

Nippon Oil Acquisition of Two Blocks in Libya Bid Round 2 for EPSA

Nippon Oil Corporation (President; Mr. Shinji Nishio) announced earlier today in Tokyo that Nippon Oil Exploration Limited ('NOEX') (President; Mr. Teruo Omori), its upstream arm and a wholly owned subsidiary, and Japan Petroleum Exploration Co., Ltd ('JAPEX') and Mitsubishi Corporation have jointly been awarded interests in two exploration blocks (Block 2-1/2 and Block 40-3/4). The Bid Round 2 for an Exploration and Production Sharing Agreement (EPSA) was hosted by the National Oil Corporation of the Great Socialist People's Libyan Arab Jamahiriya in Tripoli.

Promising oil and gas prospects remain unexplored or undeveloped in Libya. As a part of its long-held aspirations, NOEX has been seeking opportunities to enter into Libya to expand its upstream business. Accordingly, NOEX opened its liaison office in Tripoli in September 2005 to facilitate its expansion.

For bidding in this licensing round, NOEX organized various consortiums with JAPEX and Mitsubishi Corporation, which was the first entry into upstream Oil & Gas Operations in Libya by any Japanese company.

Detail of the awarded blocks are as follows:

Block	2-1/2		40-3/4	
Location	Offshore, northwest		Offshore, northeast	
Block acreage	4,904km ²		4,571km ²	
Participation interest	NOEX *	90%	NOEX	38%
			JAPEX *	42%
	Mitsubishi Corp.	10%	Mitsubishi Corp.	20%
Investment during the exploration phase (gross for the block)	Approx. US\$60mm		Approx. US\$40mm	

* Operator