



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

Presentation of Consolidated financial results for the six months ended September 30, 2010

November 8 , 2010

Japan Petroleum Exploration Co., Ltd.

Cautionary statement

Any information contained herein with respect to JAPEX's plans, estimates, strategies and other statements that are not historical facts are forward-looking statements about the future performance of JAPEX. Readers should be aware that actual results and events may differ substantially from these projections due to various factors.

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Note: The following abbreviations are used within this document:

1H = First half (1Q-2Q)

2H = Second half (3Q-4Q)

(a) = Actual result

(e) = Estimate

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Contents

I. Business Overview

President **Osamu Watanabe**

II. Consolidated financial results

for the six months ended September 30, 2010

Executive Vice President **Hiroshi Sato**

III. Revised full year forecasts

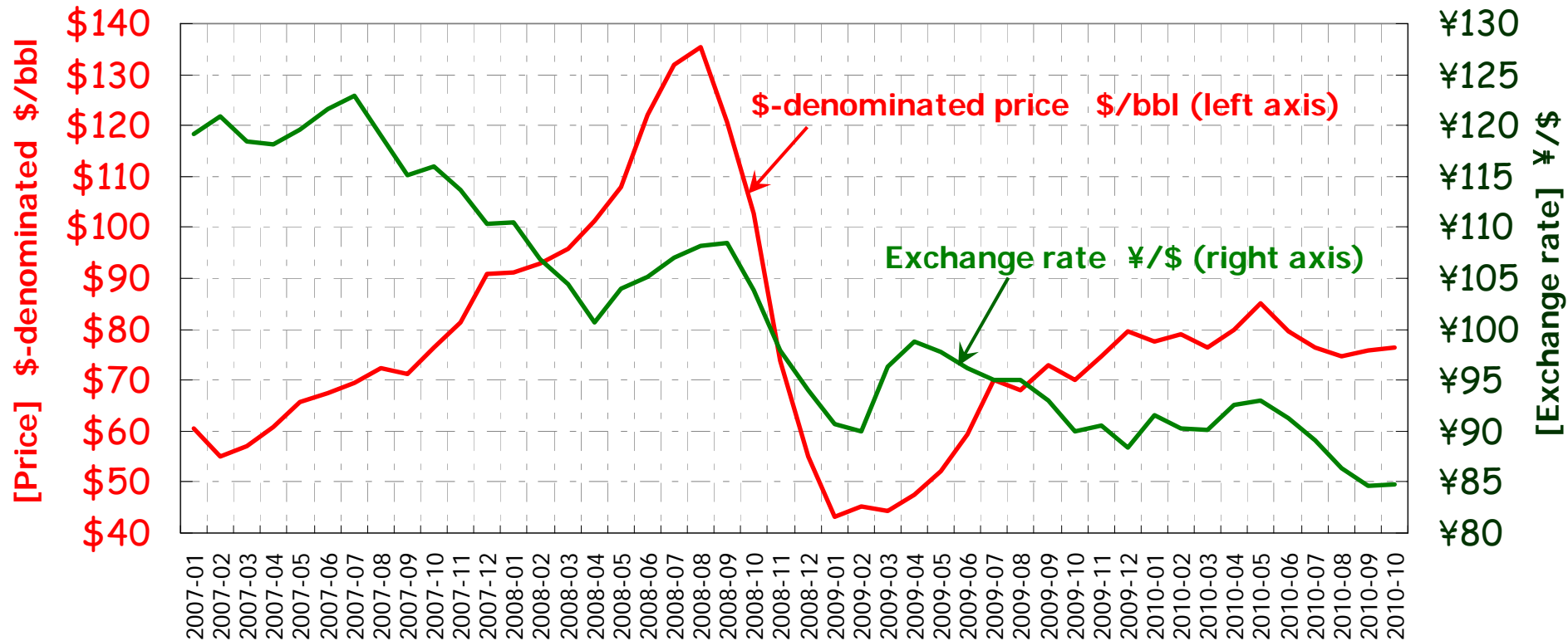
for the fiscal year ending March 31, 2011

Executive Vice President **Hiroshi Sato**

Business Overview

President **Osamu Watanabe**

Trends in Crude oil prices and Foreign exchange rates



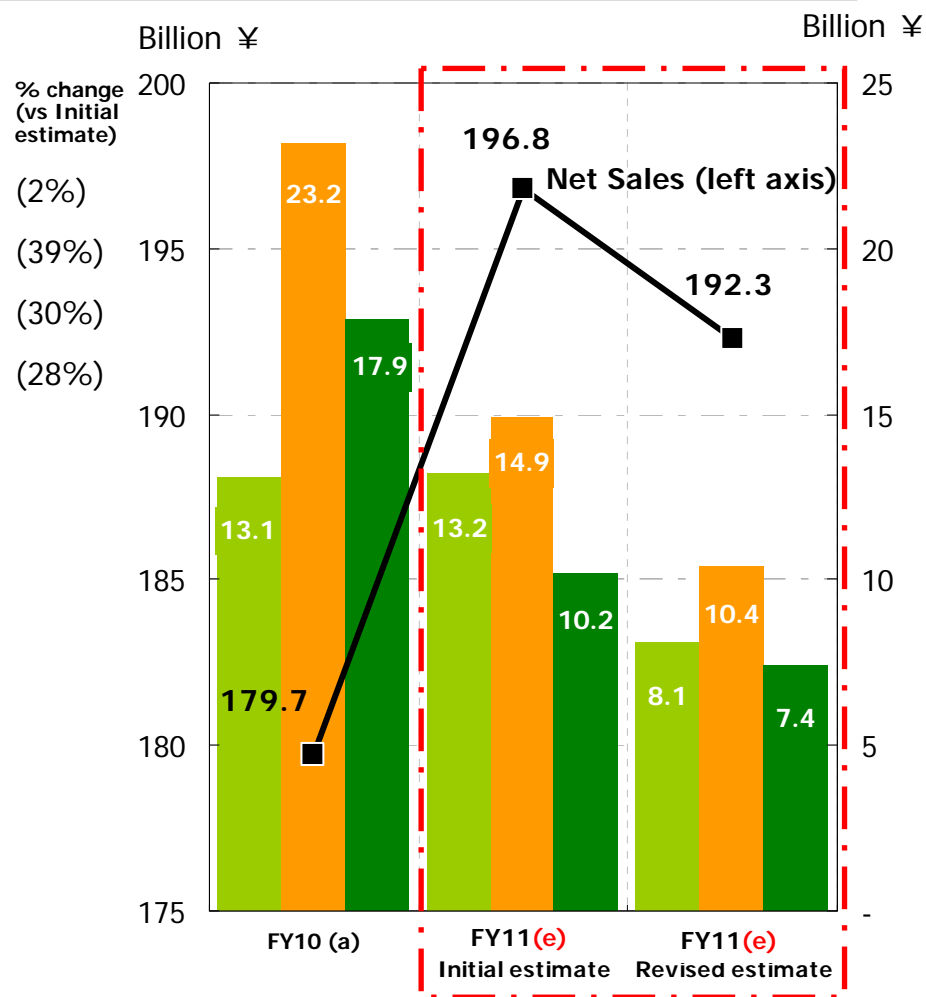
Japan Crude Cocktail (JCC) Price in the first ten days October 2010

on a prompt report basis : **USD 76.49 / bbl**

Yen 84.82 / USD

Revised estimates for FY2011 (Highlight)

[Billion ¥]	FY10 (a)	FY11 (e)			% change (vs Initial estimate)
		Initial estimate (May '10)	Revised estimate (Nov. '10)	change	
Net Sales	179.7	196.8	192.3	(4.5)	(2%)
Operating income	13.1	13.2	8.1	(5.1)	(39%)
Ordinary income	23.2	14.9	10.4	(4.5)	(30%)
Net income	17.9	10.2	7.4	(2.8)	(28%)
JCC price USD/bbl	67.50	80.00	79.53	(0.47)	
Exchange rate Yen/USD	92.74	90.00	87.56	(2.44)	
Bitumen price CAD/bbl	50.15	56.65	49.31	(7.34)	
Exchange rate Yen/CAD	88.07	85.00	80.00	(5.00)	
	1Q (a)	2Q (a)	3Q (e)	4Q (e)	
JCC price USD/bbl	80.54	79.96	80.00		
Bitumen price CAD/bbl	59.37	46.16	45.70		



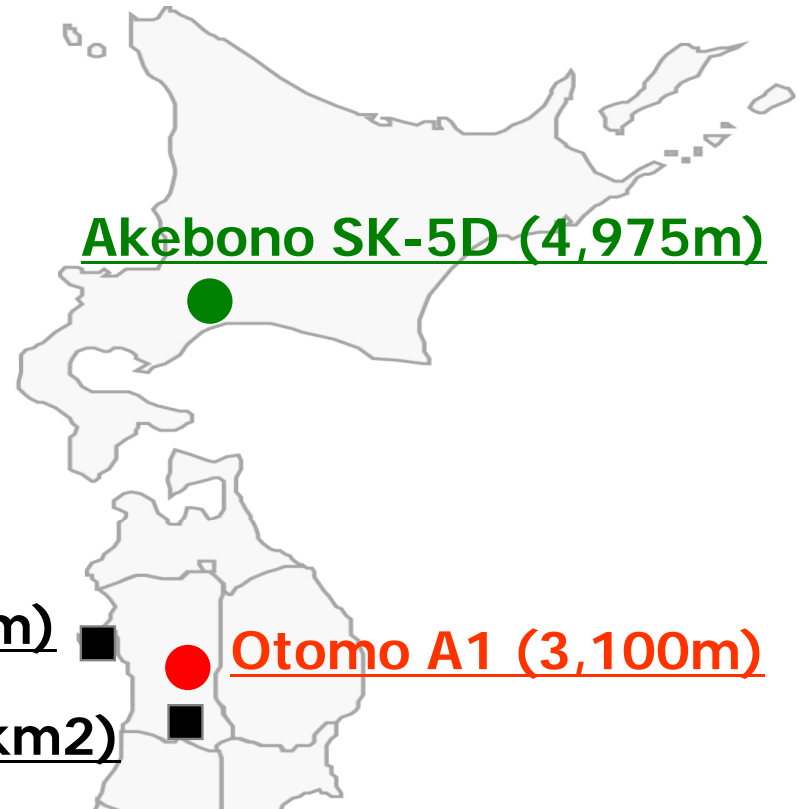
Main points of revised estimate : causes of increase(+) or decrease(-)

Domestically produced crude oil and natural gas	- ¥ 4.2 billion	} Ordinary income - ¥ 4.5 billion
Bitumen	- ¥ 1.3 billion	
Exploration expenses	+ ¥ 1.0 billion	

- Operating income (right axis)
- Ordinary income (right axis)
- Net income (right axis)

Domestic exploration : Result for 1H & Plan for 2H

- Exploration well : 1 well
- Extension well : 1 well
- Seismic survey : 2 sites



Oga Hanto 2D (31km) ■

Otomo A1 (3,100m)

Yurihara 3D (88km2) ■

		Total Depth	FY2011												Succeeded
			1Q			2Q			3Q			4Q			
			4	5	6	7	8	9	10	11	12	1	2	3	
Akebono SK-5D	Extension well	4,975m													Succeeded
Otomo A1	Exploration well	3,100m													

CAPEX plan for FY2011

[Billion ¥]	FY08	FY09	FY10	FY11 Full (e)	FY11 1H (a)
CAPEX	41.7	30.9	28.8	31.5	11.3
Depreciation and amortization	16.6	21.5	23.2	24.7	11.4

Main items of CAPEX for FY2011

Domestic CAPEX ¥ 19.9 billion

Hokkaido

- Expansion of production facility in Yufutsu oil and gas field (to be continued to FY2012)

Niigata

- Drilling 1 production well onshore
- Expansion of production facility in oil and gas fields (continued from FY2010)

Overseas CAPEX ¥ 11.6 billion

Iraq

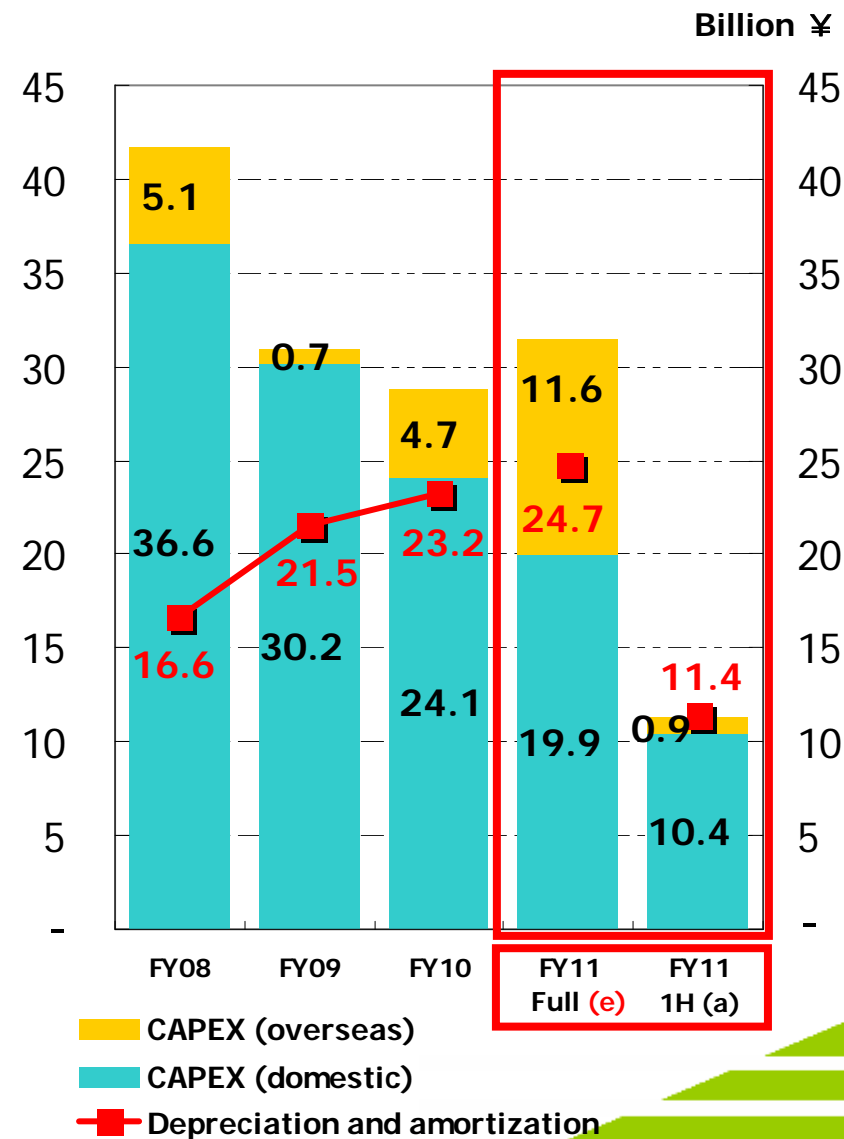
- Development of Garraf oil field

Canada

- Improvement of production facility for the oil sand project

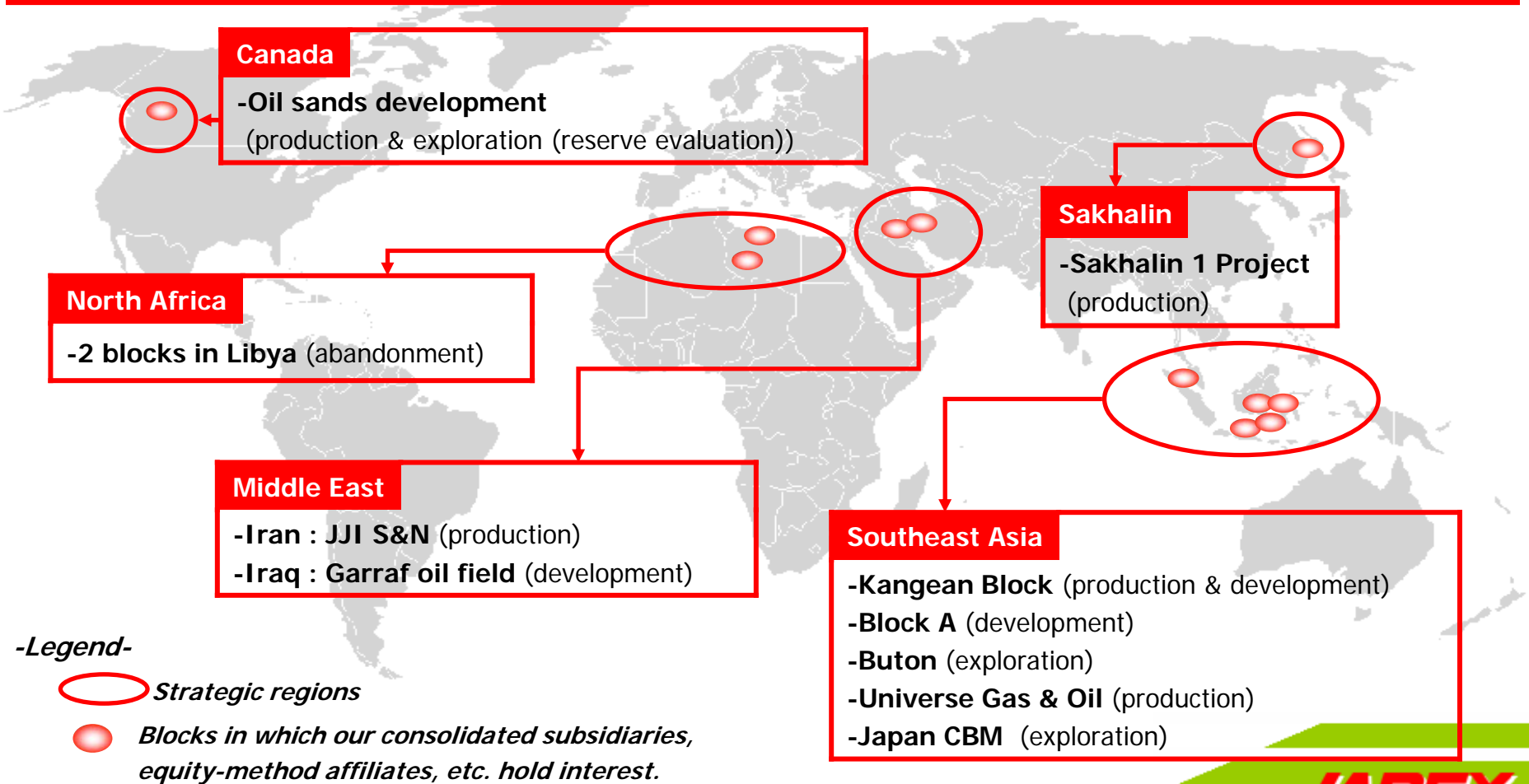
Indonesia

- Development of gas field (Ache Block A)



Overseas business : Basic strategy

- Ensure an appropriate portfolio balance both exploration projects & development projects.
- Set strategic regions, continue the regions-focused strategy.
- Seek up-stream & mid-stream LNG projects.



Current status of overseas business ① Canada oil sands

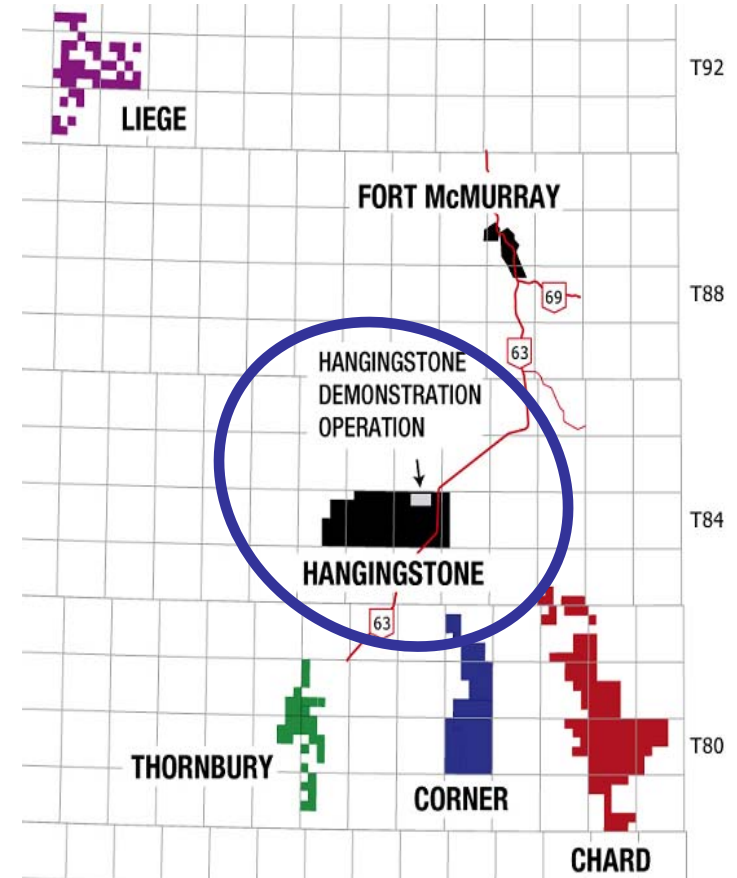
Project company	Canada Oil Sands Co., Ltd. (CANOS) (86.64% owned by JAPEX)
Operator	Japan Canada Oil Sands Ltd. (JACOS) (Local subsidiary, wholly owned by CANOS)
Block	Interest
Hangingsone 3.75 section -Producing around 7,000 - 8,000 bbl/d -Cumulative production of 23 million bbl (as of end-September, 2010)	100%
Expansion project of undeveloped part of Hangingsone area -Additional production of 35,000 bbl/d at the maximum	75%



Schedule	
Apr. 2010	Applied development approval Start FEED
2011	Make FID after acquiring development approval
Winter of 2011 to 2012	Start construction
End-2014	Plan to commence production

■ Contingent resources of undeveloped oil sands areas held by JACOS : 1,717 million bbl (as of end-December 2008)

■ Areas in which JACOS holds interest in oil sands leases



■ Areas where oil sand resources were evaluated:

The Hangingsone area, the Chard area, the Corner area and the Thornbury area were evaluated. The evaluated areas consist of solely owned and jointly owned areas, are 788.4km² (gross) or 373.4km² (net). Bitumen also exists in the Liege area, but there is no bitumen development plan at present due to the subsurface conditions of its existence.

Current status of overseas business ② Iraq

Garraf development project

Contract Type Development and Production Service Contract

Counterparty South Oil Company (SOC)

Contract term 20 years
(may be extended for maximum 5 years)

Contractors

Payment share

PETRONAS
(Operator)

JAPEX

North Oil
Company
(NOC)

60%

40%

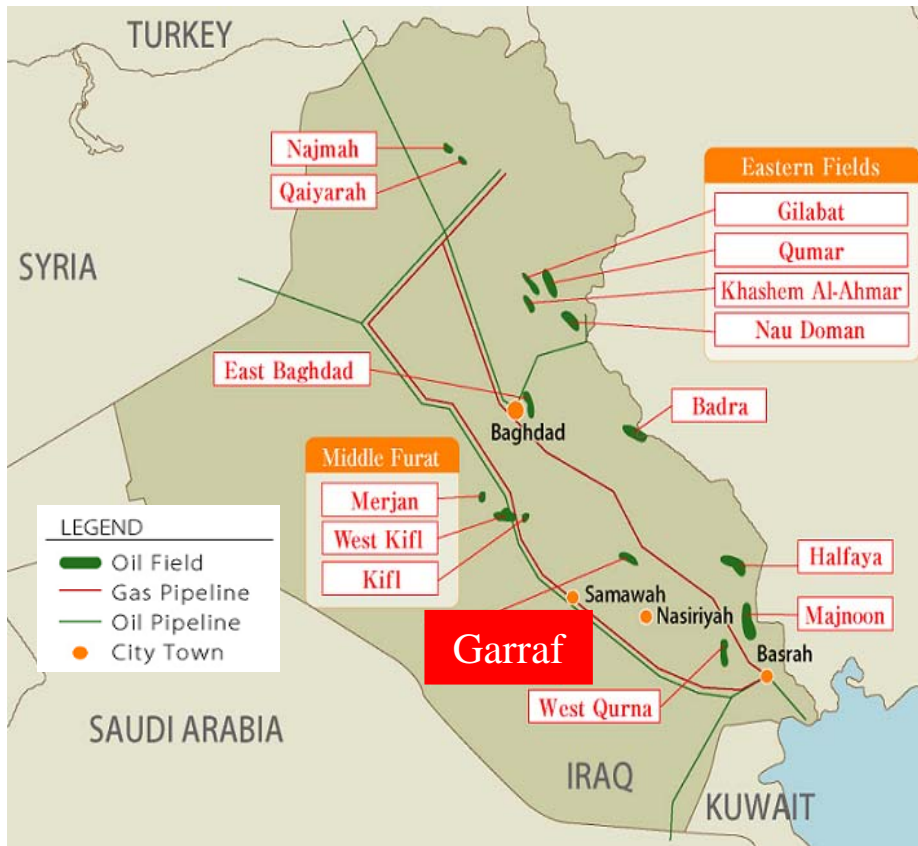
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Participating interest

45%

30%

25%



2010 The contract effect on Feb.10, 2010

2011

2012 Commence initial production at 50,000 bbl/d

~ Increase production gradually

2015

2016 Achieve plateau production target of 230,000 bbl/d

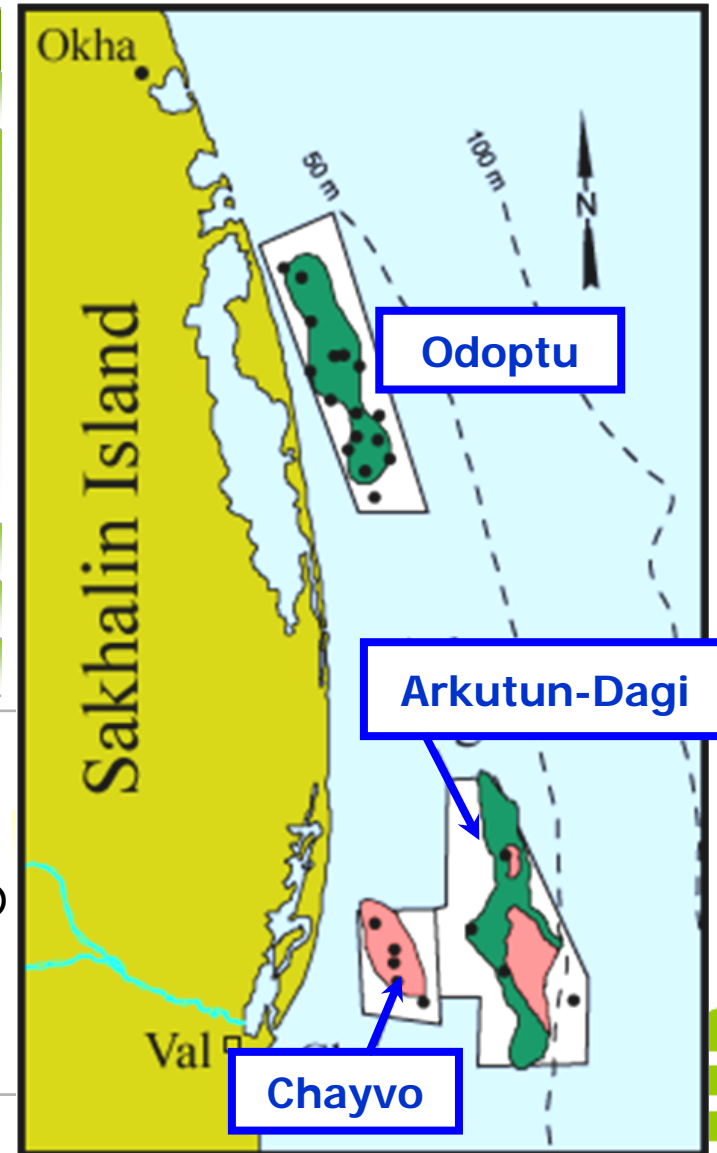
Expected cumulative production during the contract term : around 1.2 billion bbl

Current status of overseas business ③ Sakhalin 1 Project

Sakhalin 1 Consortium		Interest
Exxon Neftegas Ltd.		30%
Sakhalin Oil and Gas Development Co., Ltd. (SODECO)		30%
Minister of Economy, Trade and Industry : 50.00%		
JAPEX : 14.46%		
ITOCHU Corp. : 14.46%		
Marubeni Corp. : 11.68%		
INPEX : 5.75%		
ITOCHU Oil Exploration Co., Ltd. : 3.66%		
ONGC		20%
SMNG-Shelf		11.5%
Rosneft - Astra		8.5%

Oct. 2005	Chayvo oil and gas field Commenced production of crude oil
Oct. 2006	Commenced exports of Sokol crude
Feb. 2007	Achieved peak gross production target (250,000 bbl/d)
Jun. 2008	Achieved cumulative production of 100 million bbl
Sep. 2010	Odoptu oil and gas field Commenced production of crude oil

Arkutun-Dagi oil and gas field
Now under preparation for development



Current status of overseas business ④ Libya : Block 40-3/4, Block 176-4

Project company **Japex Libya Ltd.** Consolidated subsidiary (wholly owned by JAPEX)

Block **Offshore Block 40-3/4**
(coastal area of the Mediterranean Sea)

Interest **42% (Operator)**

Operating result

Mar.-Apr. 2009 Drilled 1st exploration well
⇒abandoned

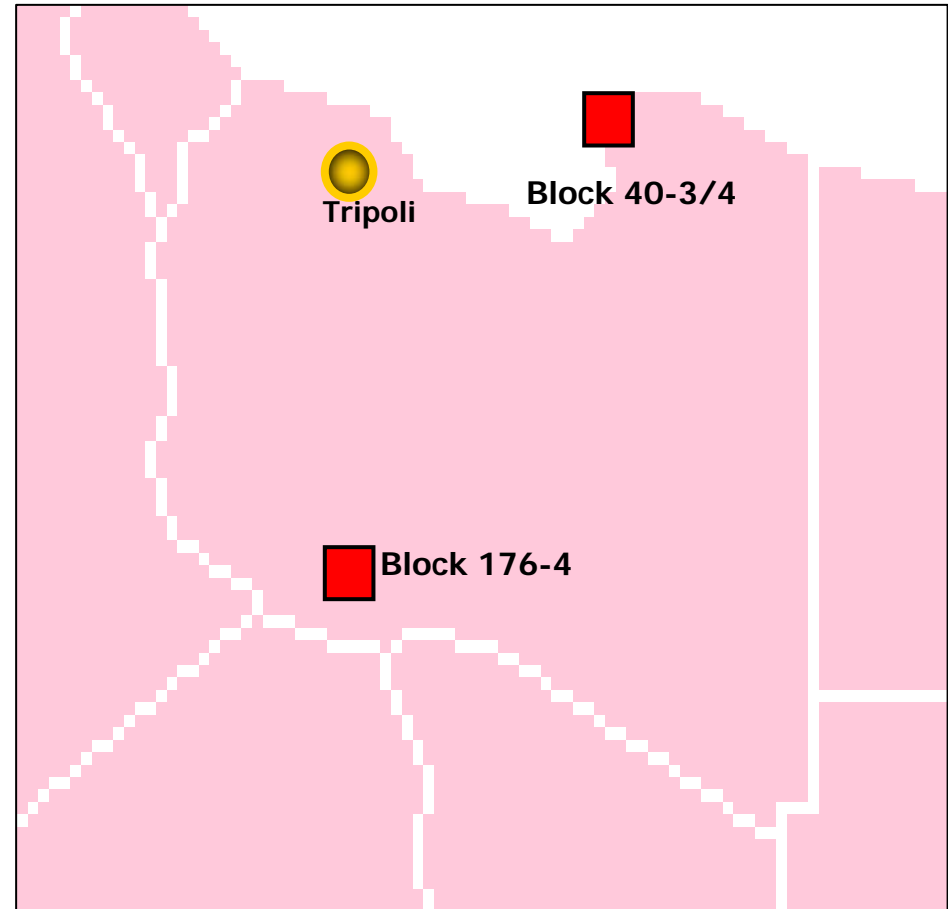
May -Jul. 2010 Drilled 2nd exploration well
⇒abandoned

Block **Onshore Block 176-4**
(southwest area of the Murzuk region)

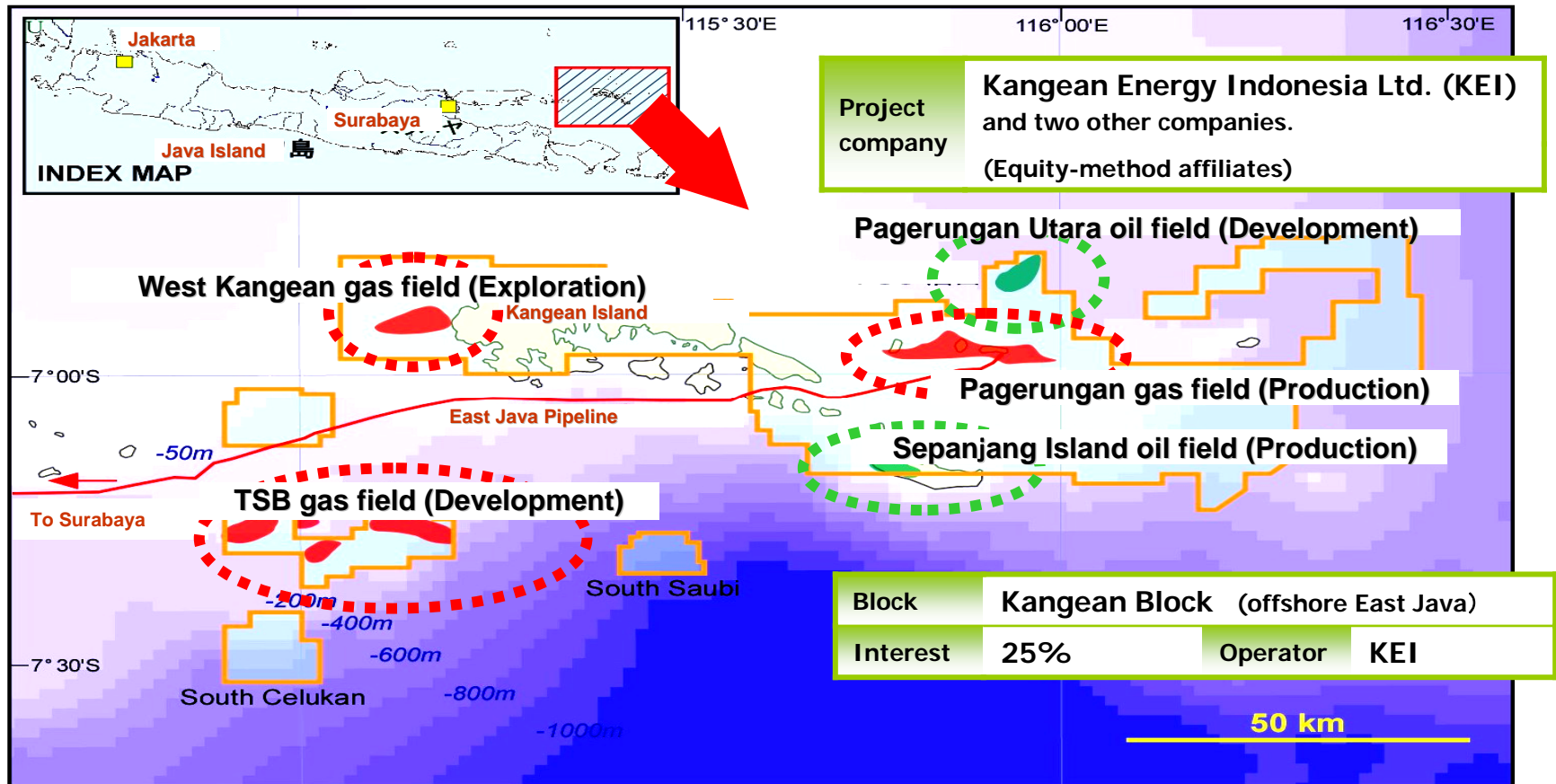
Interest **100% (Operator)**

Operating result

Jul.-Sep. 2009 Drilled 1st exploration well
⇒abandoned



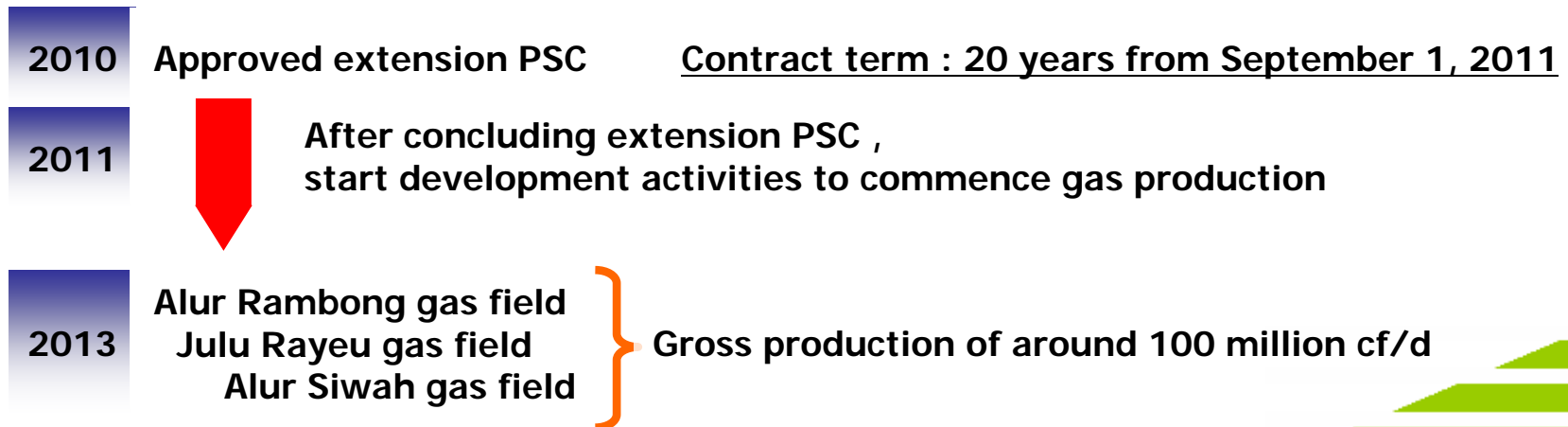
Current status of overseas business ⑤ Indonesia: Kangean Block



- Current gross production : Crude oil equivalent of around 10,000 boe/d.
- Pagerungan Utara oil field : Plan to commence production of 4,500 bbl/d end of 2010.
- TSB gas field : Plan to commence production of 300 million cf/d (around 50,000 boe/d in crude oil equivalent) in 1H 2012.
- Plan to expand gross production to around 60,000 boe/d through the above additional production.
- Production Sharing Contract (PSC) : Effective till 2030.

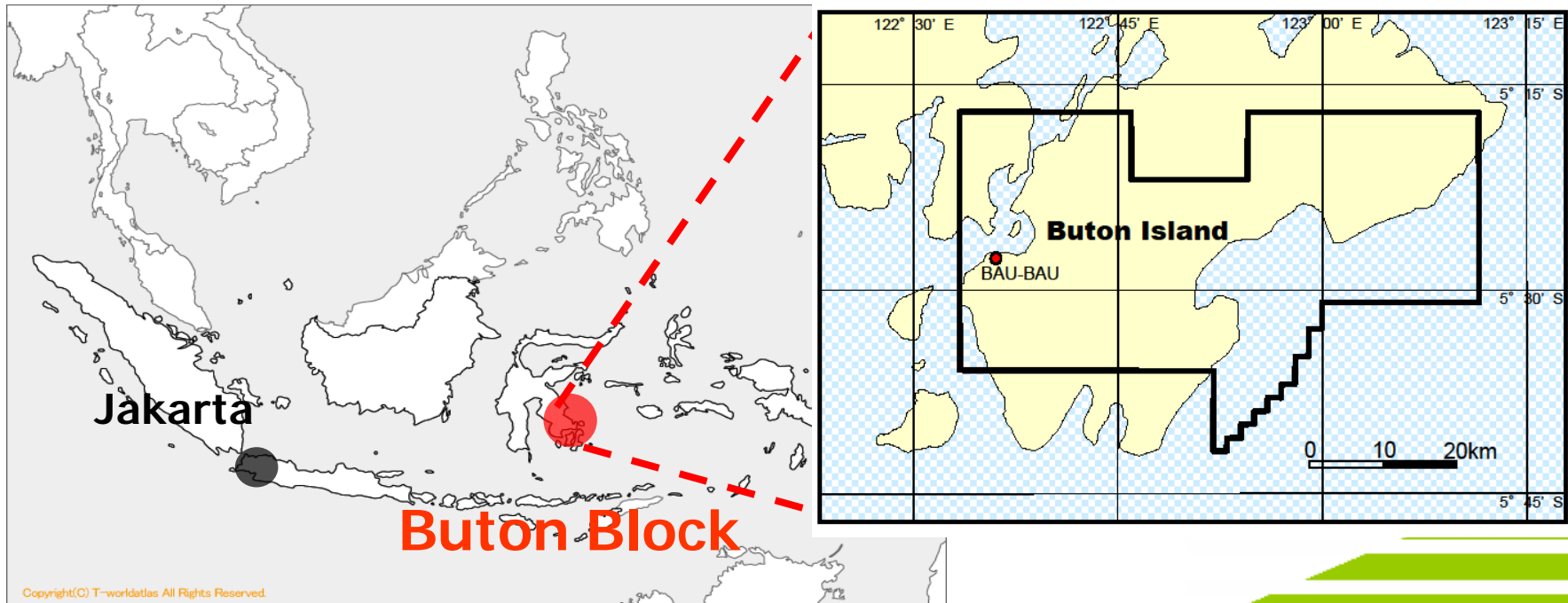
Current status of overseas business ⑥ Indonesia: Ache Block A

Project company	Japex Block A Ltd.
Interest	16.67%
Block	Ache Block A (northern Sumatra)
Operator	Medco
Gross production	Around 100 million cf/d (around 20,000 boe/d in crude oil equivalent)



Current status of overseas business ⑦ Indonesia: Buton Block

Project company	Japex Buton Ltd.	Interest	40%
Block	Buton Block (onshore/offshore block on Buton Island, Southeast Sulawesi)		
2008	Airborne gravity and magnetic surveys 2D seismic surveys		
2009	Selected the exploration well structure		
2011	Plan to drill 1st exploration (obligatory) well		

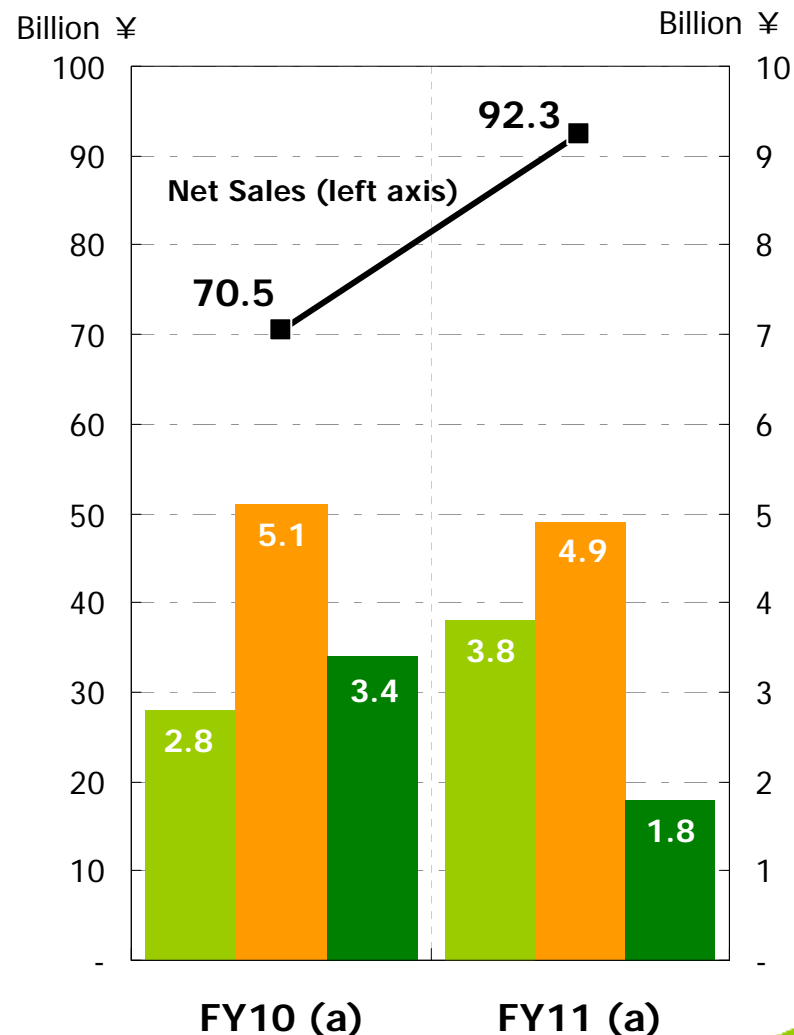


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**Consolidated financial results
for the six months ended September 30, 2010**
Executive Vice President **Hiroshi Sato**

Actual results for 1H FY2011 (Summary)

[Billion ¥]	FY10 1H (a)	FY11	1H	% change (vs Initial estimate)
		Initial estimate (May '10) (e)	(a)	
Net Sales	70.5	91.1	92.3	1%
Operating income	2.8	4.1	3.8	(8%)
Ordinary income	5.1	5.2	4.9	(6%)
Net income	3.4	2.1	1.8	(12%)
JCC price USD/bbl	56.83	80.00	78.95	
Exchange rate Yen/USD	96.36	90.00	90.71	
Bitumen price CAD/bbl	42.10	58.35	52.98	
Exchange rate Yen/CAD	82.97	85.00	83.76	



Main points of difference with initial estimate :

- Operating income - ¥ 0.3 billion (-8%)
 - Net Sales - ¥ 1.1 billion
 - Exploration expenses / SG&A expenses + ¥ 0.8 billion
- Ordinary income - ¥ 0.3 billion (-6%)
- Net income - ¥ 0.3 billion (-12%)

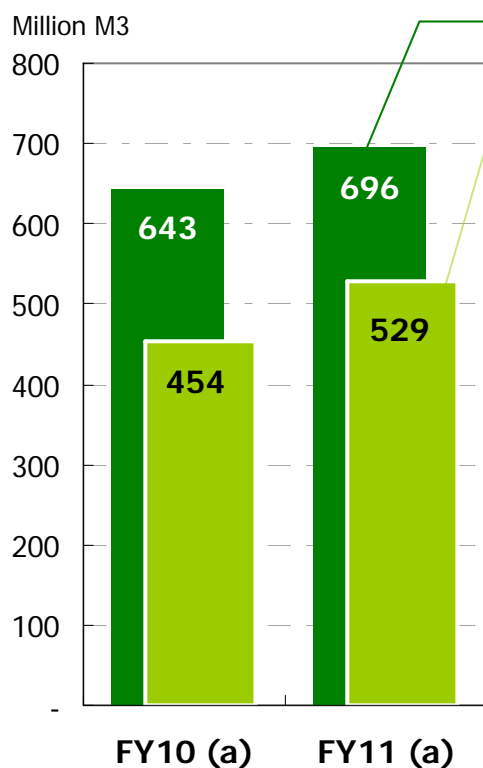
- Operating income (right axis)
- Ordinary income (right axis)
- Net income (right axis)

Actual sales of Natural gas in 1H FY2011

Sales volume : Million M3 Net sales : Million ¥		FY10 1H(a)	FY11 1H(a)	change
Natural gas :	Sales volume	643	696	53
	Net sales	24,924	27,039	2,115
Of which, Domestically produced gas :	Sales volume	454	529	74

-Increase in demand for industrial users and utility gas customers.
-Rise in sales prices.

Sales volume of "Domestically produced gas" stated herein does not include purchased gas.



Sales volume (total)

Of which, domestically produced gas

Sales volume increased by 53 million M3 (+8%) vs FY10.

- Recovery in demand for industrial users and commercial-scale utility gas customers.
- Increase in demand for residential customers.

Net sales increased by ¥ 2.1 billion (+8%) vs FY10.

<Cause of increase >

- Increase in demand. (+53 million M3 (+8%))
- Rise in sales prices.

<Cause of decrease >

- Decrease in differential profit by price revisions of prior periods (FY2010).

Actual sales of Crude oil in 1H FY2011

Sales volume : Thousand KL Net sales : Million ¥		FY10 1H(a)	FY11 1H(a)	change
Crude oil:	Sales volume	967	946	(21)
	Net sales	33,008	38,242	5,233

-Decrease in equity oil of Japex New Nanhai Ltd.
-Rise in crude oil and bitumen prices.

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	250	246	(4)
	Net sales	9,394	11,083	1,689
Overseas subsidiary crude oil:	Sales volume	23	3	(20)
	Net sales	598	117	(480)
Bitumen:	Sales volume	188	197	9
	Net sales	4,140	5,512	1,372

-Rise in crude oil prices.

-Decrease in equity oil of Japex New Nanhai Ltd.

-Increase in sales volume.
-Rise in sales prices.

Oil price and Exchange rate assumptions

JCC price	USD/bbl	56.83	78.95	22.12
Exchange rate	Yen/USD	96.36	90.71	(5.65)
Bitumen price	CAD/bbl	42.10	52.98	10.88
Exchange rate	Yen/CAD	82.97	83.76	0.79

Sales volume and net sales of "Domestically produced crude oil" stated herein do not include purchased crude oil.
Sales volume and net sales of "Overseas subsidiary crude oil" are the sum totals of the sales volumes and net sales reported by two overseas consolidated subsidiaries (Japex New Nanhai Ltd. and Japex (U.S.) Corp.).

Actual results for 1H FY2011 (vs FY2010)

[Million ¥]	FY10 1H(a)	FY11 1H(a)	change
Net sales	70,567	92,369	21,802
Gross profit	23,106	24,140	1,034
Exploration expenses	5,386	6,023	636
SG&A expenses	14,855	14,272	(582)
Operating income	2,864	3,845	981
Non-operating income (expenses)	2,320	1,083	(1,236)
Ordinary income	5,184	4,929	(255)
Extraordinary income (losses)	(204)	(2,414)	(2,210)
Income taxes	1,231	243	(988)
Minority interests in income	250	374	124
Net income	3,498	1,896	(1,602)

« Causes of increase(+) or decrease(-) »

Gross profit

Domestic crude oil and natural gas
+ ¥0.2 billion
Overseas consolidated subsidiaries
+ ¥0.8 billion

Exploration expenses

Domestic exploration - ¥2.4 billion
Overseas exploration + ¥1.7 billion

Non-operating income (expenses)

Equity in earnings (losses) of affiliates
- ¥0.6 billion
Receipt of compensation - ¥0.5 billion

Extraordinary income (losses)

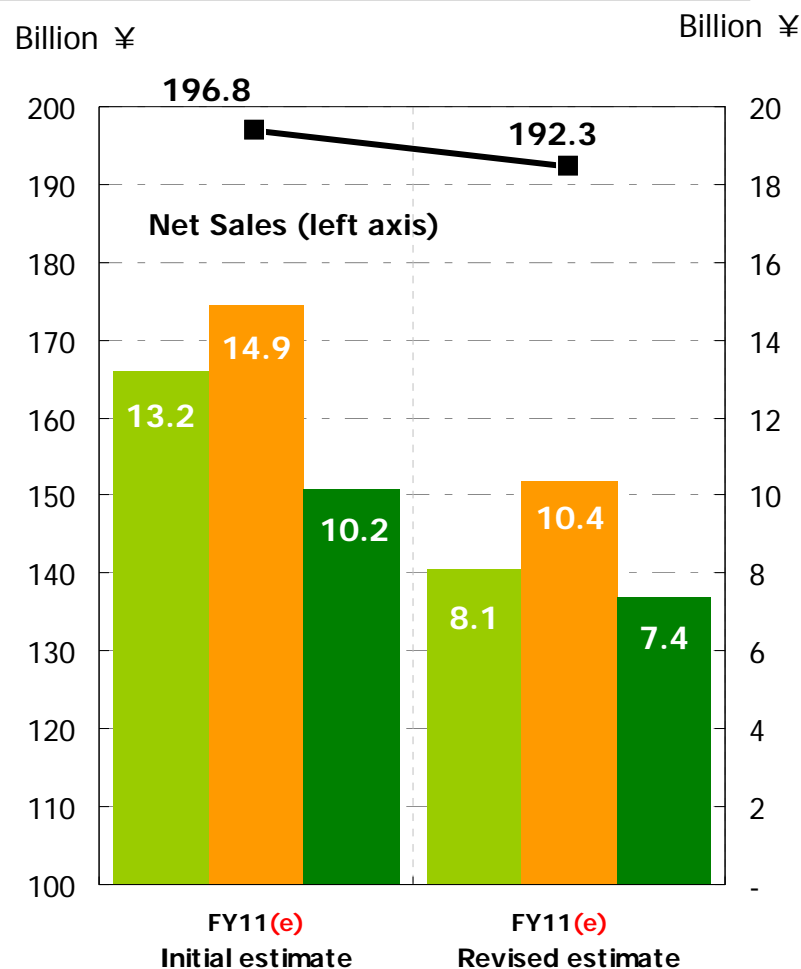
Loss on adjustment for changes of accounting
standard for asset retirement obligations
- ¥2.3 billion

Revised full year forecasts for the fiscal year ending March 31, 2011

Executive Vice President **Hiroshi Sato**

Revised estimates for FY2011 (Summary)

[Billion ¥]	FY11 (e)			% change
	Initial estimate (May '10)	Revised estimate (Nov. '10)	change	
Net Sales	196.8	192.3	(4.5)	(2%)
Operating income	13.2	8.1	(5.1)	(39%)
Ordinary income	14.9	10.4	(4.5)	(30%)
Net income	10.2	7.4	(2.8)	(28%)
JCC price USD/bbl	80.00	79.53	(0.47)	
Exchange rate Yen/USD	90.00	87.56	(2.44)	
Bitumen price CAD/bbl	56.65	49.31	(7.34)	
Exchange rate Yen/CAD	85.00	80.00	(5.00)	
	1Q (a)	2Q (a)	3Q (e)	4Q (e)
JCC price USD/bbl	80.54	79.96	80.00	
Bitumen price CAD/bbl	59.37	46.16	45.70	



Main points of revised estimate : causes of increase(+) or decrease(-)

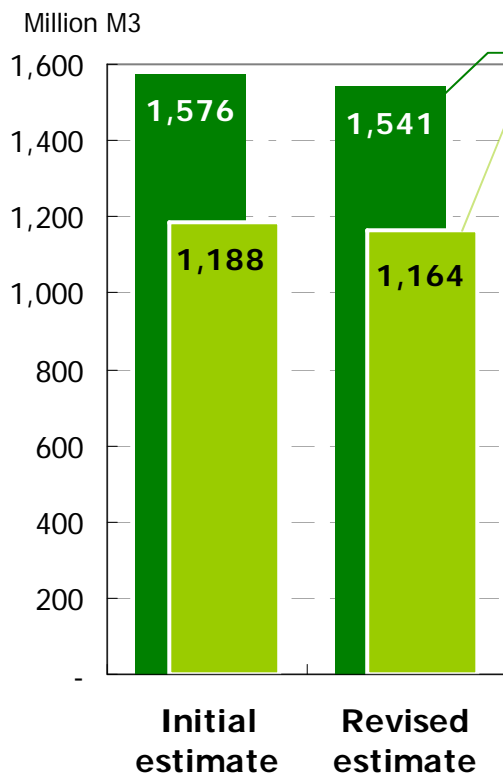
Domestically produced crude oil and natural gas	- ¥ 4.2 billion	} Ordinary income - ¥ 4.5 billion
Bitumen	- ¥ 1.3 billion	
Exploration expenses	+ ¥ 1.0 billion	

- Operating income (right axis)
- Ordinary income (right axis)
- Net income (right axis)

Revised estimated Natural gas sales in FY2011 (vs Initial estimate)

Sales volume : Million M3 Net sales : Million ¥		Initial estimate (May '10)		Revised estimate (Nov. '10)		change	
		1H (e)	Full (e)	1H (a)	Full (e)	1H	Full
Natural gas :	Sales volume	706	1,576	696	1,541	(10)	(34)
	Net sales	26,819	60,376	27,039	59,749	220	(627)
Of which, Domestically produced gas :	Sales volume	534	1,188	529	1,164	(4)	(24)

Sales volume of "Domestically produced gas" stated herein does not include purchased gas.



Sales volume decreased by 34 million M3 (-2%) vs initial estimate.
-Revise sales plan.

Net sales decreased by ¥ 0.6 billion (-1%) vs initial estimate.
 <Cause of increase >
 -Increase in differential profit by price revisions of prior periods (FY2010).
 -Rise in sales prices.
 <Cause of decrease >
 -Decrease in sales volume. (- 34 million M3 (-2%))

Revised estimated Crude oil sales in FY2011 (vs Initial estimate)

Sales volume : Thousand KL Net sales : Million ¥		Initial estimate (May '10)		Revised estimate (Nov. '10)		change	
		1H (e)	Full (e)	1H (a)	Full (e)	1H	Full
Crude oil :	Sales volume	969	2,017	946	1,883	(23)	(134)
	Net sales	40,536	83,713	38,242	73,708	(2,293)	(10,006)
Breakdown of equity oil							
Domestically produced crude oil :	Sales volume	270	594	246	540	(24)	(54)
	Net sales	12,297	26,804	11,083	23,840	(1,213)	(2,964)
Overseas subsidiary crude oil :	Sales volume	2	5	3	6	1	1
	Net sales	67	128	117	195	51	67
Bitumen :	Sales volume	196	410	197	398	1	(13)
	Net sales	6,116	12,430	5,512	9,869	(603)	(2,562)
Oil price and Exchange rate assumptions							
JCC price	USD/bbl	80.00	80.00	78.95	79.53	(1.05)	(0.47)
Exchange rate	Yen/USD	90.00	90.00	90.71	87.56	0.71	(2.44)
Bitumen price	CAD/bbl	58.35	56.65	52.98	49.31	(5.37)	(7.34)
Exchange rate	Yen/CAD	85.00	85.00	83.76	80.00	(1.24)	(5.00)

Sales volume and net sales of "Domestically produced crude oil" stated herein do not include purchased crude oil.
Sales volume and net sales of "Overseas subsidiary crude oil" are the sum totals of the sales volumes and net sales reported by two overseas consolidated subsidiaries (Japex New Nanhai Ltd. and Japex (U.S.) Corp.).

Revised estimates for FY2011 (vs Initial estimate)

[Million ¥]	Initial estimate (May '10)	Revised estimate (Nov. '10)	change
Net sales	196,891	192,319	(4,572)
Gross profit	55,595	49,999	(5,596)
Exploration expenses	11,795	10,763	(1,031)
SG&A expenses	30,533	31,092	559
Operating income	13,267	8,144	(5,123)
Non-operating income (expenses)	1,640	2,310	670
Ordinary income	14,908	10,454	(4,454)
Extraordinary income (losses)	(2,073)	(2,456)	(383)
Income taxes	1,759	(101)	(1,860)
Minority interests in income	811	666	(145)
Net income	10,265	7,434	(2,831)

« Causes of increase(+) or decrease(-) »

Gross profit

Domestic crude oil and natural gas	- ¥4.2 billion
Overseas consolidated subsidiaries	- ¥1.3 billion

Exploration expenses

Domestic exploration	+ ¥0.7 billion
Overseas exploration	+ ¥0.2 billion

Non-operating income (expenses)

Dividends income	+ ¥0.9 billion
Equity in earnings (losses) of affiliates	+ ¥0.6 billion
Loss on valuation of securities	- ¥0.6 billion
Foreign exchange losses	- ¥0.7 billion

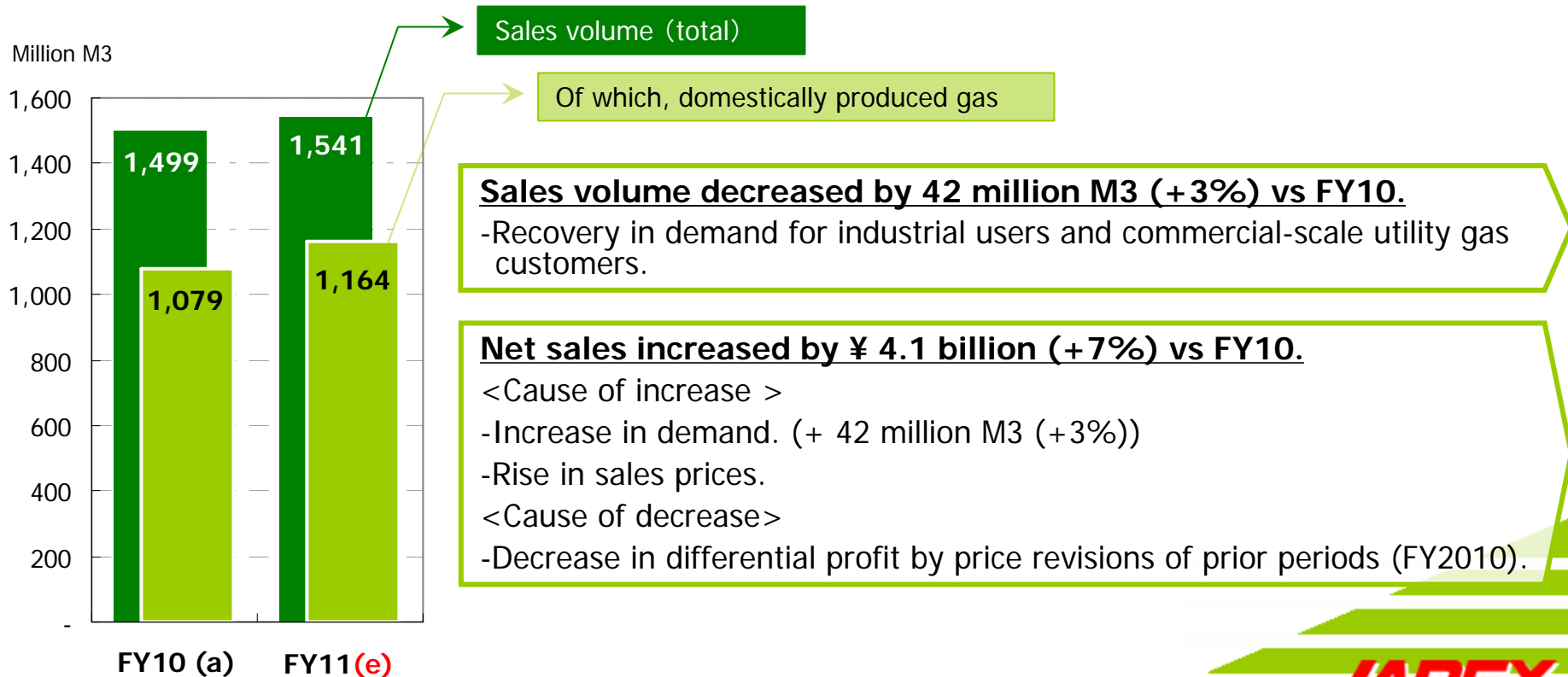
Extraordinary income (losses)

Loss on adjustment for changes of accounting standard for asset retirement obligations	- ¥0.3 billion
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Revised estimated Natural gas sales in FY2011 (vs FY2010)

Sales volume : Million M3 Net sales : Million ¥		FY10	FY11 Revised estimate (Nov. '10)		change (vs FY10)	
		Full (a)	1H (a)	2H (e)		Full (e)
Natural gas:	Sales volume	1,499	696	845	1,541	42
	Net sales	55,593	27,039	32,710	59,749	4,155
Of which, Domestically produced gas:	Sales volume	1,079	529	635	1,164	85

Sales volume of "Domestically produced gas" stated herein does not include purchased gas.



Revised estimated Crude oil sales in FY2011 (vs FY2010)

Sales volume : Thousand KL Net sales : Million ¥		FY10	FY11 Revised estimate (Nov. '10)			change (vs FY10)
		Full (a)	1H (a)	2H (e)	Full (e)	
Crude oil:	Sales volume	2,125	946	937	1,883	(242)
	Net sales	80,742	38,242	35,466	73,708	(7,035)

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	564	246	294	540	(24)
	Net sales	23,122	11,083	12,757	23,840	718
Overseas subsidiary crude oil:	Sales volume	25	3	3	6	(20)
	Net sales	690	117	78	195	(496)
Bitumen:	Sales volume	411	197	201	398	(14)
	Net sales	11,433	5,512	4,357	9,869	(1,565)

Oil price and Exchange rate assumptions

JCC price	USD/bbl	67.50	78.95	80.00	79.53	12.03
Exchange rate	Yen/USD	92.74	90.71	85.00	87.56	(5.18)
Bitumen price	CAD/bbl	50.15	52.98	45.70	49.31	(0.84)
Exchange rate	Yen/CAD	88.07	83.76	80.00	80.00	(8.07)

Sales volume and net sales of "Domestically produced crude oil" stated herein do not include purchased crude oil. Sales volume and net sales of "Overseas subsidiary crude oil" are the sum totals of the sales volumes and net sales reported by two overseas consolidated subsidiaries (Japex New Nanhai Ltd. and Japex (U.S.) Corp.).

Revised estimates for FY2011 (vs FY2010)

[Million ¥]	FY2010 (a)	FY2011 (e)	change
Net sales	179,752	192,319	12,567
Gross profit	54,285	49,999	(4,286)
Exploration expenses	10,396	10,763	367
SG&A expenses	30,769	31,092	322
Operating income	13,119	8,144	(4,975)
Non-operating income (expenses)	10,087	2,310	(7,778)
Ordinary income	23,206	10,454	(12,753)
Extraordinary income (losses)	162	(2,456)	(2,618)
Income taxes	4,443	(101)	(4,545)
Minority interests in income	986	666	(320)
Net income	17,939	7,434	(10,506)

« Causes of increase(+) or decrease(-) »

Gross profit

Domestic crude oil and natural gas
- ¥1.9 billion
Overseas consolidated subsidiaries
- ¥2.0 billion

Exploration expenses

Domestic exploration - ¥2.5 billion
Overseas exploration + ¥2.1 billion

Non-operating income (expenses)

Dividends income - ¥5.6 billion
Equity in earnings (losses) of affiliates
- ¥1.2 billion
Loss on valuation of securities
- ¥0.6 billion

Extraordinary income (losses)

Loss on adjustment for changes of accounting
standard for asset retirement obligations
- ¥2.3 billion

3Q-4Q : Oil price and Exchange rate assumptions and impact on profits

		FY2010			FY2011				
		1H (a)	2H (a)	Full (a)	1Q (a)	2Q (a)	3Q (e)	4Q (e)	Full (e)
JCC price	USD/bbl	56.83	75.98	67.50	80.54	76.96	80.00		79.53
Exchange rate	Yen / USD	96.36	90.59	92.74	92.00	89.03	85.00		87.56
Bitumen price	CAD/bbl	42.10	56.94	50.15	59.37	46.16	44.97	46.50	49.31
Exchange rate	Yen /CAD	82.97	88.07	88.07	91.36	83.76	81.18	80.00	80.00

3Q-4Q : Assumption

JCC price

USD 80 /bbl

Exchange rate

Yen 85 /USD

Bitumen price (4Q)

CAD 46.50 /bbl
(Yen 80 /CAD)

3Q-4Q : Impact on Profits

USD 1 /bbl increase in
crude oil prices would push
profits up by...



140 million Yen

90 million Yen

A weakening in the yen to
Yen 5/USD would push
profits up by...



450 million Yen

320 million Yen

CAD 1/bbl increase in
bitumen prices would push
profits up by...



(600 thousand CAD)
48 million Yen

(520 thousand CAD)
42 million Yen

Note: In addition to the impact of exchange rate fluctuations shown on the above, translation adjustments of foreign-currency- denominated receivables and payables also occur.
Actual profits are influenced by a variety of other factors besides crude oil prices and exchange rates.