

August 23, 2013

Japan Petroleum Exploration Co., Ltd.
Mitsubishi Materials Corporation
Mitsubishi Gas Chemical Company, Inc.

Commencement of Geothermal Exploratory Well Drilling
in Shibetsu Town, Hokkaido

Japan Petroleum Exploration Co., Ltd. (hereafter, “JAPEX”); Mitsubishi Materials Corporation (hereafter, “MMC”) and Mitsubishi Gas Chemical Company, Inc. (hereafter, “MGC”) announce that the geothermal exploratory well named “Musadake SMMG-1D” has been spudded-in on August 23, 2013 in Musadake area, Shibetsu Town, Hokkaido.

JAPEX already announced this geothermal project on January 21, this year, then MMC and MGC farmed in. Now this project is managed by the above three companies under the joint agreement concluded in May.

This project aims to confirm the extensions of high-temperature formations and other reservoir characteristics necessary as the geothermal resources, while the companies will drill three exploratory wells for three years. We presently expect 15,000kW of power plant, once we obtained favorable results through the series of exploratory works.

With the collaboration and understanding of the local community, and through Eco-friendly operations, JAPEX, MMC and MGC aim to commercialize the geothermal power generation in Musadake area.

1. Summary of “Musadake SMMG-1D”

- (1) Location : Konsen-Tobu National Forest in Shibetsu Town, Hokkaido, Japan
- (2) Operation Term : August 23 - Early November, 2013 (scheduled)
- (3) Drilling Depth : 2,300m (Directional Well)

2. Outline of the Joint Agreement

- (1) Ownership : JAPEX (50%: Operator), MMC (33%), MGC (17%)
- (2) Project Term : May, 2013 - March, 2016 (scheduled)
- (3) Contents : Drilling three exploratory wells, technical evaluations, environmental surveys, and others

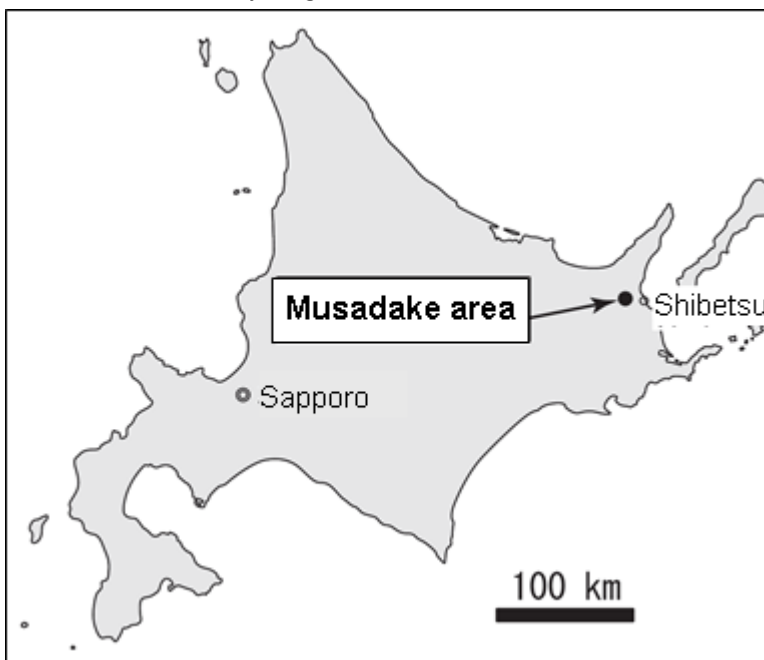
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【Location of Survey Region】



【Safety Shinto Ceremony (Shibetsu-Shrine, Aug.23)】



【Drilling Operation of “Musadake SMMG-1D”】

