

October 1, 2014

Company Name: Japan Methane Hydrate Operating Co., Ltd. (JMH)
President: Shoichi Ishii
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**Establishment of New Company for Participation in R & D Project
of Pore-filling Type Methane Hydrate**

It is pleased to announce that Japan Methane Hydrate Operating Co., Ltd. (JMH) was established on October 1, 2014 aiming to participate in the Medium to Long-term Offshore Production Test from pore-filling type methane hydrate which will be conducted by the Japanese government.

A substantial quantity of methane hydrate is estimated in the offshore areas around Japan. Serving as a new domestic energy source, with the potential to make a major contribution to a stable national energy supply for Japan, technological development is expected for its commercialization including establishment of production technologies. At the end of the fiscal year 2012, the Japanese Government carried out the first offshore production test and succeeded in the world's first production of gas from methane hydrate under the seabed. At the end of 2013, the Japanese government announced the latest version of the "Plan for the Development of Marine Energy and Mineral Resources", in which the Medium to Long-term Offshore Production Test is planned.

JMH has been formed with agreement and capital participation of 11 companies engaging in oil and natural gas development and in plant engineering. The company aims to provide contract services efficiently, effectively and smoothly on field operations in the offshore production test of pore-filling type methane hydrate in "all-Japan" structure, and to share its findings among private-sector in Japan. Optimizing this structure, participating companies will proactively offer their technologies and knowledge to the Japan's research and development of pore-filling type methane hydrate toward its commercialization.

Appendix: Corporate Profile of Japan Methane Hydrate Operating Co., Ltd.

Company Profile

Company Name: Japan Methane Hydrate Operating Co., Ltd. (JMH)

Established Date: October 1, 2014

Head Office: Sapia Tower 12th Floor, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005 Japan

Tel: +81-3-6268-7200

Purpose: To aim to participate in the Medium to Long-term Offshore Production Test about development of pore-filling type methane hydrate conducted by the Japanese government, and to provide contract services efficiently, effectively and smoothly on field operations and share its findings among Japanese private-sector in “all Japan” structure

Shareholders (11 companies):

Japan Petroleum Exploration Co., Ltd. (JAPEX)	33%
Japan Drilling Co., Ltd. (JDC)	18%
INPEX CORPORATION (INPEX)	13%
Idemitsu Oil & Gas Co., Ltd.	5%
JX Nippon Oil & Gas Exploration Corporation	5%
NIPPON STEEL & SUMIKIN ENGINEERING CO., LTD.	5%
Chiyoda Corporation (Chiyoda)	5%
Toyo Engineering Corporation (Toyo)	5%
JGC CORPORATION	5%
Mitsui Oil Exploration Co.,Ltd. (MOECO)	5%
Mitsubishi Gas Chemical Company, Inc. (MGC)	1%

Capital: 300 million yen (Capital: 150 million yen; Capital Reserve: 150 million yen)

President:

Shoichi Ishii (Executive Vice Presidents, Japan Petroleum Exploration Co., Ltd.)

Director:

Hideaki Takahashi (Executive Officer, Japan Petroleum Exploration Co., Ltd.)

Masahiro Nakamura (Executive Officer, Japan Drilling Co., Ltd.)

Tetsuro Tochikawa (Executive Officer, INPEX CORPORATION)

Kunimitsu Oba (Executive Officer, JX Nippon Oil & Gas Exploration Corporation)

Nobuaki Aoyama (Managing Director, NIPPON STEEL & SUMIKIN ENGINEERING CO., LTD.)

Auditor: Tetsuya Higuchi (Assistant General Manager Finance Department, Japan Drilling Co., Ltd.)

Organization:

Administration Department

Planning Department

Operations Department

(As of October 1, 2014)