

Acquisition of LNG Project and Oil Field Equity in Papua New Guinea

Nippon Oil Exploration Limited (NOEX), a Nippon Oil Corporation (Nippon) subsidiary, today announced that Merlin Petroleum Company has acquired all the PNG LNG Project equity and oil field equity that AGL Energy owned in Papua New Guinea. Merlin Petroleum Company is a participant in the PNG LNG Project as an affiliate of NOEX.

The equity, acquired for approximately US\$800 million, consists of a 3.6% interest in the PNG LNG Project. With this acquisition, Merlin's equity share in the Project has increased to 5.3%. Merlin's share of the crude oil production also has increased from 2,000 BD to 8,000 BD.

The PNG LNG Project is the first project expected to commercialize LNG in Papua New Guinea with planned production capacity of 6.3 million metric tons of LNG per annum. The PNG LNG Project proposes to commercialize natural gas from onshore gas fields as well as associated gas from crude oil fields located in the Southern Highlands Province and the Western Province. The gas will be transported via a 750km pipeline to an area near Port Moresby where LNG liquefaction facilities are to be constructed.

With the full support of the PNG State, activities relating to FEED, LNG marketing and financing are progressing well. The Final Investment Decision is scheduled to take place in the second half of 2009 with a target of first LNG Cargo delivery in 4Q 2013...

Demand for LNG as a "clean energy" is expected to remain strong throughout Asia, and particularly, in Japan. By Nippon increasing its equity to greater than 5%, the PNG LNG Project will be the 3rd LNG project that the company has an interest in following Malaysia LNG Tiga Project and Tanguh LNG Project in Indonesia.

Oceania is one of NOEX's core business areas. NOEX was involved in the first oil production project in Papua New Guinea, which commenced in the early 1990s. NOEX is also an original project sponsor of the PNG LNG Project. This acquisition is a stepping stone for NOEX as there is significant potential for development of new gas fields in PNG. NOEX is poised to make strategic investments in Papua New Guinea to further expand our business in PNG to encompass all levels of the LNG value chain from upstream (gas field) to downstream (liquefaction and marketing).

Acquired Asset

PNG LNG Project Interest 3.56%

PDL 2 Interest 11.90%

PDL 4 Interest 66.70%

Papua New Guinea LNG Project

Liquefaction Plant Capacity 6.3mil metric ton per annum (3.15mmtx2Train)

First LNG Cargo 2013 4Q as a Target

Gas Pipeline 750km

Expected Capital Expenditure more than US\$10bil

Project Partners Merlin (After acquisition) 5.34%

ExxonMobil 41.5%(Operator)

Oil Search 34.04%

Santos 17.69%

MRDC 1.18%

Eda Oil 0.24%