

Field Development Plan approved for Culzean in UK North Sea

August 31, 2015

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 (President and CEO, Kemmei Nakata) and its co-venturers, Maersk Oil (operator) and BP (Britoil) have received approval from the UK Oil & Gas Authority for the development of the Culzean Field.

Culzean is a high pressure, high temperature ("HPHT") gas condensate field located in the Block 22/25a in the UK Central North Sea. Discovered in 2008 by Maersk Oil and its co-venturers, including JX Nippon, it has resources estimated at 250-300 million barrels of oil equivalent. It is both the largest field discovered in the UK North Sea in the last decade and is the largest gas field sanctioned since 1990*.

Production is expected to start in 2019 and continue for at least 13 years, with plateau production of 60,000-90,000 barrels of oil equivalent per day. At peak production, anticipated in 2020/21, the field is expected to produce gas equivalent to 5% of total UK demand.

The Culzean development has benefited from the recent introduction by the UK Government of the HPHT Cluster Area Allowance. The allowance supports the development of HPHT projects, which typically have high capital costs. The Allowance also encourages exploration and appraisal activity in the surrounding area or 'cluster'.

The Culzean Field is the latest major JX Nippon investment and, along with the Mariner Field in the UK, will contribute significantly to JX Nippon's corporate mid to long term global production.

ENDS

*According to WoodMac research

Attachment

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

- (1) President and CEO: Kemmei Nakata
- (2) Shareholders: JX Nippon Oil & Gas Exploration Corporation 100%
- (3) Paid-in capital: \$88.8 million
- (4) Established: 2 December 1996

2. Summary of block

- (1) Location: Central North Sea
- (2) Block: 22/25a
- (3) Participating interest: Maersk Oil UK (49.99%)
JX Nippon Exploration and Production (U.K.) Limited (34.01%)
Britoil Ltd (16%)

