

Regarding the Purchase of Additional Shares in Teikoku Oil Co., Ltd.

1. Nippon Oil Corporation (President; Mr. Shinji Nishio) has acquired 12 million additional shares (3.9% of the total number of outstanding shares) of its equity and business partner Teikoku Oil Co., Ltd., bringing its total holdings in that company, including shares previously held, to 624.4 thousand shares (20.4% of the total number of outstanding shares).

2. The reason and purpose behind the acquisition of the additional shares is as follows.

(1) For a number of years, NOC has recognized the need for the creation and development of a core energy resource development company in Japan, a nation with few energy resources, and it realizes that this is an appropriate resource policy for Japan.

(2) Based upon this idea, NOC has been working as a private enterprise to ensure the energy security of Japan with the aim of forming a vertically integrated, comprehensive energy company group that operates everything from upstream (oil and natural gas exploration and production (E&P) operations) to midstream and downstream (refining and marketing) as well as petrochemical operations in a well-balanced way. It is now developing and creating a strong core energy resource development company in the E&P of oil and natural gas as well.

(3) As the leading shareholder and equity and business partner of Teikoku Oil Co., Ltd., NOC intends to bring Teikoku Oil into alignment with its stated ideas and to obtain its cooperation in the creation of a core energy resource development company. It is for the purpose of obtaining the continued support as well as to further enhance Teikoku Oil's cooperation based on the above-stated idea and over the long-term that NOC, as a shareholder, has acquired additional shares of Teikoku Oil.

(4) NOC will continue to carefully examine the validity of the questions of whether the merger of Teikoku Oil with INPEX CORPORATION is appropriate with respect to the direction that NOC is considering and whether this merger would help improve the corporate value of Teikoku Oil.