



Note: The following is an English translation of the Japanese-language original

August 2, 2019

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Completion of Exploratory Drilling at Offshore Hidaka Area of Hokkaido

Japan Petroleum Exploration Co., Ltd. (JAPEX) has completed the exploratory drilling which started on April 13, 2019(*) at offshore Hidaka area of Hokkaido, on August 2, 2019.

The operation of exploratory drilling is a part of the offshore exploration project commissioned by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry (ANRE). The location of the exploration well is at approximately 50 kilometers offshore of Hidaka area of Hokkaido with the water depth of approximately 1,070 meters. The well was safely drilled to a depth of approximately 2,530 meters below the seabed, in support of the understanding and cooperation from the local community and local government.

While various geological data were obtained through the operations, production test was also conducted against the gas reservoir where indications of natural gas existence was recognized, and achieved stable gas production.

JAPEX will conduct analysis and evaluation of the data obtained this time, and will further consider the possibility of exploration opportunity in this area.

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Note)

* Please refer an announcement "Conduct of Exploratory Drilling at Offshore Hidaka Area of Hokkaido," released on March 23, 2018,

https://www.japex.co.jp/english/newsrelease/pdfdocs/JAPEX20180323_HidakaExploratoryDrilling_e.pdf

(Appendix)

Location Map

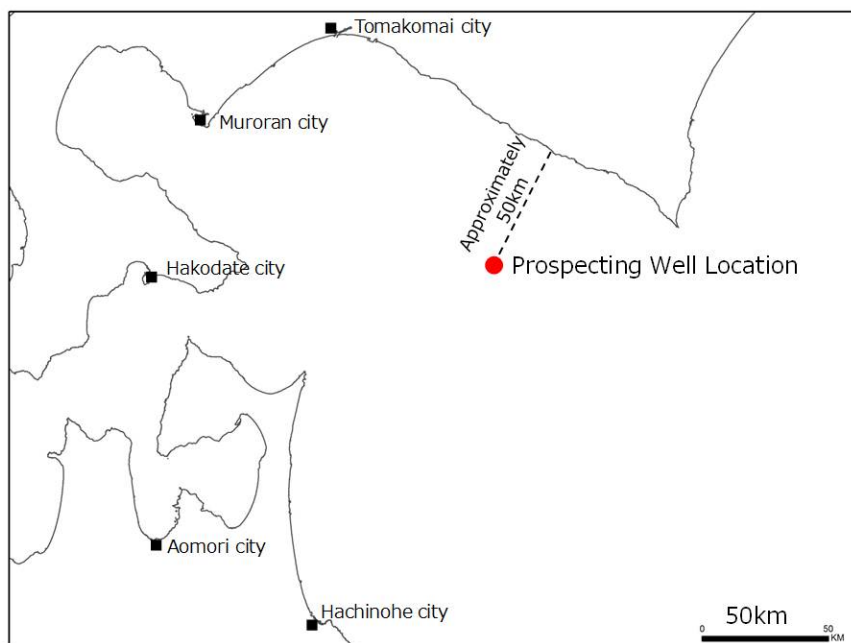
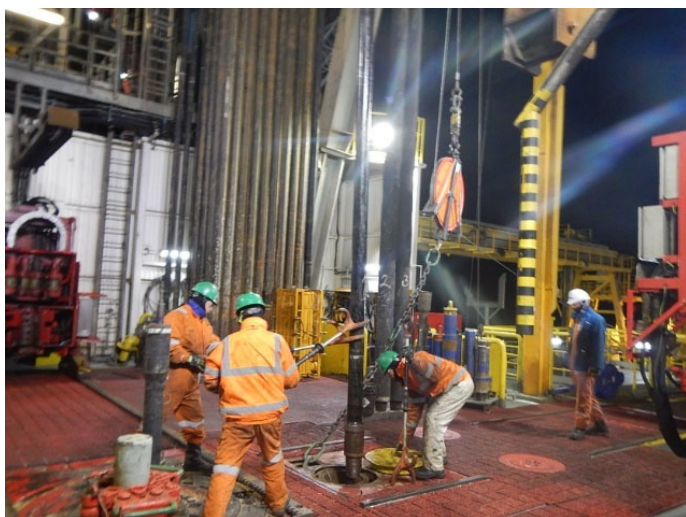


Image photo of the sea drilling rig



“ENSCO8504” (Provided by Enesco Rowan plc) *

Photos



Drilling operation



Production test of natural gas

* Note) Enesco Rowan plc has changed its name to Valaris plc on July 31, 2019. Accordingly, the sea drilling rig name “ENSCO8504” has changed to “Valaris 8504.” (In this document, these names are written as of the drilling time)

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