idemitsu Kosan Hyogo Refinery in Apr. '03 and the Idemitsu Kosan Group Okinawa Refinery in Nov. '03

*4. Discontinuation of crude oil processing at Idemitsu Kosan Group Toho Oil in Apr. '04, and partial discontinuation of crude oil processing at the Nippon Oil Negishi Refinery in Apr.'04 and Showa Shell Oil Group's Showa Yokkaichi Oil in June '04

*5. The capacity of Cosmo Oil Yokkaichi Refinery and Sakaide Refinery increased in Dec '06 and Kashima Oil of Japan Energy Group increased in Jun and Oct '06.

Sources: Ministry of Economy, Trade and Industry; Petroleum Association of Japan; and others

<NOC's Share of Sales of the Four Light Oil Products>

(Consumption Basis)

Type of product	Merger Creating NOC								(%)
	FY99 ('99/4 - '00/3)	FY00 ('00/4 - '01/3)	FY01 ('01/4 - '02/3)	FY02 ('02/4 - '03/3)	FY03 ('03/4 - '04/3)	FY04 ('04/4 - '05/3)	FY05 ('05/4 - '06/3)	FY06 ('06/4 - '07/3)	
Gasoline	23.2	22.9	22.8	23.2	23.3	23.9	23.6	23.2	
(Premium)	23.4	23.2	24.1	24.6	24.6	25.4	26.2	25.2	
Kerosene	23.4	23.3	23.9	24.4	24.3	27.6	27.7	26.2	
Diesel fuel	22.8	22.4	22.0	22.7	22.6	23.0	23.2	22.8	
Heavy fuel oil A	23.4	23.9	24.3	26.3	28.1	30.4	29.1	29.3	
Total	23.2	23.0	23.1	23.9	24.2	25.5	25.3	24.6	

Note: Figures are calculated by the Company based on publicly announced data from Agency for Natural Resources and Energy.

<Number of Service Stations (Fixed-Type)>

Repeal of
the Specific
Petroleum
Product
Law*5

Merger
Creating NOC

	FY95 (*95/4 - '96/3)	FY96 (*96/4 - '97/3)	FY97 (*97/4 - '98/3)	FY99 (*99/4 - '00/3)	FY00 (*00/4 - '01/3)	FY01 (*01/4 - '02/3)	FY02 (*02/4 - '03/3)	FY03 (*03/4 - '04/3)	FY04 (*04/4 - '05/3)	FY05 (*05/4 - '06/3)	FY06 (*06/4 - '07/3)	FY95 FY06
NOC ^{*1}	14,895	14,690	14,283	13,162	12,669	11,987	11,694	11,333	11,059	10,807	10,368 ^{*5}	69.6%
EMGK ^{*2}	9,283	9,276	8,893	8,101	7,898	7,597	7,278	6,904	6,701	6,464	6,217 ^{*6}	67.0%
Idemitsu Kosan	9,037	8,879	7,706	6,493	6,114	5,896	5,624	5,508	5,358	5,249	5,134 ^{*6}	56.8%
Showa Shell Sekiyu	7,091	6,937	6,728	5,962	5,642	5,402	5,153	4,968	4,808	4,689	4,575 ^{*6}	64.5%
Cosmo Oil	6,857	6,802	6,573	5,916	5,600	5,373	5,152	4,926	4,709	4,552	4,395 ^{*6}	64.1%
Japan Energy	6,384	6,232	6,079	4,952	4,646	4,476	4,296	4,150	4,023	3,833	3,737 ^{*6}	58.5%
Others ^{*3}	2,314	2,510	2,418	2,128	1,916	1,733	1,642	1,593	1,500	1,439	1,417 ^{*6}	61.2%
Oil companies	55,861 (96.9%)	55,326 (96.4%)	52,680 (93.8%)	46,714 (87.6%)	44,485 (85.6%)	42,464 (83.4%)	40,839 (82.3%)	39,382 (80.4%)	38,158 (79.5%)	37,033 (78.8%)	35,843 (-)	64.2% (-)
Private brands and other	1,792 (3.1%)	2,079 (3.6%)	3,469 (6.2%)	6,593 (12.4%)	7,472 (14.4%)	8,436 ^{*4} (16.6%)	8,761 ^{*4} (17.7%)	9,618 ^{*4} (19.6%)	9,842 ^{*4} (20.5%)	9,967 ^{*4} (21.2%)	- (-)	- (-)
Total	57,653	57,405	56,149	53,307	51,957	50,900	49,600 ^{*4}	49,000 ^{*4}	48,000 ^{*4}	47,000 ^{*4}	-	-

Notes: *1. Figures through FY99 are pro forma summations of figures for the former Nippon Oil Company and the former Mitsubishi Oil Company.

*2. Figures are pro forma summations of figures for Esso, Mobil, Tonen General Sekiyu, and Kygnus Sekiyu.

*3. Figures are pro forma summations of figures for Kyushu Oil, Taiyo Petroleum, and Mitsui Oil & Gas.

*4. Estimates by Nippon Oil

*5. As of March 2007

*6. As of December 2006

Source: Agency of Natural Resources and Energy

<Number of Company-Owned Service Stations>

	Merger Creating NOC							
	FY99 ('99/4 - '00/3)	FY00 ('00/4 - '01/3)	FY01 ('01/4 - '02/3)	FY02 ('02/4 - '03/3)	FY03 ('03/4 - '04/3)	FY04 ('04/4 - '05/3)	FY05 ('05/4 - '06/3)	FY06 ('06/4 - '07/3)
NOC	3,053	2,945	2,857	2,746	2,607	2,518	2,436	2,309

<Number of Self-Service Stations>

	Merger Creating NOC							
	FY99 ('99/4 - '00/3)	FY00 ('00/4 - '01/3)	FY01 ('01/4 - '02/3)	FY02 ('02/4 - '03/3)	FY03 ('03/4 - '04/3)	FY04 ('04/4 - '05/3)	FY05 ('05/4 - '06/3)	FY06 ('06/4 - '07/3)
NOC	21	54	142	342	520	651	794	1,055
Total for Japan	191 *	422 *	1,353 *	2,522 *	3,423 *	3,493 *	4,257 *	5,203

* This figure includes only self-service retail outlets that are affiliated to oil wholesale companies.

Sources: Agency of Natural Resources and Energy; *The Daily Nenryo Yushi*

<Number of Dr. Drive Service Stations>

	Merger Creating NOC							
	FY99 ('99/4 - '00/3)	FY00 ('00/4 - '01/3)	FY01 ('01/4 - '02/3)	FY02 ('02/4 - '03/3)	FY03 ('03/4 - '04/3)	FY04 ('04/4 - '05/3)	FY05 ('05/4 - '06/3)	FY06 ('06/4 - '07/3)
NOC	44	390	1,283	1,610	1,871	1,963	2,505	2,403

<Number of Depots>

	Merger Creating NOC				
	'99/4	'00/4	'01/4	'02/4	'03/4
NOC	109	93	75	62	55
	'04/4	'05/4	'06/4	'07/4	
	51	50	50	48	

<Number of Employees>

	Merger Creating NOC				
	'99/3	'00/3	'01/3	'02/3	'03/3
NOC Group	15,964	15,570	14,895	14,368	13,882
(portion from NOC and NPRC ^{*5})	(5,163)	(4,602)	(4,290)	(4,108)	(4,990)* ¹
	'04/3	'05/3	'06/3	'07/3	
	14,347 * ²	13,424	13,628	13,214 * ⁴	
	(4,920)	(4,437)	(4,705)* ³	(4,907)* ⁵	

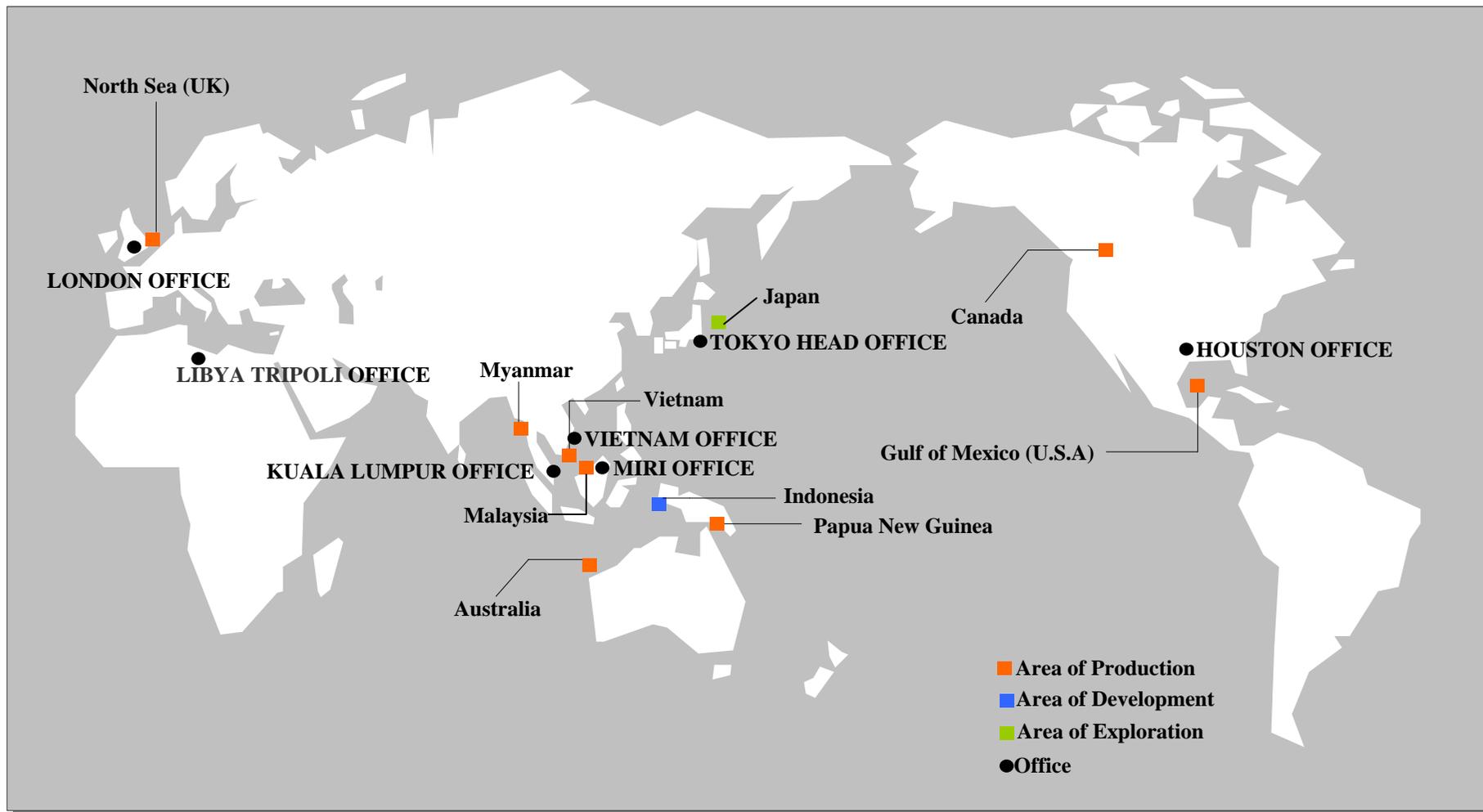
- Notes:
- *1. The number of employees increased because of the merger (in Apr. '02) of the former NiSSEKI Mitsubishi Refining, the former Tohoku Oil, and the former Koa Oil.
 - *2. The number of employees increased as a result of the inclusion of Dai Nippon Construction Co., Ltd., within the scope of consolidation.
 - *3. The number of employees increased because of the merger of Nippon Petroleum Gas Company, Limited.
 - *4. The number of employees increased because of the merger of R&D, management & sales function of Nippon Petrochemicals Company, Limited.
 - *5. Nippon Petroleum Refining Company, Limited.

Supplementary Information (4)

<Principal Overseas Operating Bases>



〈Principal E&P of Oil and Natural Gas Projects〉



<Outline of Principal E&P of Oil and Natural Gas Projects >

(Average for Jan.-Dec.'06)

Project Name/Company	Total Production	Oil Rights (1,000BD)		Reserves ^{*1}
	(1,000BD)	PC Basis	NOC Ownership Basis	PC Basis (1 million Bbl)
<U.S.A.> Gulf of Mexico (U.S.A.) Nippon Oil Exploration U.S.A. Limited	34	10	10	33
<U.K.> North Sea, U.K. MOC Exploration (U.K.) Limited NOEX Production U.K.	88 141	5 9	2 9	41
<Southeast Asia> Vietnam Japan Vietnam Petroleum Co., Ltd. Myanmar Nippon Oil Exploration (Myanmar), Limited Malaysia Nippon Oil Exploration (Malaysia), Limited Nippon Oil Exploration (Sarawak), Limited	60 80 57 166	18 10 32 44	17 5 25 34	< Southeast Asia Total > 454
<Oceania> Papua New Guinea Japan Papua New Guinea Petroleum Company, Limited Australia NOEX Australia Pty Ltd.	49 40	2 10	1 10	< Oceania Total > 13
<Canada> Canada Mocal Energy Limited	258	13	13	268
Total	973	152	126	808

*1. Proved reserves and probable reserves as of Dec.'06. Including reserves from projects currently under development.

< Individual E&P Project Overview >

(Gulf of Mexico)



'06 Jan - Dec Production Volume
10,100BOED
(oil: 2,300b/d, gas: 47mmcf/d)

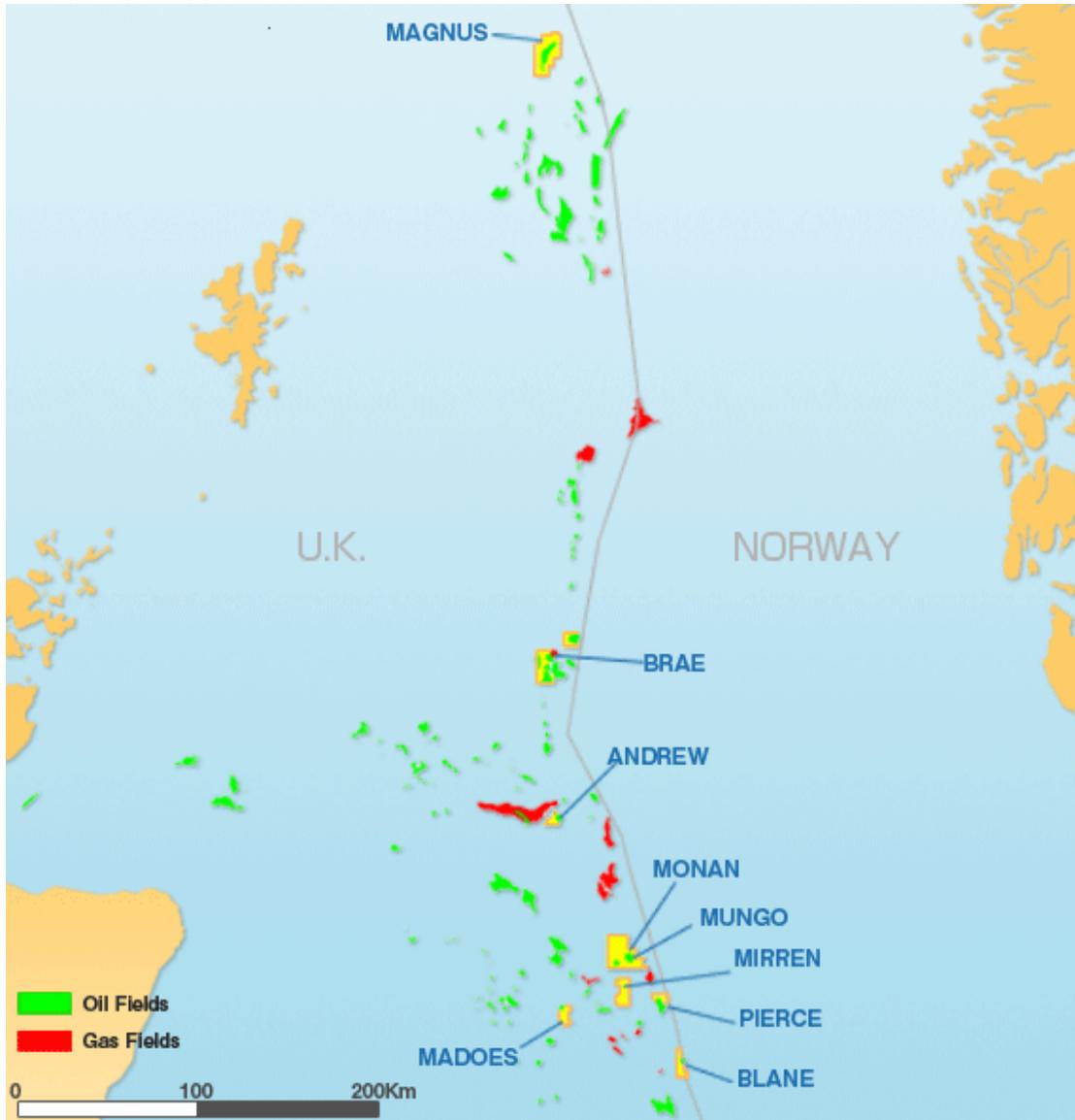
Project Company
Nippon Oil Exploration U.S.A. Limited
(NOEX USA) (100%)
(%) = NOC Group Shareholding

Range of Interests in Individual Fields
1.6% to 100%

Operators
NOEX USA, ConocoPhillips, Total, other

In 1989, NOEX USA began exploration, development, and production operations at an onshore field in Texas and offshore blocks in both deep as well as shallow waters in the Gulf of Mexico. In addition to continuing such existing operations as those in the Orchard North Gas Field, Aconcagua Gas Field, and Virgo Gas Field, NOEX USA purchased interests in certain producing assets in the Gulf of Mexico from Devon during 2005.

U.K. North Sea



'06 Jan - Dec Production Volume

13,700BOED

(oil: 8,000b/d, gas: 34mmcf/d)

Project Company

MOC Exploration (U.K.) Limited (MOEX) (50%)

Nippon Oil Exploration and Production U.K. Ltd.

(NOEP UK) (100%)

(%) = NOC Group Shareholding

Range of Interests in Individual Fields

3.5% to 50%

Operators

BP, Shell, Marathon

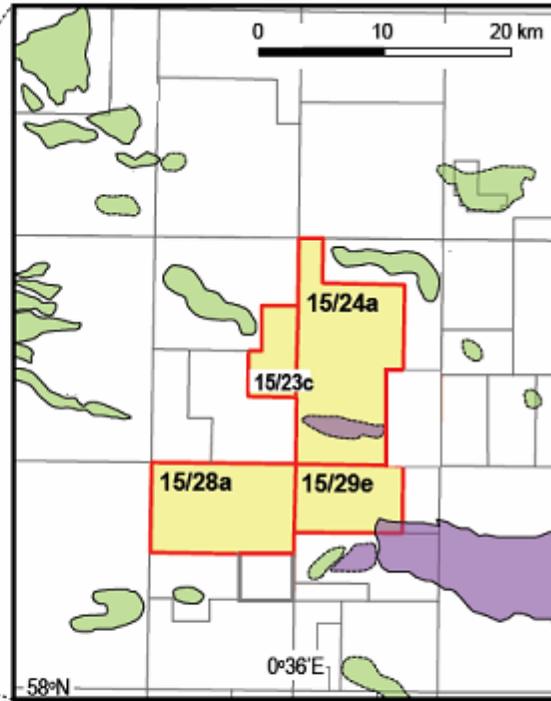
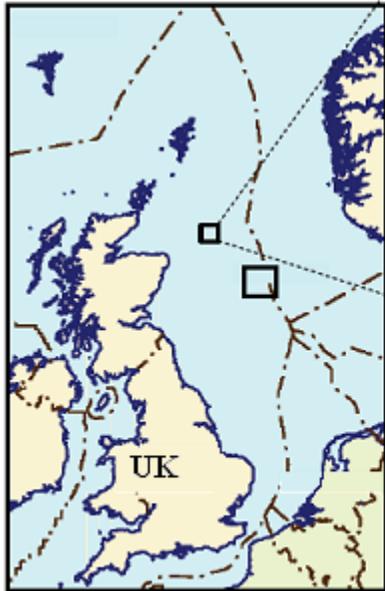
● MOEX

In 1994, MOEX acquired a working interest in blocks, including those in the Andrew Oil Field, the Mungo/Monan Oil Fields, the Pierce Oil Field, the Mirren/Madoes Oil Fields, and the Blane Oil Field. It is currently expanding its exploration, development, and production operations.

● NOEP UK

In 1996, NOEP UK acquired an interest in the Magnus Oil Field, and in 2002 it acquired interests in the Brae Gas Fields and the Fiddich Oil Field. It is currently engaged in development preparation and production operations.

The 24th Licensing Round 2006- U.K. North Sea



In February 2007, Nippon Oil Exploration and Production U.K. Ltd was, in the 24th Licensing Round, awarded 6 new exploration blocks which includes 4 operating blocks. Nippon Oil will be the first Japanese operator in the North sea.

Range of Interests in Individual Fields

17.1% to 30%

Operators

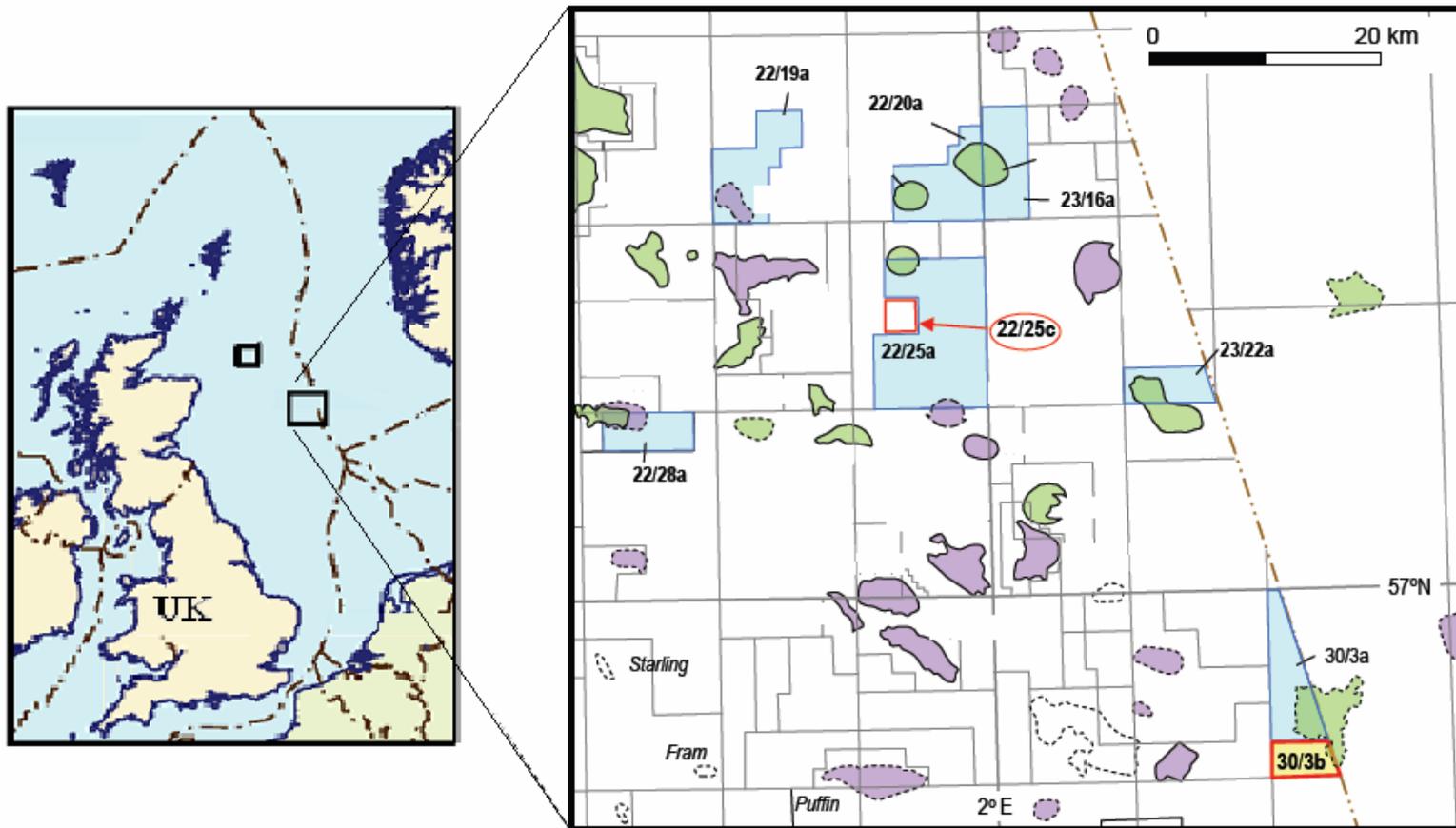
- 15/23c,15/24a,15/28a,15/28e

Nippon Oil Exploration and Production U.K. Ltd

- 22/25c,30/3b

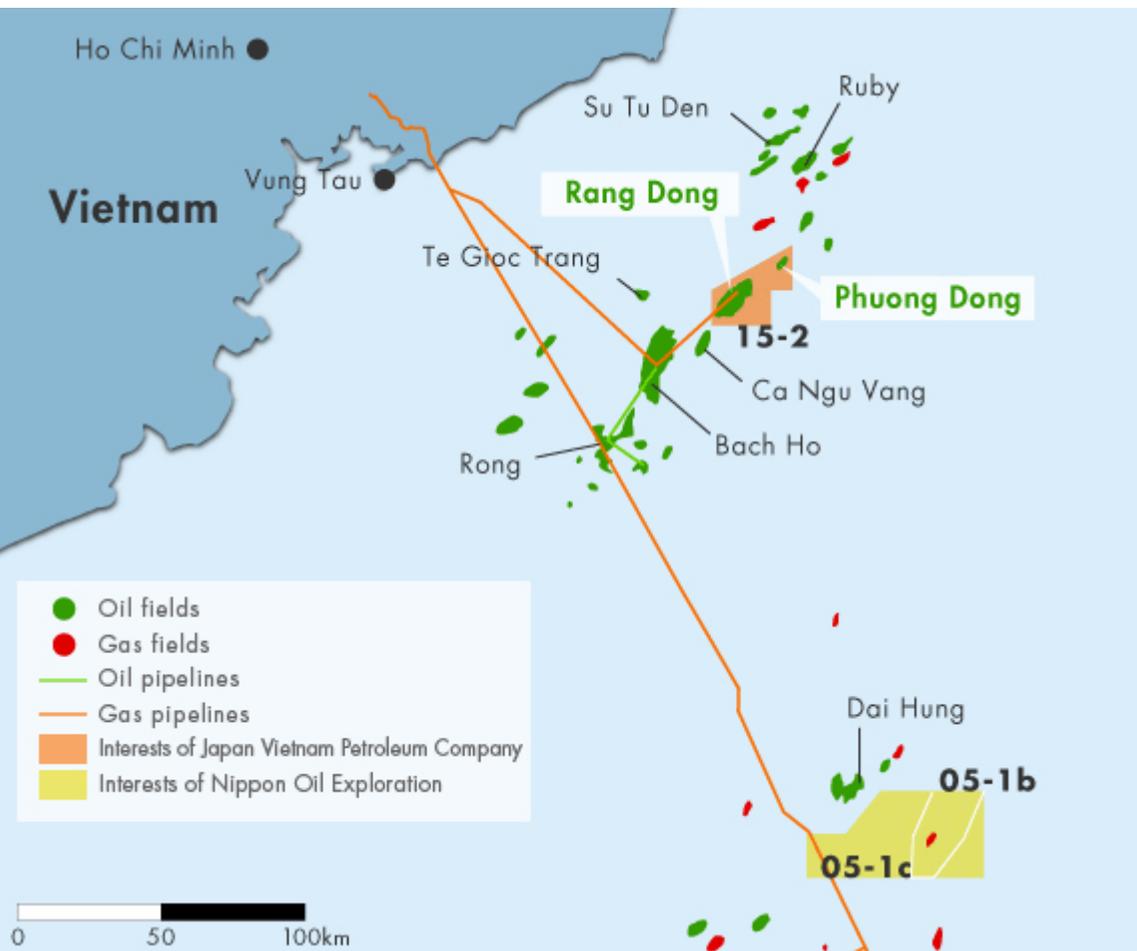
Maersk oil North Sea UK Limited

The 24th Licensing Round 2006- U.K. North Sea



- | | | |
|--|--|--|
| Oil | Gas/Condensate |  Blocks Nippon Oil holds |
|  in production |  in production |  awarded 2 blocks (non-operator) |
|  awaits production |  awaits production | (22/25c, 30/3b) |

Vietnam



'06 Jan - Dec Production Volume

17,700BOED

(oil: 13,300b/d, gas: 26mmcf/d)

Project Company

Nippon Vietnam Petroleum Co., Ltd. (JVPC)

(97.1%)

(%) = NOC Group Shareholding

Interest in Individual Fields

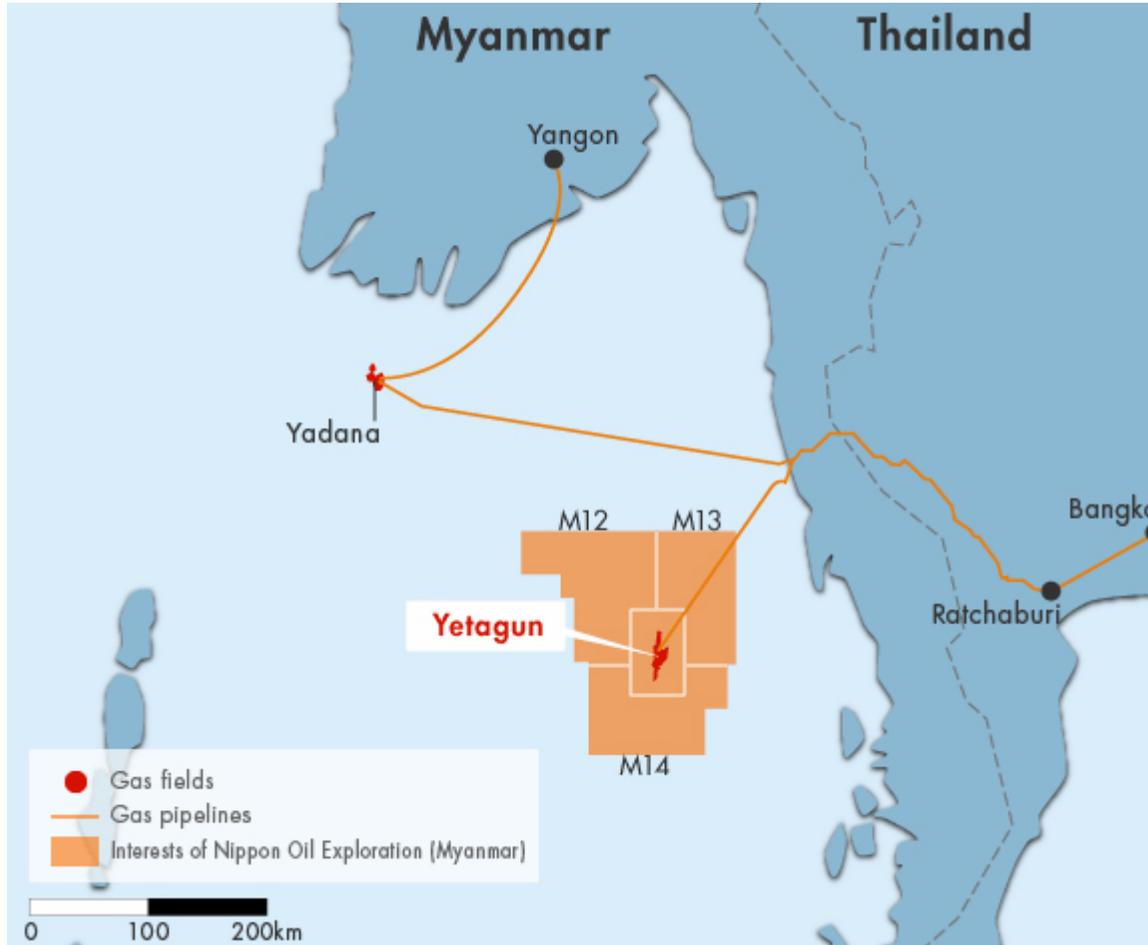
46.5%

Operator

JVPC

- In 1992, JVPC acquired a working interest in block 15-2 offshore Vietnam.
- In 1994, JVPC discovered the Rang Dong Oil Field within block 15-2, and it began production in that field from 1998.
- In 2006, the Rang Dong Oil Field associated gas recovery and utilization project was approved as a Clean Development Mechanism (CDM) system under the Kyoto Protocol.

Myanmar



'06 Jan - Dec Production Volume

9,700BOED(oil: 1,100b/d, gas: 52mmcf/d)

Project Company

Nippon Oil Exploration (Myanmar), Limited
(NOEX Myanmar) (50%)

(%) = NOC Group Shareholding

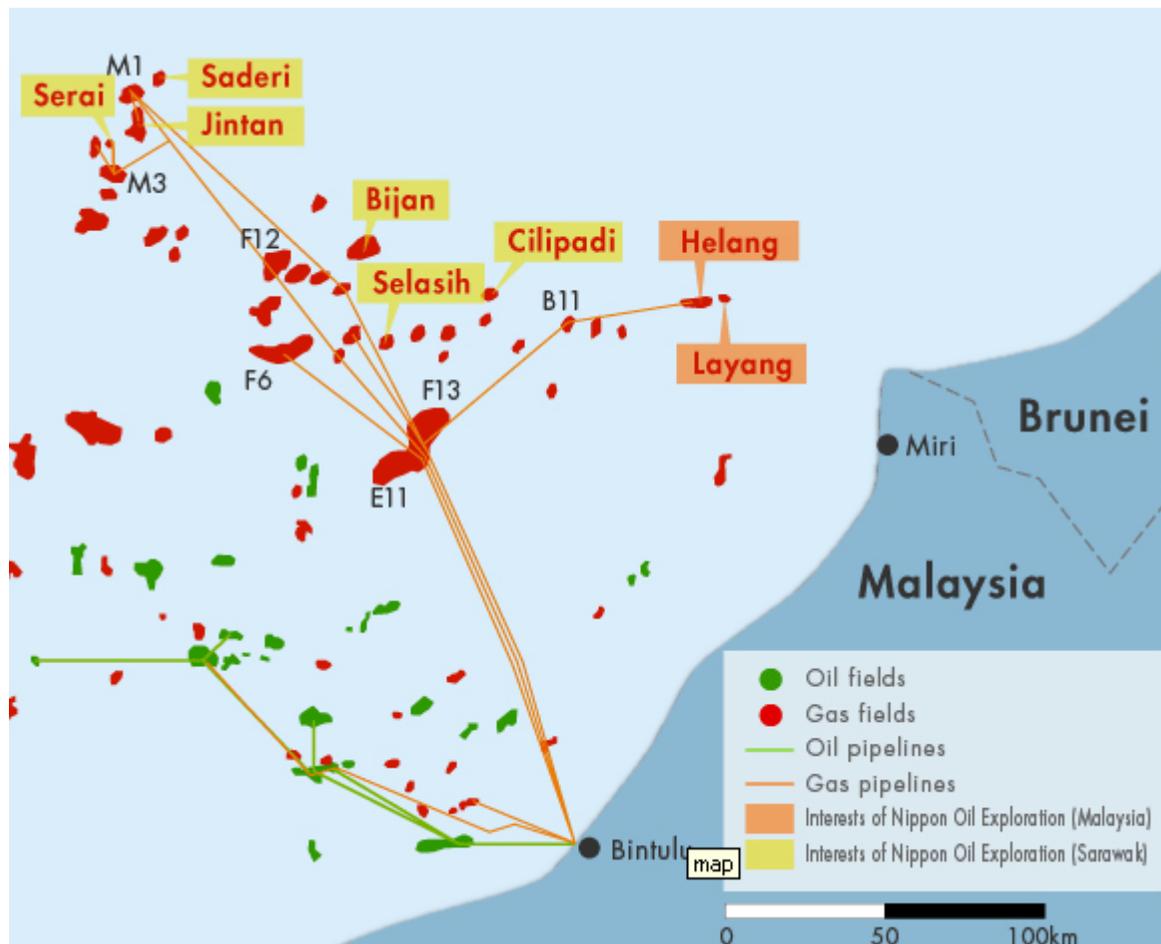
Interest in Individual Fields

19.3%

Operator

Petronas

- In 1991, NOEX Myanmar acquired a working interest in blocks M-13/14 offshore Myanmar. The following year, it acquired a working interest in block M-13/1 and discovered the Yetagun Gas Field in that block.
- In 2000, production at the Yetagun Gas Field commenced, with the produced gas supplied to the Ratchaburi power plants in Thailand.



'06 Jan - Dec Production Volume

31,600BOED(oil: 7,700b/d, gas: 144mmcf/d)

Project Company

Nippon Oil Exploration (Malaysia), Limited
(NOMA) (78.7%)

(%) = NOC Group Shareholding

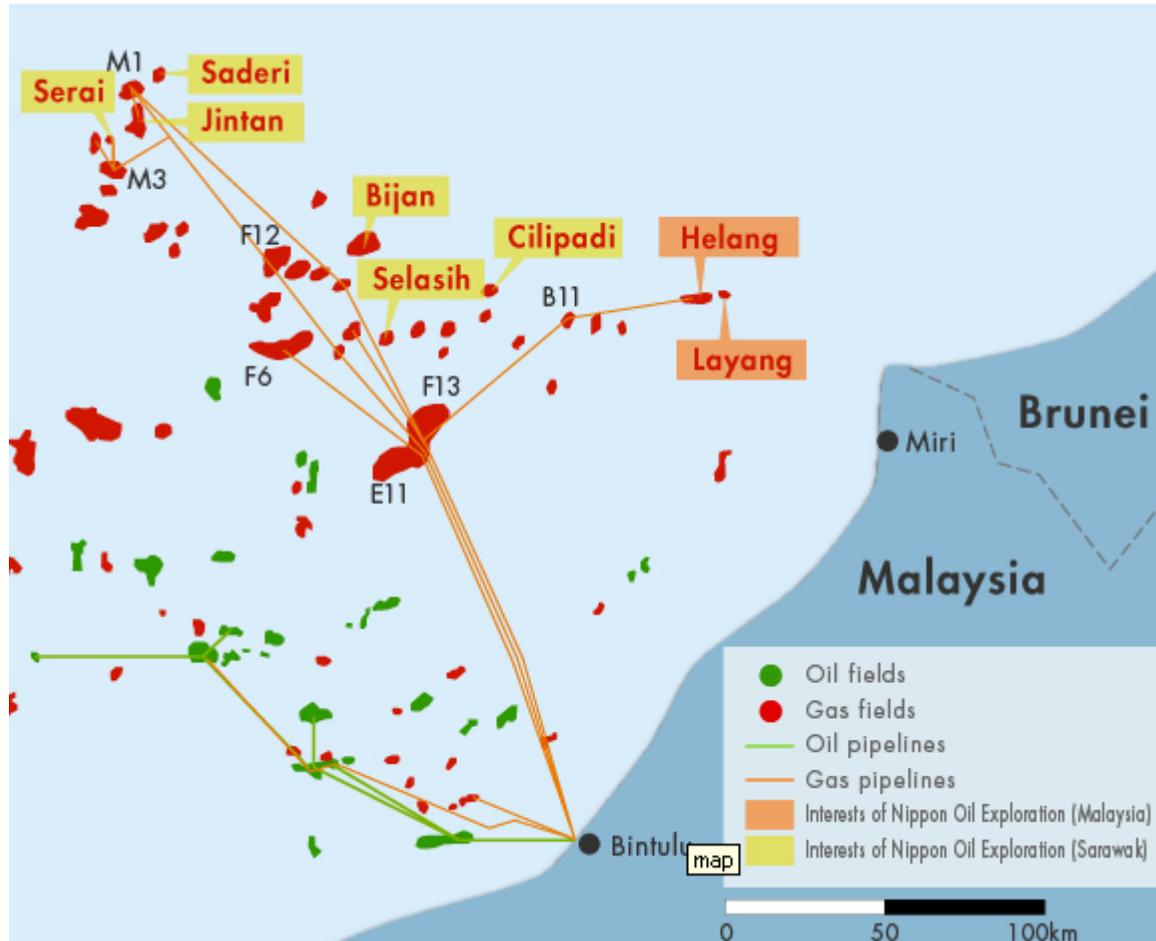
Range of Interest in Individual Fields

75%

Operator

NOMA

- In 1987, NOMA acquired a working interest in Block SK-10 offshore Sarawak, Malaysia.
- In 1990, NOMA discovered the Helang Gas Field, where production commenced in 2003.



‘06 Jan - Dec Production Volume

43,800BOED

(oil: 3,400b/d, gas: 243mmcf/d)

Project Company

**Nippon Oil Exploration (Sarawak), Limited
(NOSA) (76.5%)**

(%) = NOC Group Shareholding

Interest in Individual Fields

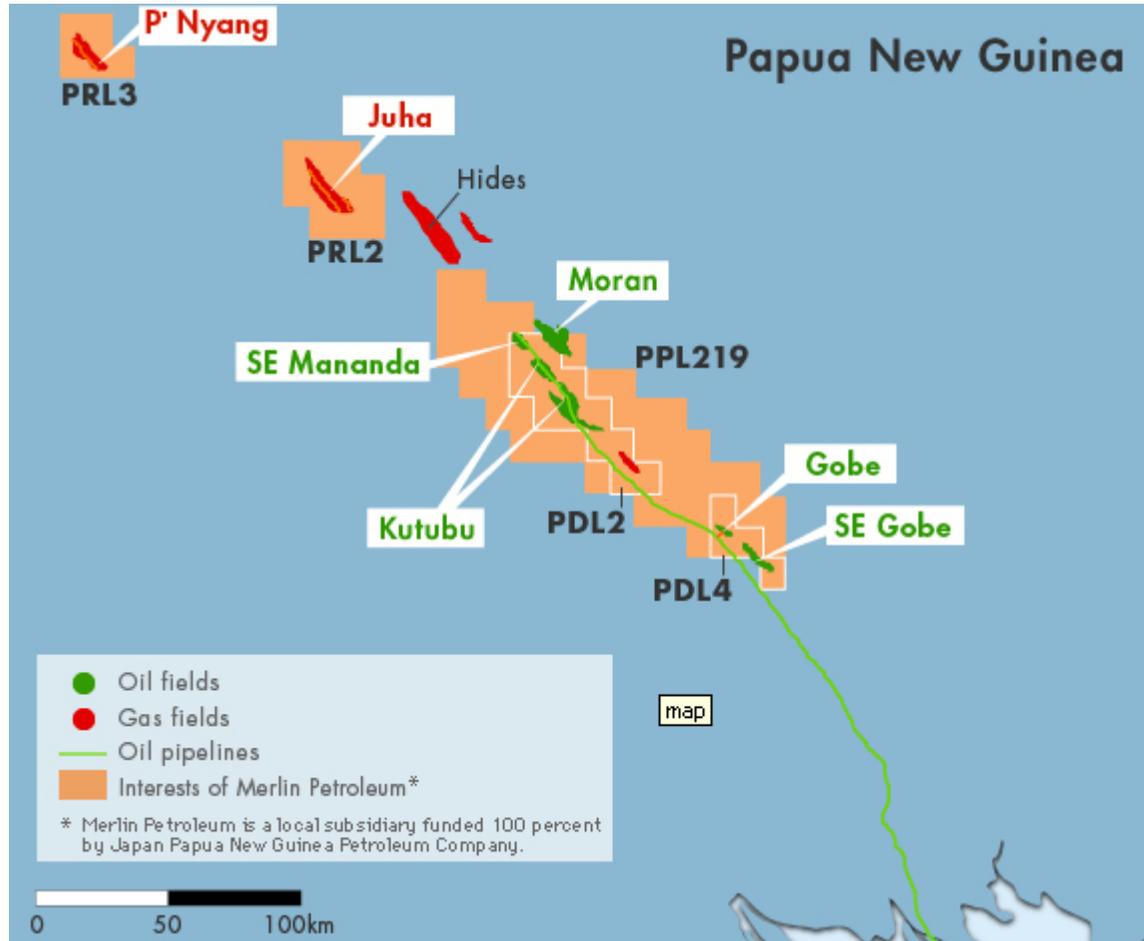
37.5%

Operator

Shell

- In 1991, NOSA acquired a working interest in Block SK-8 offshore Sarawak, Malaysia.
- From 1992 through 1994, the Jintan and Serai Gas Fields were discovered in that block, and production there commenced in 2004.

Papua New Guinea



'06 Jan - Dec Production Volume

2,400b/d

Project Company

Japan Papua New Guinea Petroleum Co., Ltd.
(36.4%)

(%) = NOC Group Shareholding

Range of Interests in Individual Fields

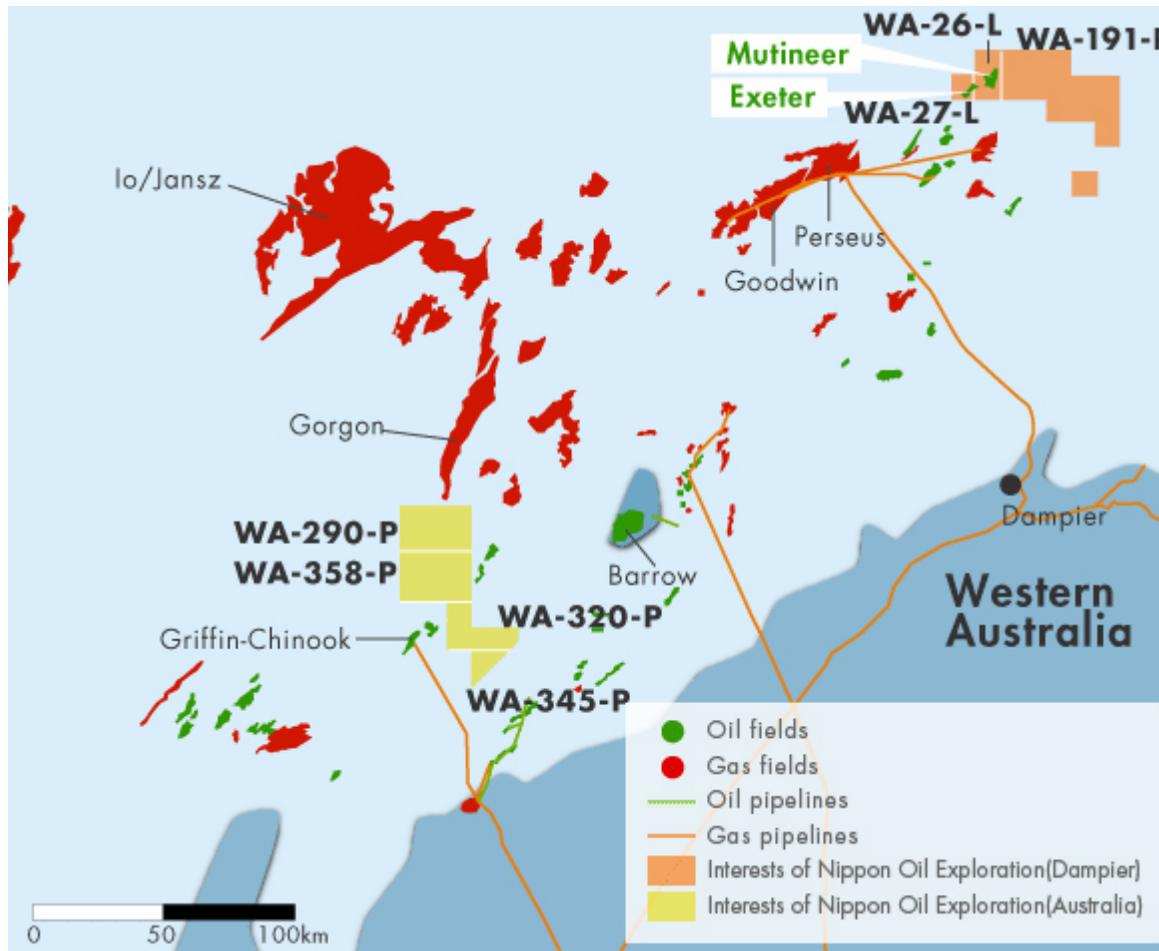
2.8 to 12.5%

Operator

Oil Search

● In 1990, Japan Papua New Guinea Petroleum acquired exploration rights in Papua New Guinea from Merlin. Subsequently, exploration, development, and production activities have been undertaken in the Kutubu, Moran, Gobe, and SE Gobe oil fields.

Australia



‘06 Jan - Dec Production Volume
10,100b/d

Project Company

Nippon Oil Exploration (Dampier) Pty Ltd
(NOEX (Dampier)) (100%)
(%) = NOC Group Shareholding

Interest in Individual Fields

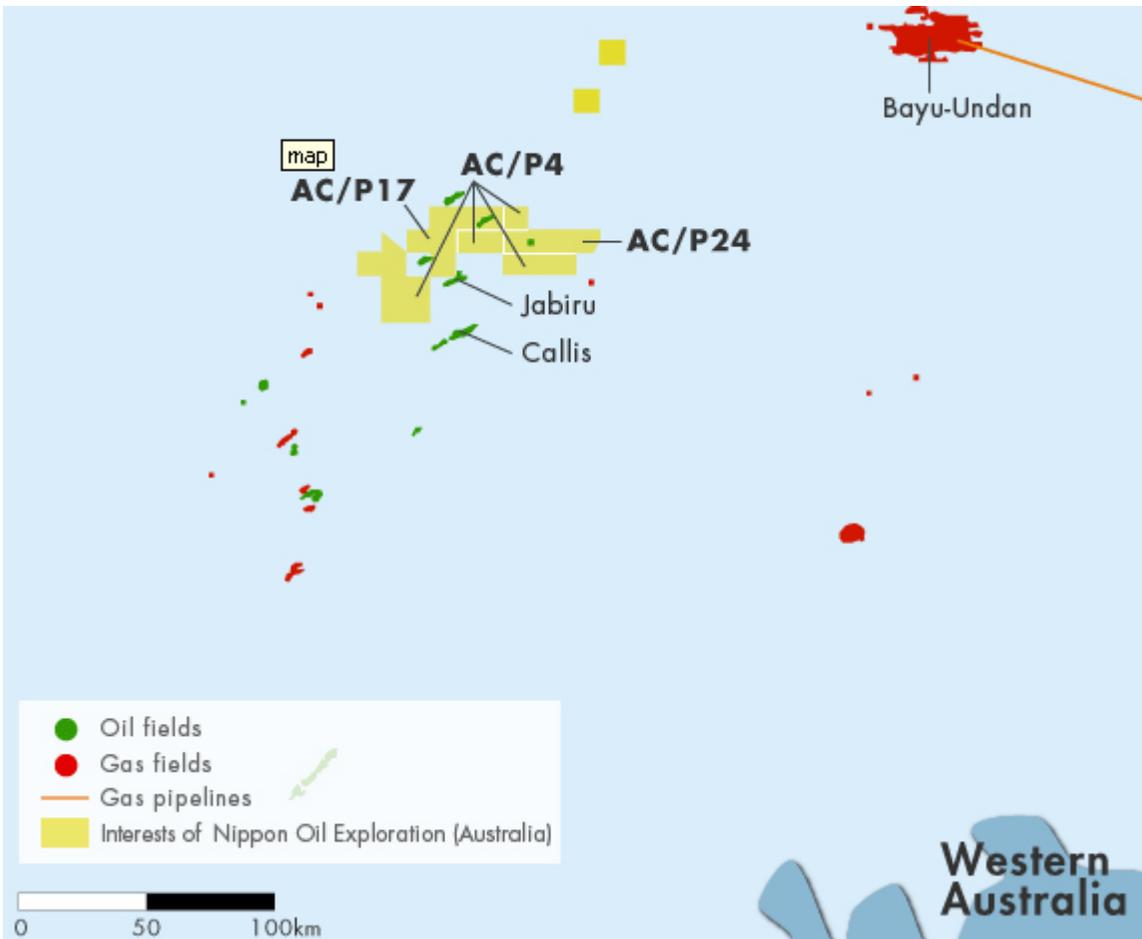
25%

Operator

Santos

- In 1997, NOEX (Dampier) acquired a 25% working interest in Block WA-191-P. Subsequently, the Mutineer and Exeter gas fields were discovered in that block, and production there commenced in 2005.

Australia



'06 Jan - Dec Production Volume

-

Project Company

Nippon Oil Exploration (Australia) Pty Ltd

(NOEX (Australia)) (100%)

(%) = NOC Group Shareholding

Interest in Individual Fields

25 - 30%

Operator

OMV

- In 2004, NOEX (Australia) acquired a 25% working interest in Block WA-290-P, WA320-P, WA-345-P and 30% interest in Block AC/P24.
- In 2005, NOEX (Australia) acquired a 30% working interest in Block AC/P4, AC/P17, AC/RL4 and AC/RL5 and 25% interest in Block WA-358-P.

Canada



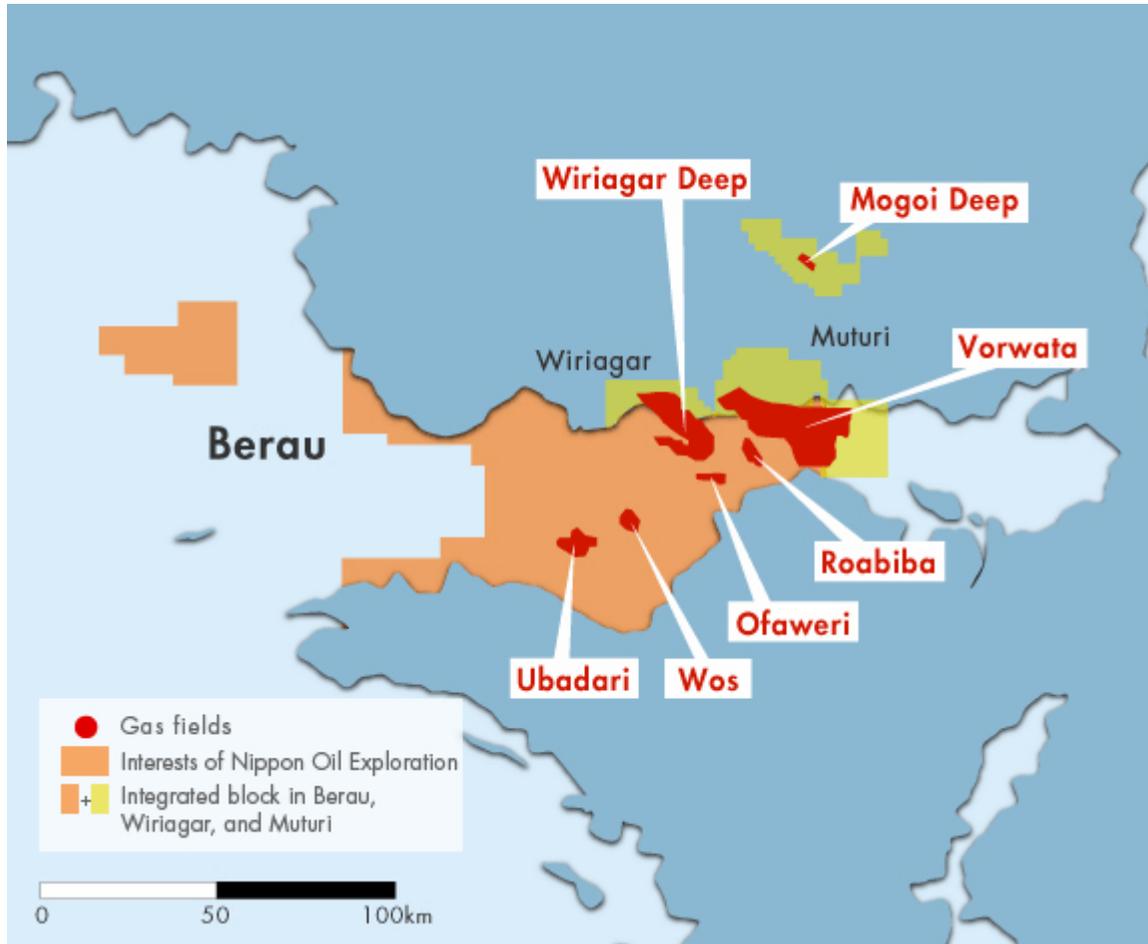
'06 Jan - Dec Production Volume
12,900b/d

Project Company
Japan Canada Oil Co., Ltd. (100%)
(%) = NOC Group Shareholding

Interest in Individual Fields
5%

Operator
Syncrude

● In 1992, NOEX acquired a 5% stake in the Syncrude project from PetroCanada. Subsequently, this stake was transferred to Mocal Energy Limited (a wholly owned subsidiary of NOEX).



'06 Jan - Dec Production Volume

Project Company

Nippon Oil Exploration (Berau), Limited

(NOEX(Berau)) (51%)

(%) = NOC Group Shareholding

Interest in Individual Fields

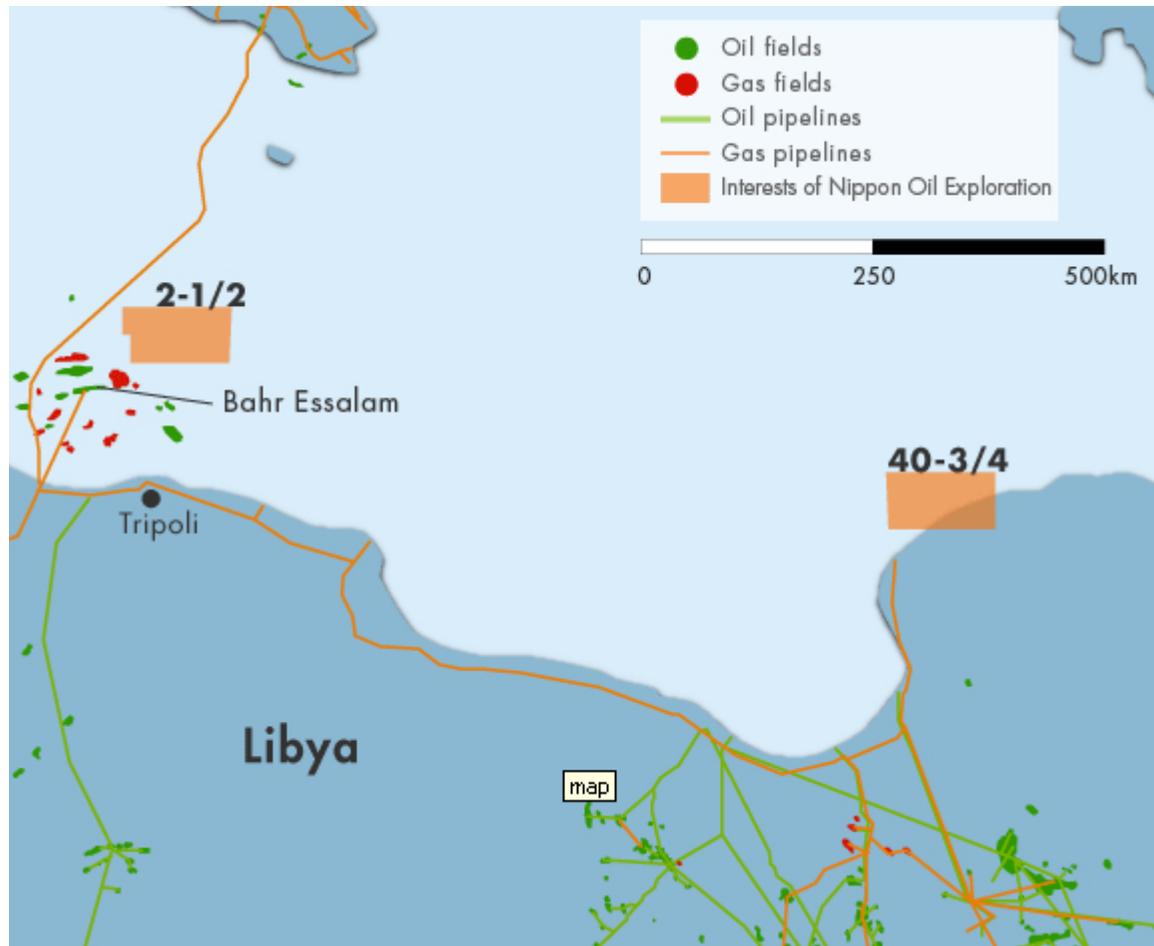
12.2% (after unitization)

Operator

BP

- From 1990, using three test wells natural gas was discovered in the area. Subsequently, the Vorwata Gas Field, Wiriagar Deep Gas Field, and other gas structures were discovered.
- From 2003, those with interests in the Berau, Wiriagar, and Muturi blocks agreed to become partners in unitizing the blocks and undertake development work cooperatively.
- In 2008, production is scheduled to begin.

Libya



‘06 Jan - Dec Production Volume

—

Project Company

Nippon Oil Exploration Limited (NOEX)

Interests in Individual Fields

90% (2-1/2 block)

38% (40-3/4 block)

Operators

NOEX (2-1/2 block)

Japex Libya Ltd. (40-3/4 block)

● **NOEX won interests in two blocks (2-1/2 and 40-3/4) in a round of public bidding held in October 2005. Plans call for beginning exploration activities in those blocks.**

Cautions with Respect to Forward-Looking Statements

The financial forecasts, management targets, and any other estimates and projections of the Company presented in this report are based on information available to management as of the date set forth within.

Please note that actual results may vary significantly from projected forecasts due to various uncertain factors, and, as such, readers should take care when making investment decisions based solely on the forecasts herein.

The factors affecting actual results include but are not limited to economic conditions, crude oil prices, demand for and market conditions of oil-related products, and exchange rate and interest rate trends.