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Japan Oil, Gas and Metals National Corporation



Division in charge
Project Department : Matsumoto or Ito
TEL: 044-520-9027

PR in charge
Public Relation Division : Kon
TEL: 044-520-8592

First Oil Production from Frade Field in Brazil

Japan Oil, Gas and Metals National Corporation (JOGMEC, President Hirobumi Kawano) is pleased to announce that Frade Japão Petróleo Limitada (FJPL), together with its partners Chevron (the operator) and Brazil's national oil company Petrobras, has commenced crude oil production from the Frade Field in Brazil on June 20, 2009. FJPL is a Brazilian subsidiary of INPEX Offshore North Campos, Ltd., a joint venture company established by JOGMEC, INPEX CORPORATION and Sojitz Corporation.

The Frade Field is situated in the Campos Basin in approximately 1,050 to 1,300m of water, approximately 370km northeast of Rio de Janeiro. Frade is a subsea development with wells tied back to a floating production, storage and offloading (FPSO) vessel. The total capital investment estimated at 3 billion US dollars.

The field is estimated to contain approximately 200 million to 300 million barrels of recoverable reserves and peak production, estimated at 90,000 barrels per day of oil equivalent, is expected in 2011.

In the project, operations are being carried out by an international consortium composed of FJPL, Chevron (the operator) and Brazil's national oil company, Petrobras, with each holding a participating interest of 18.3%, 51.7% and 30%, respectively. The Frade Field was discovered in 1986. Through the signing of a Participation Agreement with Petrobras, FJPL participated in the project in 1999 when the field was in the exploration/evaluation stage.

This is the first crude oil production in Brazil by Japanese companies, and is the third project led by non-Brazilian companies to produce crude oil in Brazil after the opening of upstream interests to the foreign companies. Our crude oil production is planned to be exported to Japan through the swap exchange.