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**JOGMEC Signed the First Joint Venture Agreement
for PCI Coal Exploration in Bowen Basin, Australia.**

Japan Oil, Gas and Metals National Corporation (JOGMEC, President: Hirobumi Kawano) is pleased to announce that it entered into a new agreement to jointly explore coal in the Dingo West Project Area on October 15th, 2014, with Cockatoo Coal Limited (Cockatoo), an Australian coal company.

JOGMEC has made two JVs in Australia since JOGMEC commenced the coal JV scheme in 2013 Japanese fiscal year. This is the third JV for JOGMEC in coal exploration and the first JV targeting the PCI coal in the Bowen Basin.

The Dingo West Project Area (Dingo West) is situated at the central part of the Bowen Basin, which is highly prospective for high quality coal resources, in the southeast of Queensland. High quality PCI coal are expected in this area.

Although the market of metallurgical coal, including coking coal and PCI coal, has been depressed, it is expected that the steel production in Japan will expand and the demand of PCI coal will increase in the medium- to long-term. JOGMEC's mission is to secure the high prospective project for the future according to the Japanese government policy. JOGMEC will contribute to a stable supply of PCI coal resources in Japan through this project.

■ Outline of the Project**1) Exploration area**

Dingo West consists of two exploration tenements (about 76km²) in which some coal seams have been already identified. In the south-southeast of Dingo West area, Cockatoo has been operating Baralaba coal mine. The coal seams which are extended from the Baralaba Coal mine area have been intersected in the area by the previous exploration.

2) Agreement

JOGMEC will have the right to earn 25% participating joint venture interest in the project by completing its payment of A\$2.5 Million as an exploration expenditure for the first two years. JOGMEC may elect to earn a further 10% (35% in total) participating joint venture interest by adding A\$1.0 Million over the subsequent 12 months. JOGMEC can transfer its position in the joint venture agreement

including its acquired interest to a Japanese company during the term of the agreement.

3) Exploration

The location of two tenements is indicated in Figure 1. Some coal seams have been identified in the Tenement 1 by Cockatoo and other previous tenement holders. Especially, the north part of the Tenement 1 has potential for high quality PCI coal minable by opencut. Moreover, it is highly expected that coal resources would exist in the Tenement 2 by the prospecting geological structure. Seismic and drilling survey will be conducted in this project in order to clarify the distribution of coal seams.

■ Cockatoo Coal Limited

It is a coal exploration and development company which has plenty of tenements not only in Bowen Basin but also over other areas in Queensland. The company listed on the Australian Stock Exchange in 2005. They operate Baralaba Coal Mine and now plan to expand it to the north area. Current production in the mine is around 1.0 million ton per year, though Cockatoo expects to receive Government approval to mine at 3.5 million ton per year in 2015

■ PCI(Pulverized Coal Injection) Coal

PCI coal, has high combustibility and grindability, is used for increasing the temperature of a blast-furnace.

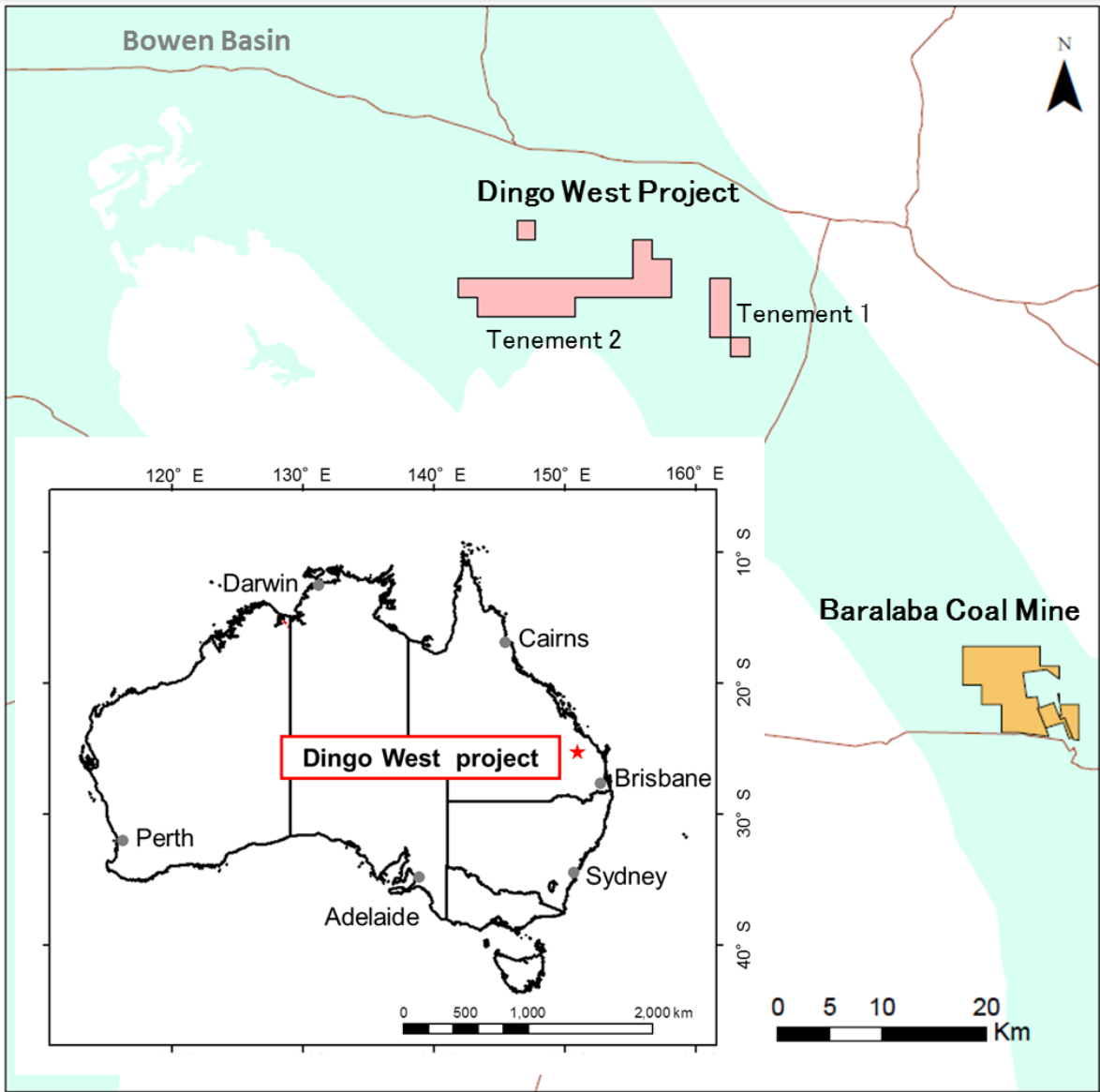


Figure 1 Location of Dingo West Project