

Report on Performance in the Six Months Ended September 30, 2006

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<http://www.eneos.co.jp/english>

October 31, 2006



NIPPON OIL
Your Choice of Energy

Performance in the FY 06 1st Half

<'06/4~'06/9>

Ordinary income : ¥132.0 billion (¥18.1 billion less than 05FY 1H)

<'05/4~'05/9>

Ordinary income : ¥70.1 billion (Up ¥ 32.5 billion from 05FY 1H)

(Excluding inventory valuation factors)

<'05/4~'05/9>

- ◆ Profit margins for petrochemicals expanded, however the positive effect of inventory valuation factors on profitability greatly decreased.
- ◆ Higher crude oil prices boosted E&P^{*} of oil and natural gas operation profitability.
- ◆ Dividend income and other factors enhanced non-operating income and losses, net.

*Exploration & Production

Highlights of Consolidated Income (FY06 1st Half)

<'06/4~'06/9>

		05FY 1H ('05/4-'05/9)	Changes	06FY 1H ('06/4-'06/9)	Changes	06FY 1H ('06/4-'06/9) (Announced in Jul)
Crude Oil Price	(\$ / Bbl)	51.8	+ 14.3	66.1	+ 0.6	65.5
Exchange Rate	(Yen / \$)	108.8	+ 6.6	115.4	+ 0.5	114.9
Sales volume excluding Barter trade & others	(10,000kl)	3,413	- 115	3,298	- 22	3,320
(JPY billion)						
Net Sales		2,701.0	+ 497.3	3,198.3	+ 228.3	2,970.0
Operating income		145.5	- 30.7	114.8	+ 25.8	89.0
(Inventory valuation factors)		(112.5)	(- 50.6)	(61.9)	(+ 12.9)	(49.0)
(Excluding inventory valuation factor)		(33.0)	(+ 19.9)	(52.9)	(+ 12.9)	(40.0)
Non-Operating income and loss, net		4.6	+ 12.6	17.2	+ 2.2	15.0
Ordinary income		150.1	- 18.1	132.0	+ 28.0	104.0
(Excluding inventory valuation factor)		(37.6)	(+ 32.5)	(70.1)	(+ 15.1)	(55.0)
Extraordinary income and loss, net		- 2.8	+ 2.1	- 0.7	+ 2.3	- 3.0
Net income		81.9	- 17.8	64.1	+ 13.1	51.0

Changes in Operating Income

by Business Segment (YoY) FY06 1st Half

<'06/4~'06/9>

FY05 1st Half

<'05/4 - '05/9>

FY06 1st Half

<'06/4 - '06/9>

Operating Income -30.7 billion yen (145.5 ⇒ 114.8 billion yen)

	(billions of yen)		(billions of yen)
	Operating income		Ordinary income
I . Refining & Marketing	<u>-48.5</u>	(106.1 → 57.6)	69.3
Excluding Inventory valuation factors	+2.1	(- 6.4 → - 4.3)	7.4
Petrochemicals	+9.6	(19.0 → 28.6)	28.8
II . E&P of Oil & Natural Gas	<u>+19.2</u>	(35.8 → 55.0)	60.5
III . Construction & Others	-1.4	(3.6 → 2.2)	2.2

Analysis of Changes in Operating Income

- Refining and Marketing (YoY) FY06 1st Half

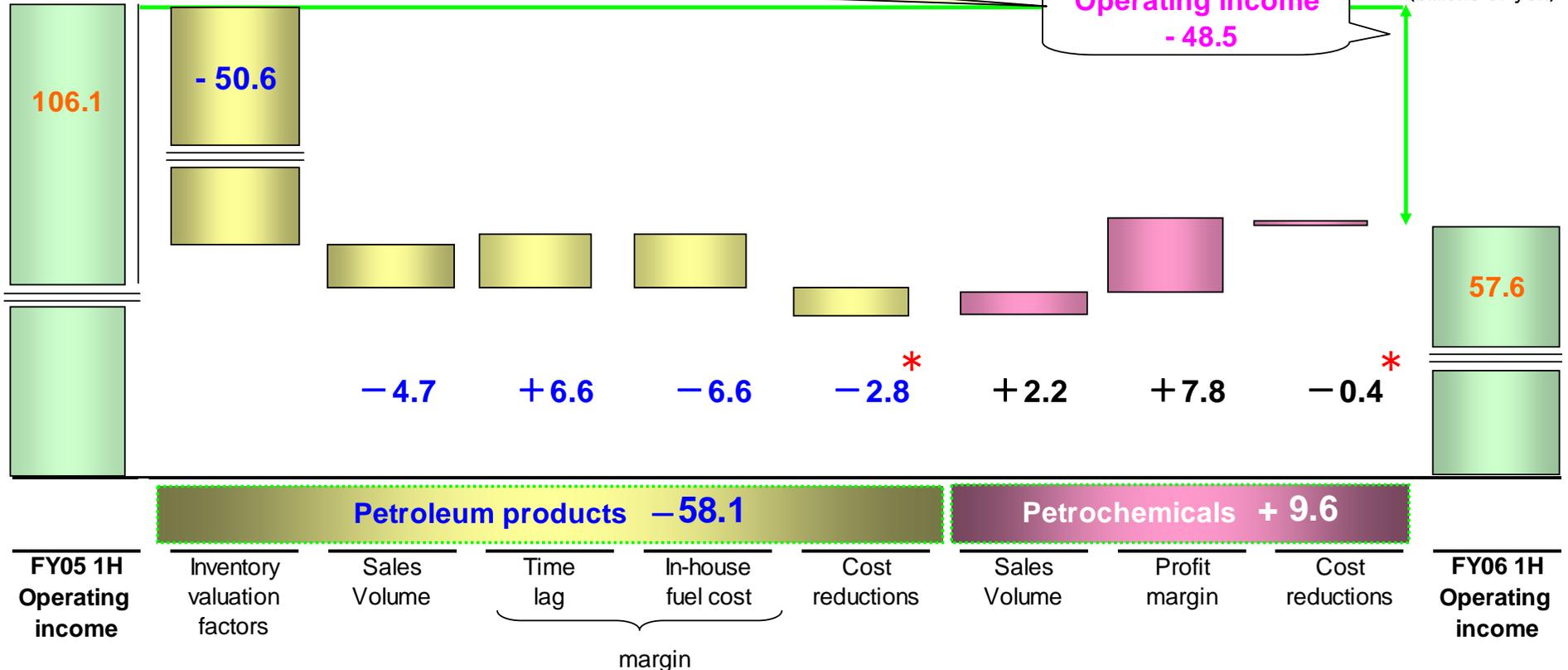
<'06/4~'06/9>

- The positive effect of inventory valuation factors on profitability greatly decreased.
- Decrease in sales volume of Petroleum products centered on Middle Distillates and Heavy Fuel Oil C.
- Increase in expenses due to rise in capital investments to strengthen safety measures, and surging equipment expenses, etc.
- Increase in profit margin of petrochemicals centered on Paraxylene and Propylene

- * Cost reductions & Improvements in Efficiency → - 1.9 (Cost Up)
- Petroleum Products - 2.8
- Petrochemicals - 0.4
- Construction & others + 1.3

Operating income
- 48.5

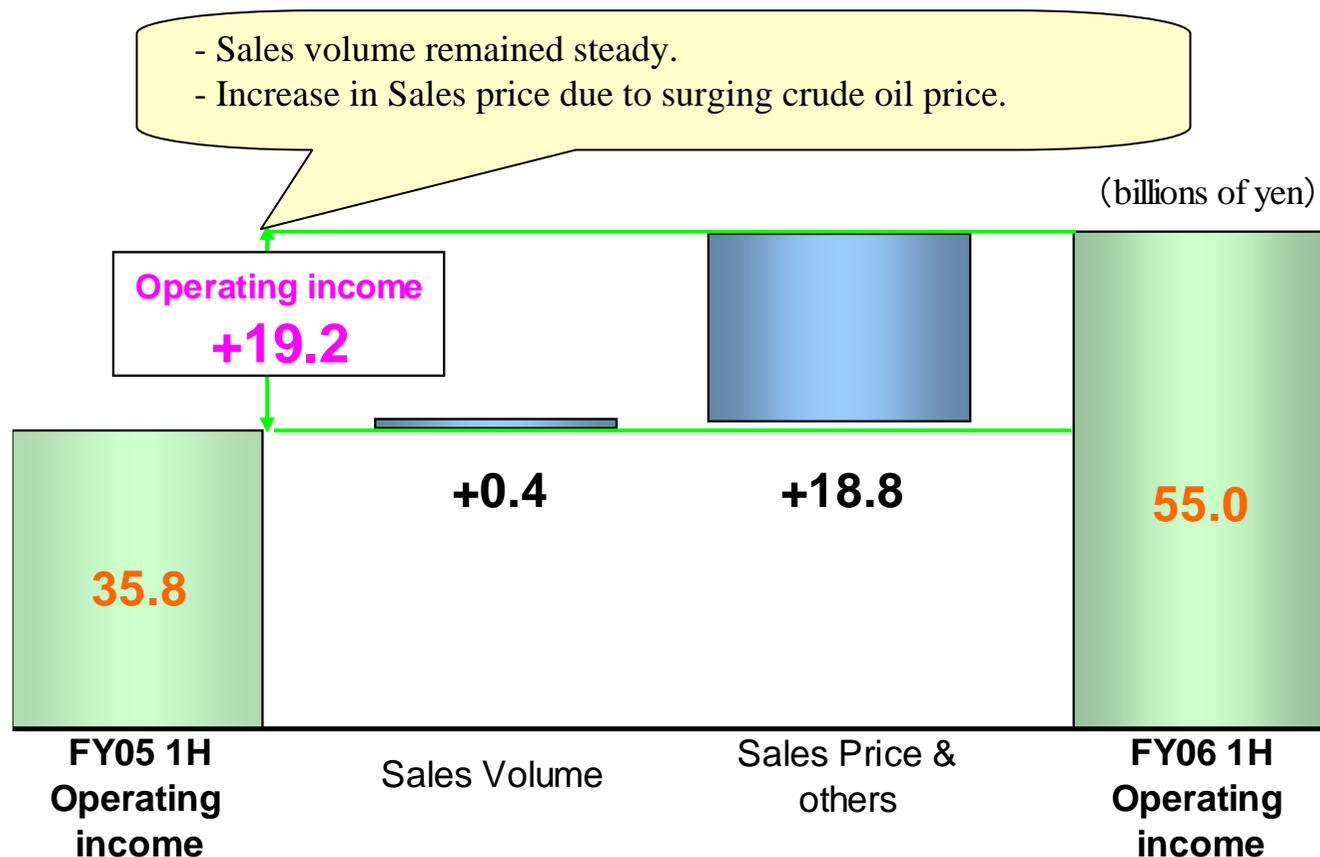
(billions of yen)



Analysis of Changes in Operating Income

- E&P of Oil and Natural Gas (YoY) FY06 1st Half

<'06/4~'06/9>



Fiscal 2006 Performance Forecast

<'06/4~'07/3>

- revised from previous forecast announced in July

Forecast Ordinary income : ¥184.0 billion

(¥22.0 billion less than the previous forecast)

Forecast Ordinary income : ¥180.0 billion (Up ¥18 billion from the previous forecast)

(Excluding inventory valuation factors)

◆ Revision of crude oil price and FX rate assumptions

WTI (since Oct 06)	\$60/Bbl ⇐ \$70/Bbl
Dubai (loaded since Nov 06)	\$55/Bbl ⇐ \$65/Bbl
Crude Oil Cost (yearly average)	\$61.1/Bbl ⇐ \$65.7/Bbl
FX rate	120 Yen/\$ ⇐ 115 Yen/\$

◆ The current strong market for petrochemicals is expanding profit margins, but the positive effect of inventory valuation factors greatly decreased.

⇨ Operating income of Refining & Marketing decreased.

◆ Cost reductions & Improvements in Efficiency are expected to be unchanged.

¥-2.0 billion (announced in July) ⇨ ¥-2.0 billion

Forecast for Consolidated Income (Yearly)

<'06/4-'07/3>

	05FY ('05/4-'06/3)	Changes	06FY ('06/4-'07/3)	Changes	06FY ('06/4-'07/3) (Announced in Jul)
Crude Oil Price (\$ / Bbl)	54.0	+7.1	61.1	-4.6	65.7
Exchange Rate (Yen / \$)	112.7	+4.8	117.5	+2.5	115
Sales volume excluding Barter trade & others (10,000kl)	7,285	-415	6,870	-10	6,880
	(JPY billion)				
Net Sales	6,118.0	+612.0	6,730.0	+170.0	6,560.0
Operating income	303.9	-143.9	160.0	-22.0	182.0
(Inventory valuation factors)	166.4	-162.4	4.0	-40.0	44.0
(Excluding inventory valuation factors)	137.5	+18.5	156.0	+18.0	138.0
Non-Operating income and loss, net	5.2	+18.8	24.0	0.0	24.0
Ordinary income	309.1	-125.1	184.0	-22.0	206.0
(Excluding inventory valuation factors)	142.7	+37.3	180.0	+18.0	162.0
Extraordinary income and loss, net	-10.8	+0.8	-10.0	-4.0	-6.0
Net income	166.5	-89.5	77.0	-21.0	98.0
ROE	16.0%	-9.4%	6.6%	-1.7%	8.3%

(2H)
56.6

(2H)
119.5

Changes in Original Forecast for Operating Income by Business Segment FY06

<'06/4~'07/3>

FY06(Announced in Jul) FY06(Current)

Operating Income -22.0 billion yen (182.0 ⇒ 160.0 billion yen)

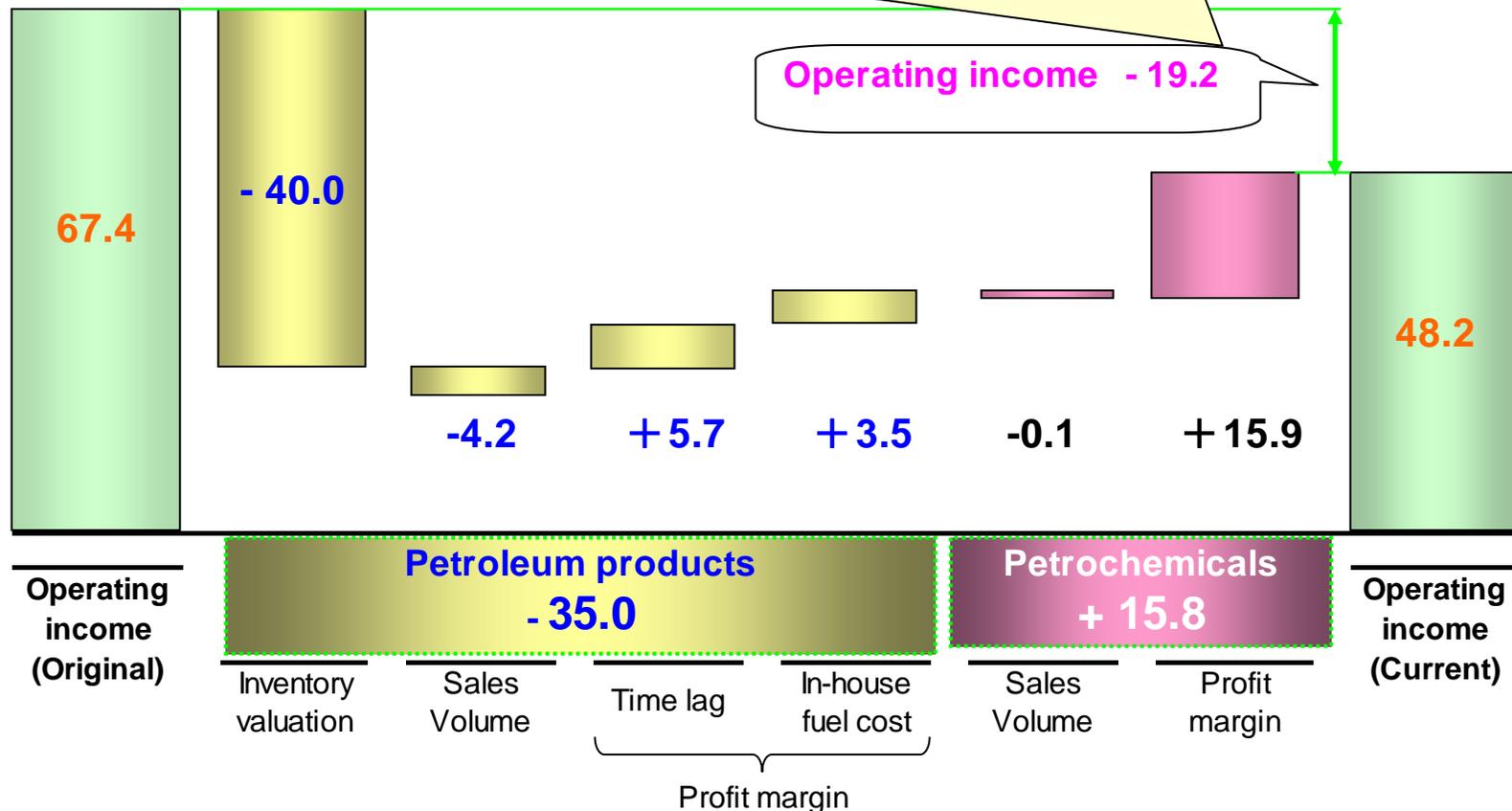
	(billions of yen)		(billions of yen)
	Operating income		Ordinary income
I . Refining & Marketing	<u>-19.2</u>	(67.4 → 48.2)	64.4
Excluding Inventory valuation factors	+20.8	(23.4 → 44.2)	60.4
Petrochemicals	+15.8	(47.0 → 62.8)	62.5
II . E&P of Oil & Natural Gas	-3.3	(101.2 → 97.9)	105.7
III . Construction & Others	+0.5	(13.4 → 13.9)	13.9

Changes in Original Forecast for Operating Income

- Refining and Marketing FY06

<'06/4-'07/3>

- The positive effect of inventory valuation factors on profitability greatly decreased
- Improvement in in-house fuel cost, recovery of time lag, and others that increased profit margins of Petroleum products, due to revision of crude oil price forecast.
- The current strong market for such petrochemicals as paraxylene and benzene is expanding profit margins.



Cautions with Respect to Forward-Looking Statement

The financial forecasts, management targets, and any other estimates and projections of the Company presented in this report are based on information available to management as of the date set forth within.

Please note that actual results may vary significantly from projected forecasts due to various uncertain factors, and as such, readers should take care when making investment decisions based solely on the forecasts herein.

The factors affecting actual results include but are not limited to economic conditions, crude oil prices, demand for and market conditions of oil-related products, and exchange rate and interest rate trends.

Report on Performance in the First Half of Fiscal 2006

(from April 1,2006 to September 30, 2006)

Supplementary Information

October 31, 2006

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Supplementary Information (1)

Net Sales & Operating Income by Business Segment (YoY) FY07 1H <'06/4 - '06/9 >

(1) Sales

(billions of yen)

Total 3,198.3 (+497.3)				
Refining and Marketing		E&P* of Oil and Natural Gas	Construction	Other
Petrochemicals				
230.0 (+34.8)	2,926.0 (+476.9)	96.6 (+20.5)	144.8 (+4.3)	30.9 (-4.4)

*Exploration & Production

(2) Operating Income

(billions of yen)

Total 114.8 (- 30.7)				
Refining and Marketing		E&P of Oil and Natural Gas	Construction	Other
Petrochemicals				
28.6 (+9.6)	57.6 (- 48.5)	55.0 (+19.2)	- 0.6(- 0.2)	2.8 (-1.2)

Supplementary Information (1)

Net Sales & Operating Income by Business Segment

(Change from the July forecast) (FY06 1H)

<'06/4 - '06/9 >

(1) Sales

(billions of yen)

Total 3,198.3 (+228.3)				
Refining and Marketing		E&P* of Oil and Natural Gas	Construction	Other
Petrochemicals				
230.0 (+10.0)	2,926.0 (+226.0)	96.6 (+6.6)	144.8 (-5.2)	30.9 (+0.9)

*Exploration & Production

(2) Operating Income

(billions of yen)

Total 114.8 (+ 25.8)				
Refining and Marketing		E&P of Oil and Natural Gas	Construction	Other
Petrochemicals				
28.6 (+7.0)	57.6 (+ 20.3)	55.0 (+ 5.4)	- 0.6(- 0.3)	2.8 (+0.4)

Supplementary Information (1)

Net Sales & Operating Income by Business Segment (YoY) FY06 <'06/4 - '07/3 >

(1) Sales

(billions of yen)

Total 6,730.0 (+612.0)				
Refining and Marketing		E&P* of Oil and Natural Gas	Construction	Other
Petrochemicals				
460.0 (+38.9)	6,100.0 (+617.4)	190.0 (+9.5)	380.0 (+5.5)	60.0 (-20.4)

*Exploration & Production

(2) Operating Income

(billions of yen)

Total 160.0 (- 143.9)				
Refining and Marketing		E&P of Oil and Natural Gas	Construction	Other
Petrochemicals				
62.8 (+23.0)	48.2 (- 149.0)	97.9 (+5.8)	8.6(+ 1.4)	5.3 (-2.1)

Supplementary Information (1)

Net Sales & Operating Income by Business Segment

(Change from the July forecast) FY06

<'06/4 - '07/3 >

(billions of yen)

(1) Sales

Total 6,730.0 (+170.0)				
Refining and Marketing		E&P* of Oil and Natural Gas	Construction	Other
Petrochemicals				
460.0 (+10.0)	6,100.0 (+170.0)	190.0 (0)	380.0 (0)	60.0 (0)

*Exploration & Production

(2) Operating Income

(billions of yen)

Total 160.0 (- 22.0)				
Refining and Marketing		E&P of Oil and Natural Gas	Construction	Other
Petrochemicals				
62.8 (+15.8)	48.2 (- 19.2)	97.9 (-3.3)	8.6(0)	5.3 (+0.5)

Supplementary Information (1)

Sales Volume by Petroleum Product Type (Unconsolidated)

Unit : 10,000KL

Products	FY05 1H (⁰⁵ /4-9)	FY06 1H (⁰⁶ /4-9)	Change %	FY06 Original Forecast	FY06 Current Forecast	Change %
Gasoline	746	734	- 1.5	1,477	1,433	- 3.0
High Octane	146	129	- 11.8	282	256	- 9.2
Regular	592	598	+ 1.0	1,181	1,163	- 1.5
Naphtha	112	86	- 23.0	193	190	- 1.6
JET	57	61	+ 5.5	111	121	+ 9.0
Kerosine	219	192	- 12.1	749	697	- 6.9
Diesel Fuel	431	419	- 2.9	838	842	+ 0.5
Heavy fuel oil A	376	340	- 9.4	777	745	- 4.1
Heavy fuel oil C	427	356	- 16.7	665	679	+ 2.1
For Electric Power	214	181	- 15.3	286	333	+ 16.4
For General Use	213	175	- 18.0	379	346	- 8.7
Total - Domestic Fuel Oil	2,368	2,188	- 7.6	4,810	4,707	- 2.1
Crude Oil	103	122	+ 17.8	160	214	+ 33.8
Lubricants & Specialities	135	131	- 3.0	284	277	- 2.5
Petrochemicals	187	187	+ 0.2	397	396	- 0.3
Exported Fuel Oil	620	670	+ 8.1	1,229	1,276	+ 3.8
Total - Excluding Barter trade & others	3,413	3,298	- 3.4	6,880	6,870	- 0.1
Barter trade & others	900	967	+ 7.4	2,090	2,070	- 1.0
Total	4,313	4,265	▲ 1.1	8,970	8,940	- 0.3

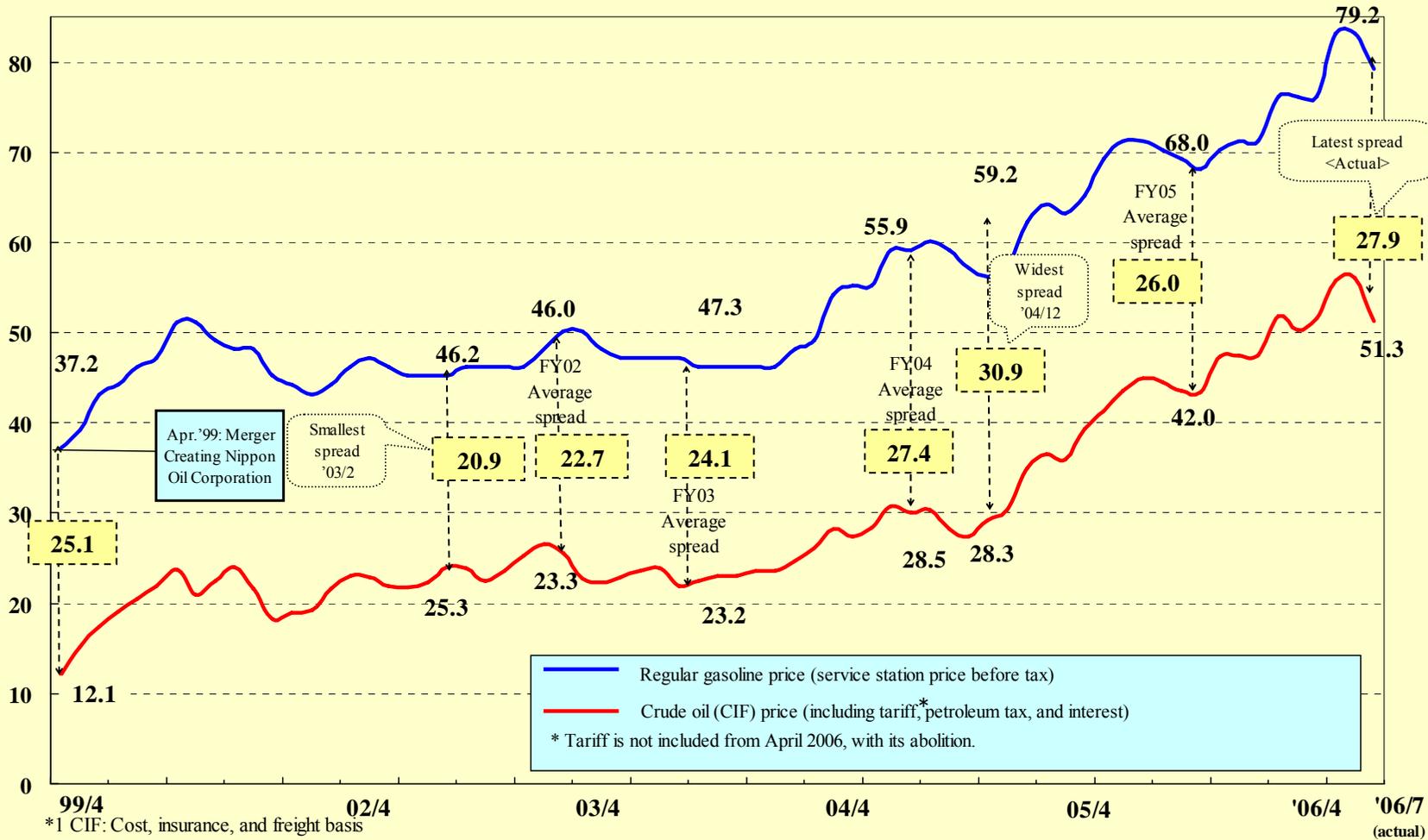
Supplementary Information (2)

< Spread (Retail Gasoline Price – Crude Oil CIF Price) >

Quarterly spread trend (Since 2005FY)

'05/4-6	'05/7-9	'05 1H	'05/10-12	'06/1-3	'05 2H	'05FY	'06/4-6	'06/7-9	'06 1H
27.4	25.8	27.1	25.9	23.3	24.6	26.0	25.4	26.4	25.9

Yen/L

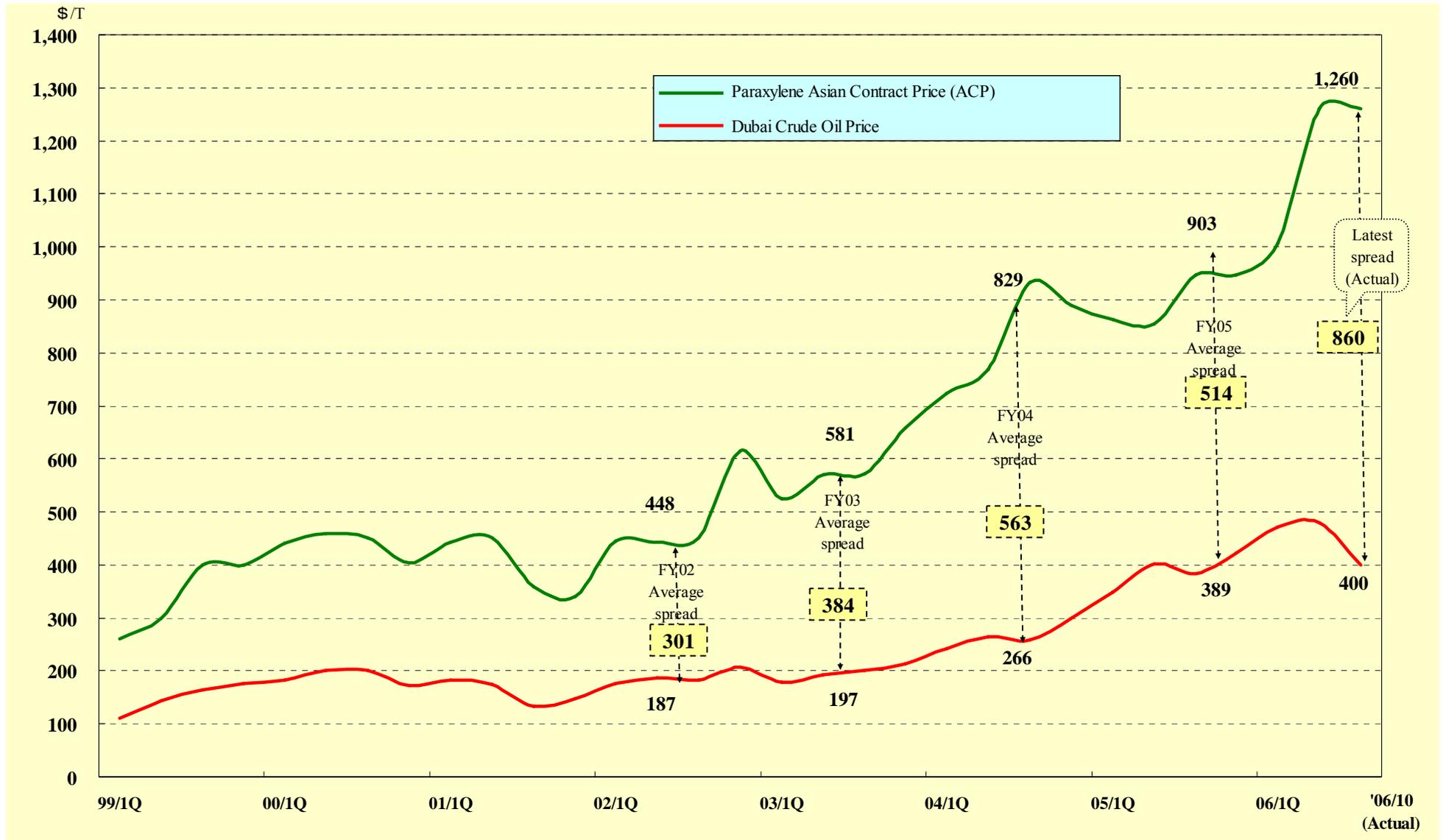


*1 CIF: Cost, insurance, and freight basis

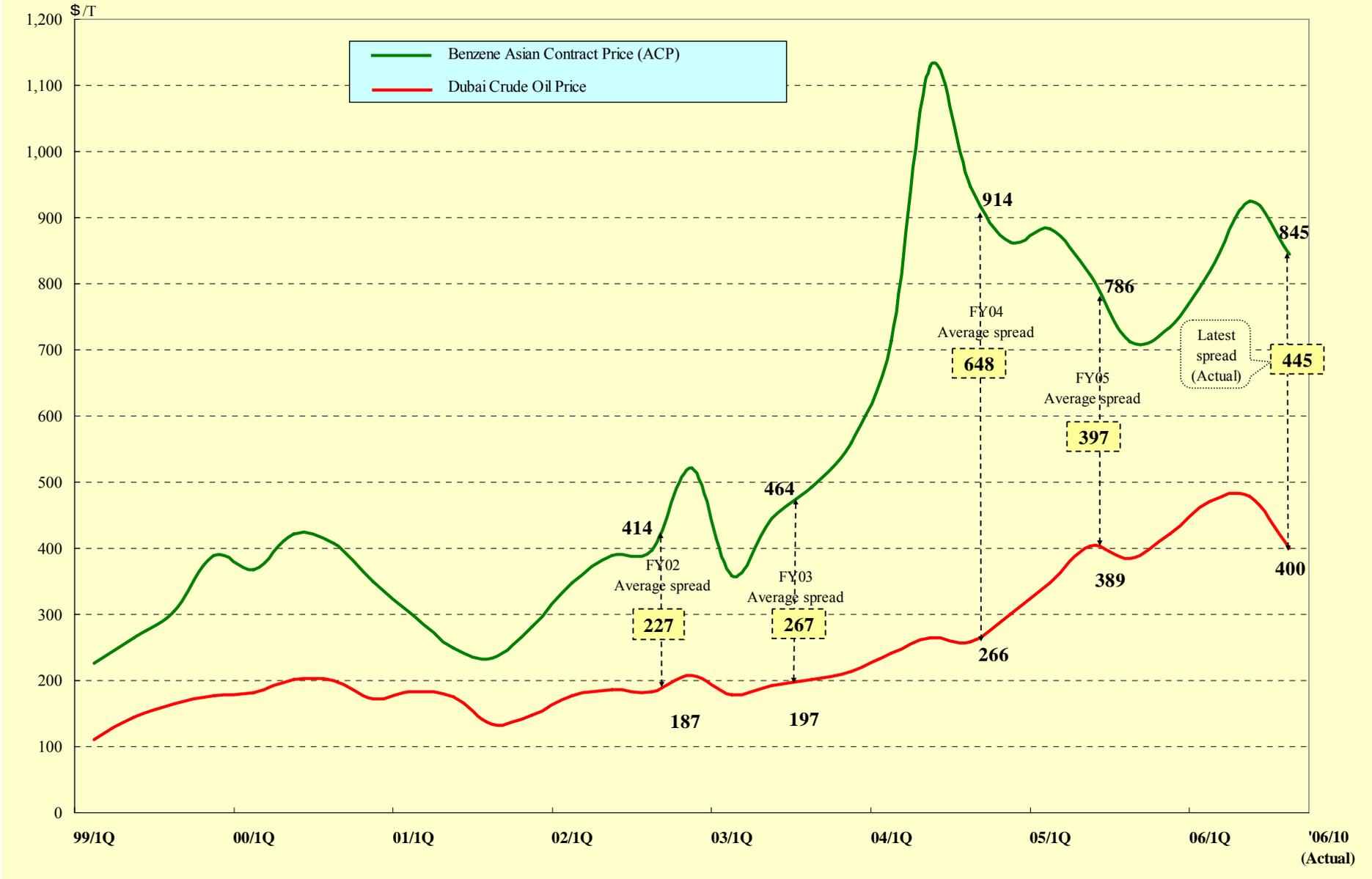
*2 The Repeal of the Specific Petroleum Product Law is officially known as the Provisions Measures Law on the Importation of Specific Petroleum Refined Products.

Note: Figures are calculated by the Company based on publicly announced data from the Agency for Natural Resources and Energy.

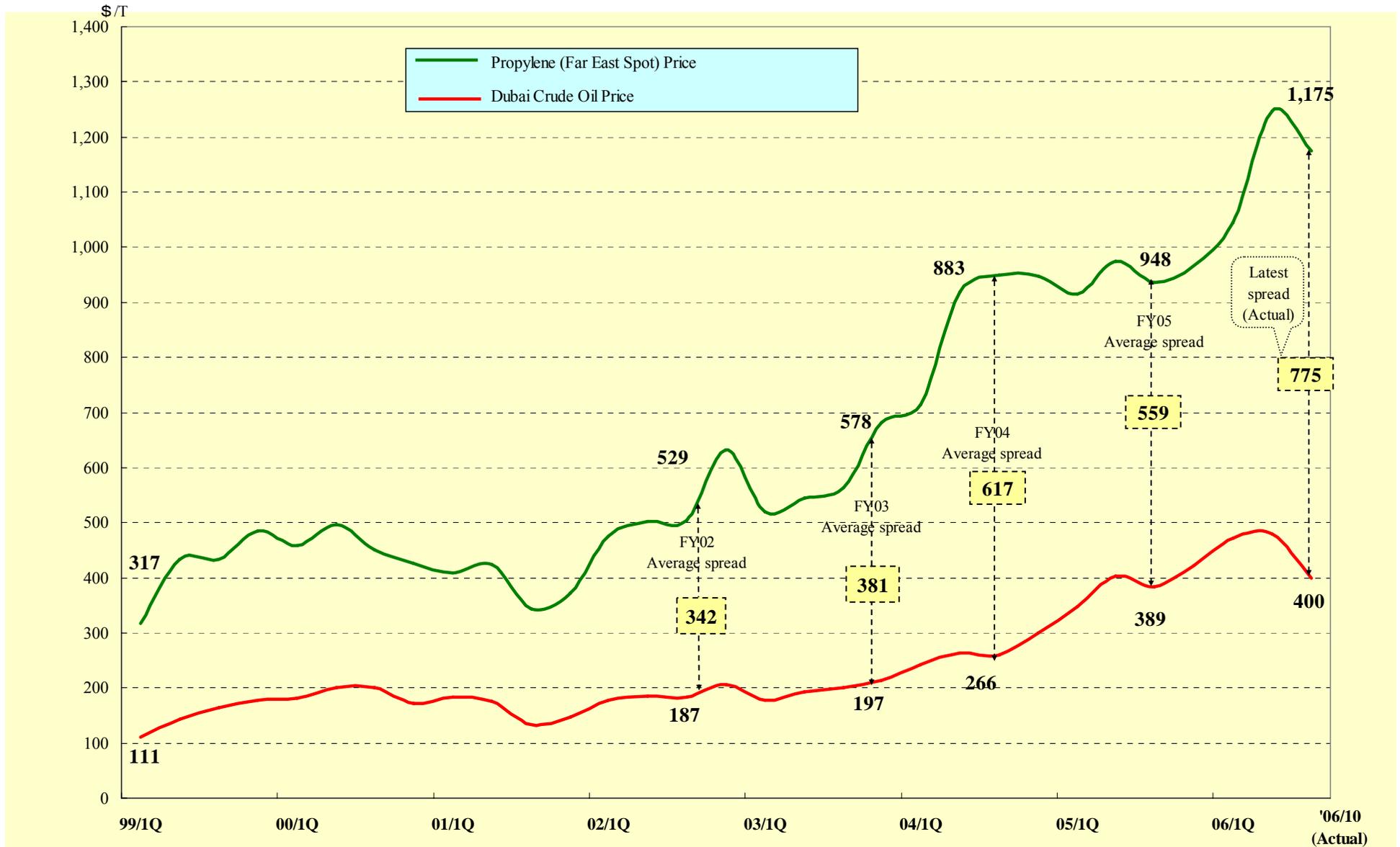
< Spread (PX Price – Dubai Crude Oil Price) >



< Spread (Benzene Price – Dubai Crude Oil Price) >



< Spread (Propylene Price – Dubai Crude Oil Price) >



Supplementary Information (3)

<Refining Capacity and Utilization Rates>

	(million BD)							
	FY97 (^{97/4} - ^{98/3})	FY98 (^{98/4} - ^{99/3})	FY99 (^{99/4} - ^{00/3})	Merger Creating NOC	FY00 (^{00/4} - ^{01/3})	FY01 (^{01/4} - ^{02/3})	FY02 (^{02/4} - ^{03/3})	FY03 (^{03/4} - ^{04/3})
NOC Group ^{*1}	1.35 (80%)	1.37 (78%)	1.35 (74%)		1.35 (76%)	1.23 (81%)	1.22 (84%)	1.27 (83%)
Total for Japan	5.32 (81%)	5.37 (78%)	5.35 (77%)		5.27 (79%)	4.97 (81%)	4.98 (81%)	4.89 ^{*3} (83%)
	FY04 (^{04/4} - ^{05/3})			FY05 (^{05/4} - ^{06/3})			FY06 (^{06/4} - ^{06/9})	
	1H (Apr.-Sep.)	2H (Oct.-Mar.)	Total	1H (Apr.-Sep.)	2H (Oct.-Mar.)	Total	1H	
NOC Group ^{*1}	1.22 ^{*4} (79%) ^{*2}	1.22 (92%)	1.22 (87%)	1.22 (84%)	1.22 (93%)	1.22 (88%)	1.22 (83%)	
Total for Japan	4.77 ^{*4} (80%) ^{*2}	4.77 (89%)	4.77 (84%)	4.77 (83%)	4.77 (-)	4.77 (-)	4.78 ^{*5} (81%)	

Notes: *1. Figures through FY00 are the sum of figures for Nippon Oil Company and Mitsubishi Oil Company, which merged in Apr.'99.

*2. Figures in parentheses are averages for the fiscal years.

*3. Discontinuation of crude oil processing at the Idemitsu Kosan Hyogo Refinery in Apr. '03 and the Idemitsu Kosan Group Okinawa Refinery in Nov. '03

*4. Discontinuation of crude oil processing at Idemitsu Kosan Group Toho Oil in Apr. '04, and partial discontinuation of crude oil processing at the Nippon Oil Negishi Refinery in Apr.'04 and Showa Shell Oil Group's Showa Yokkaichi Oil in June '04

*5. Japan total figures for FY06 1st half are estimated by the Company.

Sources: Ministry of Economy, Trade and Industry; Petroleum Association of Japan; and others

<NOC's Share of Sales of the Four Light Oil Products>

(Consumption Basis)

Type of product	Merger Creating NOC								(%)
	FY99 (^{'99/4} - ^{'00/3})	FY00 (^{'00/4} - ^{'01/3})	FY01 (^{'01/4} - ^{'02/3})	FY02 (^{'02/4} - ^{'03/3})	FY03 (^{'03/4} - ^{'04/3})	FY04 (^{'04/4} - ^{'05/3})	FY05 (^{'05/4} - ^{'06/3})	FY06 (^{'06/4} - ^{'06/9})	
Gasoline	23.2	22.9	22.8	23.2	23.3	23.9	23.6	24.0	
(Premium)	23.4	23.2	24.1	24.6	24.6	25.4	26.2	25.7	
Kerosene	23.4	23.3	23.9	24.4	24.3	27.6	27.7	30.4	
Diesel fuel	22.8	22.4	22.0	22.7	22.6	23.0	23.2	23.3	
Heavy fuel oil A	23.4	23.9	24.3	26.3	28.1	30.4	29.1	29.9	
Total	23.2	23.0	23.1	23.9	24.2	25.5	25.3	25.5	

Note: Figures are calculated by the Company based on publicly announced data from Agency for Natural Resources and Energy.

<Number of Service Stations (Fixed-Type)>

Repeal of
the Specific
Petroleum
Product
Law*5

Merger
Creating NOC

	FY95 (*95/4 -'96/3)	FY96 (*96/4 -'97/3)	FY97 (*97/4 -'98/3)	FY99 (*99/4 -'00/3)	FY00 (*00/4 -'01/3)	FY01 (*01/4 -'02/3)	FY02 (*02/4 -'03/3)	FY03 (*03/4 -'04/3)	FY04 (*04/4 -'05/3)	FY05 (*05/4 -'06/3)	FY95 FY05	'06/6
NOC*1	14,895	14,690	14,283	13,162	12,669	11,987	11,694	11,333	11,059	10,807	72.6%	10,592*5
EMGK*2	9,283	9,276	8,893	8,101	7,898	7,597	7,278	6,904	6,701	6,464	69.6%	6,373*6
Idemitsu Kosan	9,037	8,879	7,706	6,493	6,114	5,896	5,624	5,508	5,358	5,249	58.1%	5,225*6
Showa Shell Sekiyu	7,091	6,937	6,728	5,962	5,642	5,402	5,153	4,968	4,808	4,689	66.1%	4,668*6
Cosmo Oil	6,857	6,802	6,573	5,916	5,600	5,373	5,152	4,926	4,709	4,552	66.4%	4,503*6
Japan Energy	6,384	6,232	6,079	4,952	4,646	4,476	4,296	4,150	4,023	3,833	60.0%	3,791*6
Others*3	2,314	2,510	2,418	2,128	1,916	1,733	1,642	1,593	1,500	1,439	62.2%	1,443*6
Oil companies	55,861 (96.9%)	55,326 (96.4%)	52,680 (93.8%)	46,714 (87.6%)	44,485 (85.6%)	42,464 (83.4%)	40,839 (82.3%)	39,382 (80.4%)	38,158 (79.5%)	37,033 (78.8%)	66.3%	36,595 (-)
Private brands and other	1,792 (3.1%)	2,079 (3.6%)	3,469 (6.2%)	6,593 (12.4%)	7,472 (14.4%)	8,436*4 (16.6%)	8,761*4 (17.7%)	9,618*4 (19.6%)	9,842*4 (20.5%)	9,967*4 (21.2%)	556.2%	- -
Total	57,653	57,405	56,149	53,307	51,957	50,900*4	49,600*4	49,000*4	48,000*4	47,000*4	81.5%	-

Notes: *1. Figures through FY99 are pro forma summations of figures for the former Nippon Oil Company and the former Mitsubishi Oil Company.

*2. Figures are pro forma summations of figures for Esso, Mobil, Tonen General Sekiyu, and Kynus Sekiyu.

*3. Figures are pro forma summations of figures for Kyushu Oil, Taiyo Petroleum, and Mitsui Oil & Gas.

*4. Estimates by Nippon Oil

*5. As of September 2006

*6. As of June 2006

Source: Agency of Natural Resources and Energy

<Number of Company-Owned Service Stations>

	Merger Creating NOC							
	FY99 (^{'99/4} - ^{'00/3})	FY00 (^{'00/4} - ^{'01/3})	FY01 (^{'01/4} - ^{'02/3})	FY02 (^{'02/4} - ^{'03/3})	FY03 (^{'03/4} - ^{'04/3})	FY04 (^{'04/4} - ^{'05/3})	FY05 (^{'05/4} - ^{'06/3})	'06/9
NOC	3,053	2,945	2,857	2,746	2,607	2,518	2,436	2,379

<Number of Self-Service Stations>

	Merger Creating NOC							
	FY99 (^{'99/4} - ^{'00/3})	FY00 (^{'00/4} - ^{'01/3})	FY01 (^{'01/4} - ^{'02/3})	FY02 (^{'02/4} - ^{'03/3})	FY03 (^{'03/4} - ^{'04/3})	FY04 (^{'04/4} - ^{'05/3})	FY05 (^{'05/4} - ^{'06/3})	'06/9
NOC	21	54	142	342	520	651	794	917
Total for Japan	191 *	422 *	1,353 *	2,522 *	3,423 *	3,493 *	4,257 *	4,798 *

* This figure includes only self-service retail outlets that are affiliated to oil wholesale companies.

Sources: Agency of Natural Resources and Energy; *The Daily Nenryo Yushi*

<Number of Dr. Drive Service Stations>

	Merger Creating NOC							
	FY99 (^{'99/4} - ^{'00/3})	FY00 (^{'00/4} - ^{'01/3})	FY01 (^{'01/4} - ^{'02/3})	FY02 (^{'02/4} - ^{'03/3})	FY03 (^{'03/4} - ^{'04/3})	FY04 (^{'04/4} - ^{'05/3})	FY05 (^{'05/4} - ^{'06/3})	'06/9
NOC	44	390	1,283	1,610	1,871	1,963	2,505	2,480

<Number of Depots>

	Merger Creating NOC				
	'99/4	'00/4	'01/4	'02/4	'03/4
NOC	109	93	75	62	55
	'04/4	'05/4	'06/4	'06/9	
	51	50	50	48	

<Number of Employees>

	Merger Creating NOC				
	'99/3	'00/3	'01/3	'02/3	'03/3
NOC Group	15,964	15,570	14,895	14,368	13,882
(portion from NOC and NPRC ^{*5})	(5,163)	(4,602)	(4,290)	(4,108)	(4,990) ^{*1}
	'04/3	'00/3	'01/3	'02/3	
	14,347 ^{*2}	13,424	13,628	13,459	
	(4,920)	(4,437)	(4,705) ^{*3}	(4,937) ^{*4}	

Notes: *1. The number of employees increased because of the merger (in Apr. '02) of the former NiSSEKI Mitsubishi Refining, the former Tohoku Oil, and the former Koa Oil.

*2. The number of employees increased as a result of the inclusion of Dai Nippon Construction Co., Ltd., within the scope of consolidation.

*3. The number of employees increased because of the merger of Nippon Petroleum Gas Company, Limited.

*4. The number of employees increased because of the merger of R&D, management & sales function of Nippon Petrochemicals Company, Limited.

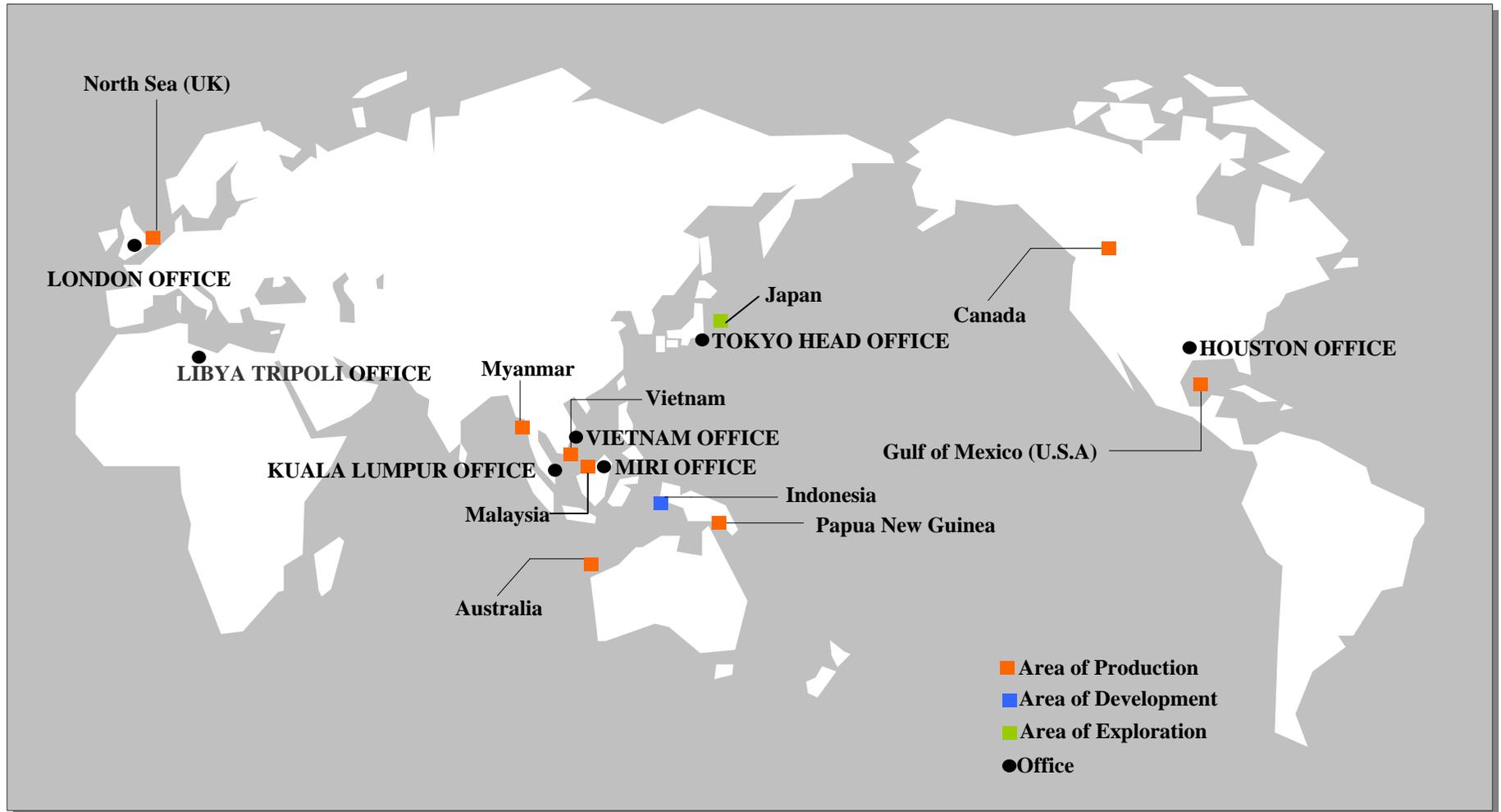
*5. Nippon Petroleum Refining Company, Limited.

Supplementary Information (4)

<Principal Overseas Operating Bases>



〈Principal E&P of Oil and Natural Gas Projects〉



<Outline of Principal E&P of Oil and Natural Gas Projects >

(Average for Jan.-Sep.'06)

Project Name/Company	Total Production	Oil Rights (1,000BD)		Reserves ^{*1}
	(1,000BD)	PC Basis	NOC Ownership Basis	PC Basis (1 million Bbl)
<U.S.A.> Gulf of Mexico (U.S.A.) Nippon Oil Exploration U.S.A. Limited	34	10	10	33
<U.K.> North Sea, U.K. MOC Exploration (U.K.) Limited NOEX Production U.K.	89 142	5 9	2 9	44
<Southeast Asia> Vietnam Japan Vietnam Petroleum Co., Ltd. Myanmar Nippon Oil Exploration (Myanmar), Limited Malaysia Nippon Oil Exploration (Malaysia), Limited Nippon Oil Exploration (Sarawak), Limited	61 81 60 165	18 10 34 43	17 5 27 33	< Southeast Asia Total > 468
<Oceania> Papua New Guinea Japan Papua New Guinea Petroleum Company, Limited Australia NOEX Australia Pty Ltd.	48 39	2 10	1 10	< Oceania Total > 17
<Canada> Canada ^{*2} Mocal Energy Limited	243	12	12	274
Total	962	153	126	836

*1. Proved reserves and probable reserves as of Dec.'05. Including reserves from projects currently under development.

*2. Synthetic oil

< Individual E&P Project Overview >

(Gulf of Mexico)



'06 Jan - Sep Production Volume
10,300BOED
(oil: 2,300b/d, gas: 48mmcf/d)

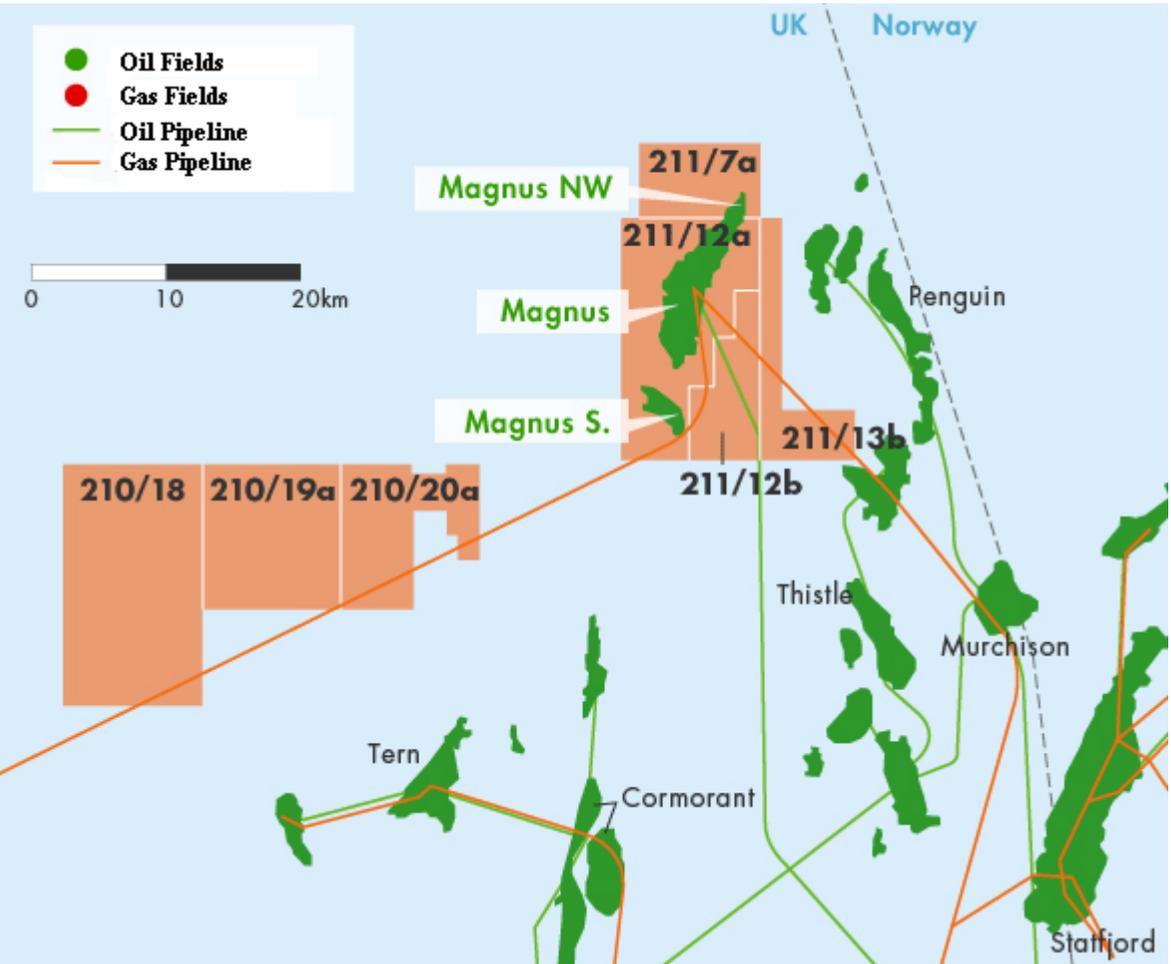
Project Company
Nippon Oil Exploration U.S.A. Limited
(NOEX USA) (100%)
(%) = NOC Group Shareholding

Range of Interests in Individual Fields
1.6% to 100%

Operators
NOEX USA, ConocoPhillips, Total, other

In 1989, NOEX USA began exploration, development, and production operations at an onshore field in Texas and offshore blocks in both deep as well as shallow waters in the Gulf of Mexico. In addition to continuing such existing operations as those in the Orchard North Gas Field, Aconcagua Gas Field, and Virgo Gas Field, NOEX USA purchased interests in certain producing assets in the Gulf of Mexico from Devon during 2005.

U.K. North Sea



'06 Jan - Sep Production Volume

13,800BOED

(oil: 8,200b/d, gas: 34mmcf/d)

Project Company

MOC Exploration (U.K.) Limited (MOEX) (50%)
Nippon Oil Exploration and Production U.K. Ltd.
(NOEP UK) (100%)

(%) = NOC Group Shareholding

Range of Interests in Individual Fields

3.5% to 50%

Operators

BP, Shell, Marathon

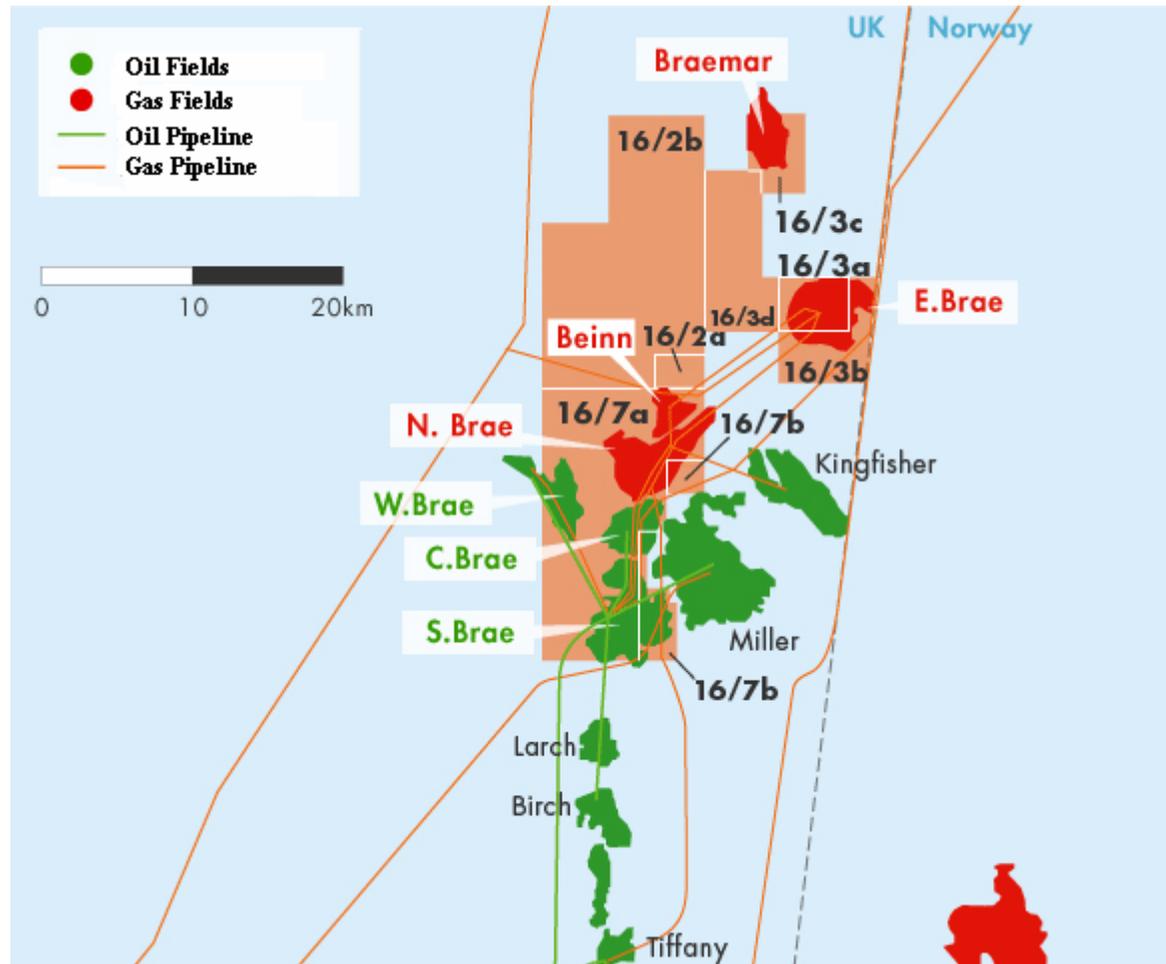
● MOEX

In 1994, MOEX acquired a working interest in blocks, including those in the Andrew Oil Field, the Mungo/Monan Oil Fields, the Pierce Oil Field, the Mirren/Madoes Oil Fields, and the Blane Oil Field. It is currently expanding its exploration, development, and production operations.

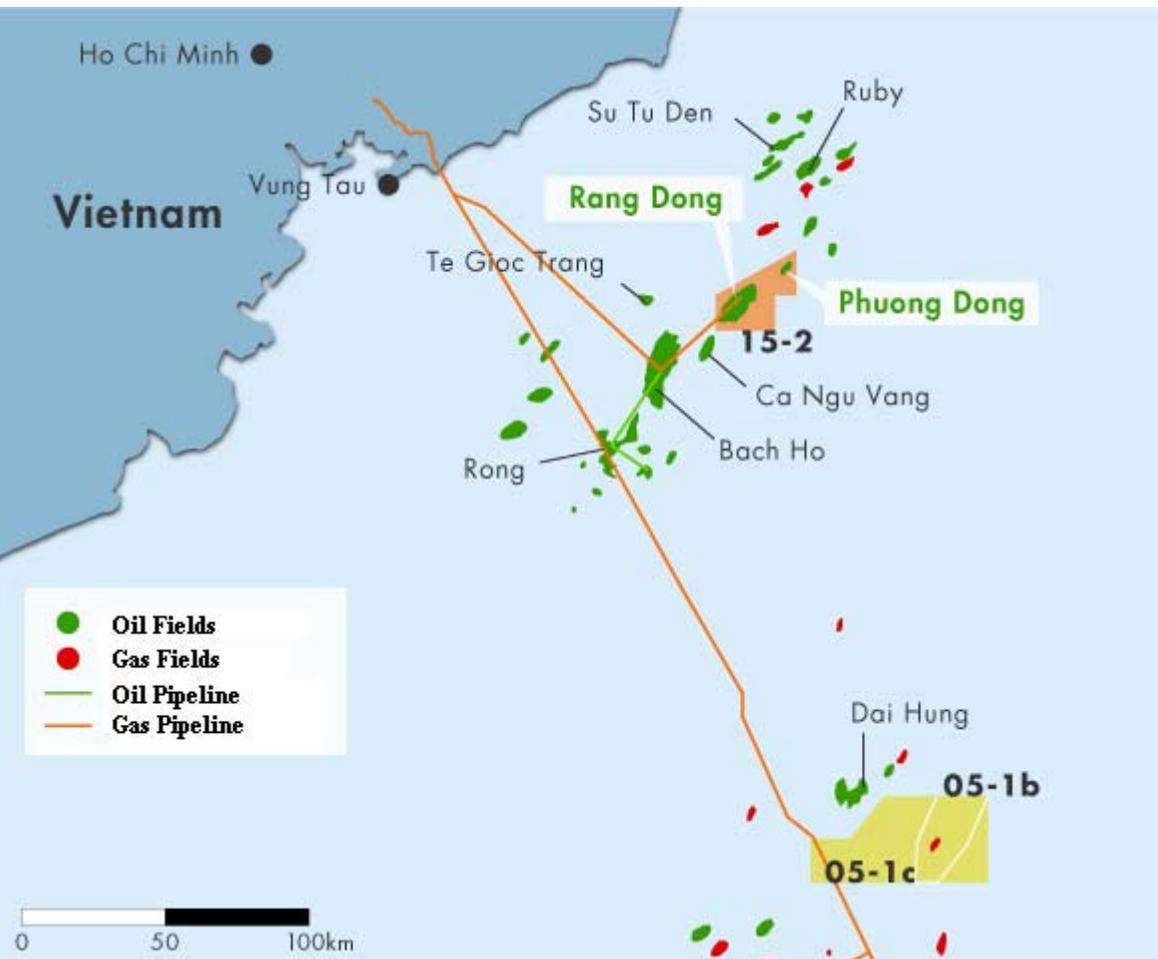
● NOEP UK

In 1996, NOEP UK acquired an interest in the Magnus Oil Field, and in 2002 it acquired interests in the Brae Gas Fields and the Fiddich Oil Field. It is currently engaged in development preparation and production operations.

U.K. North Sea



Vietnam



'06 Jan - Sep Production Volume

17,700BOED

(oil: 13,200b/d, gas: 27mmcf/d)

Project Company

Nippon Vietnam Petroleum Co., Ltd. (JVPC)

(97%)

(%) = NOC Group Shareholding

Interest in Individual Fields

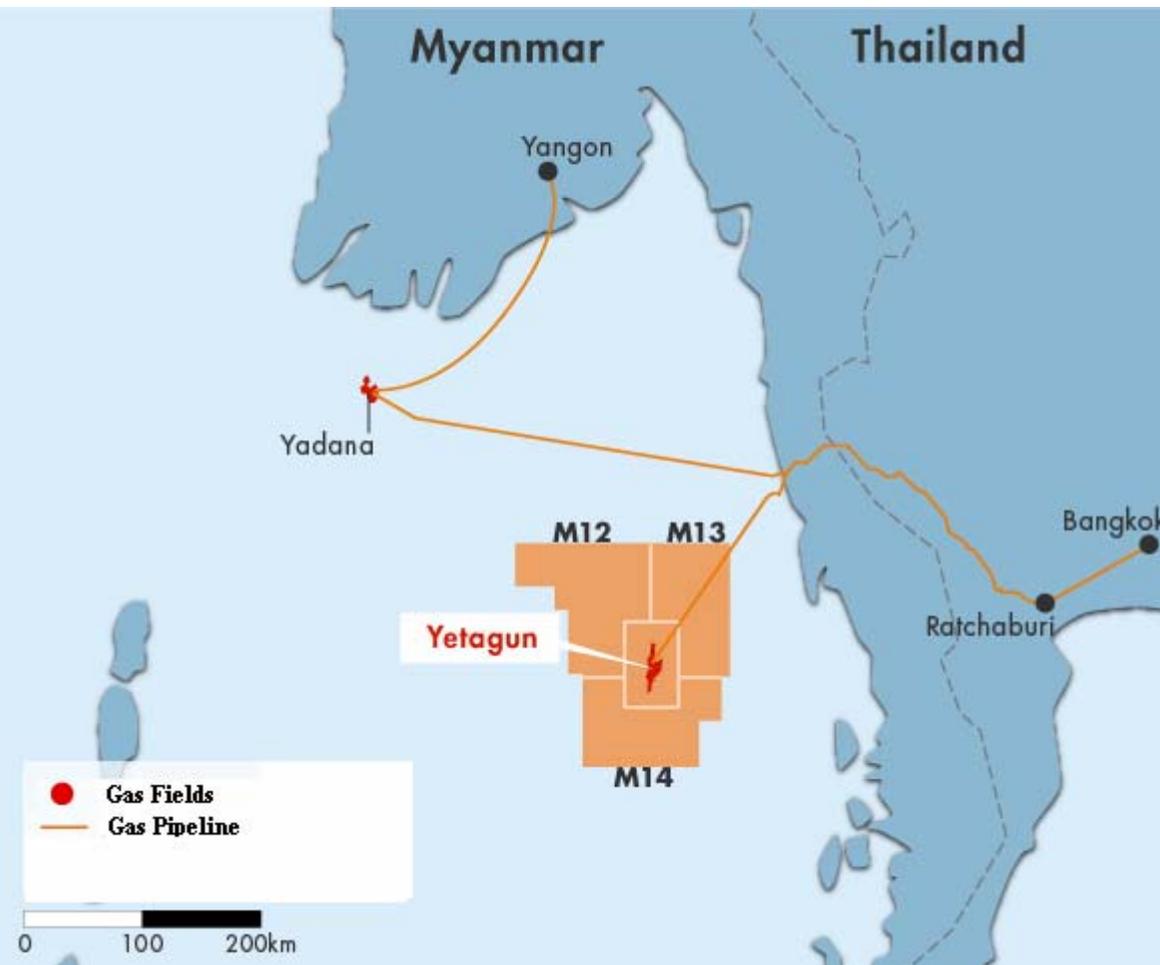
46.5%

Operator

JVPC

- In 1992, JVPC acquired a working interest in block 15-2 offshore Vietnam.
- In 1994, JVPC discovered the Rang Dong Oil Field within block 15-2, and it began production in that field from 1998.
- In 2006, the Rang Dong Oil Field associated gas recovery and utilization project was approved as a Clean Development Mechanism (CDM) system under the Kyoto Protocol.

Myanmar



'06 Jan - Sep Production Volume

10,000BOED(oil: 1,100b/d, gas: 53mmcf/d)

Project Company

Nippon Oil Exploration (Myanmar), Limited
(NOEX Myanmar) (50%)

(%) = NOC Group Shareholding

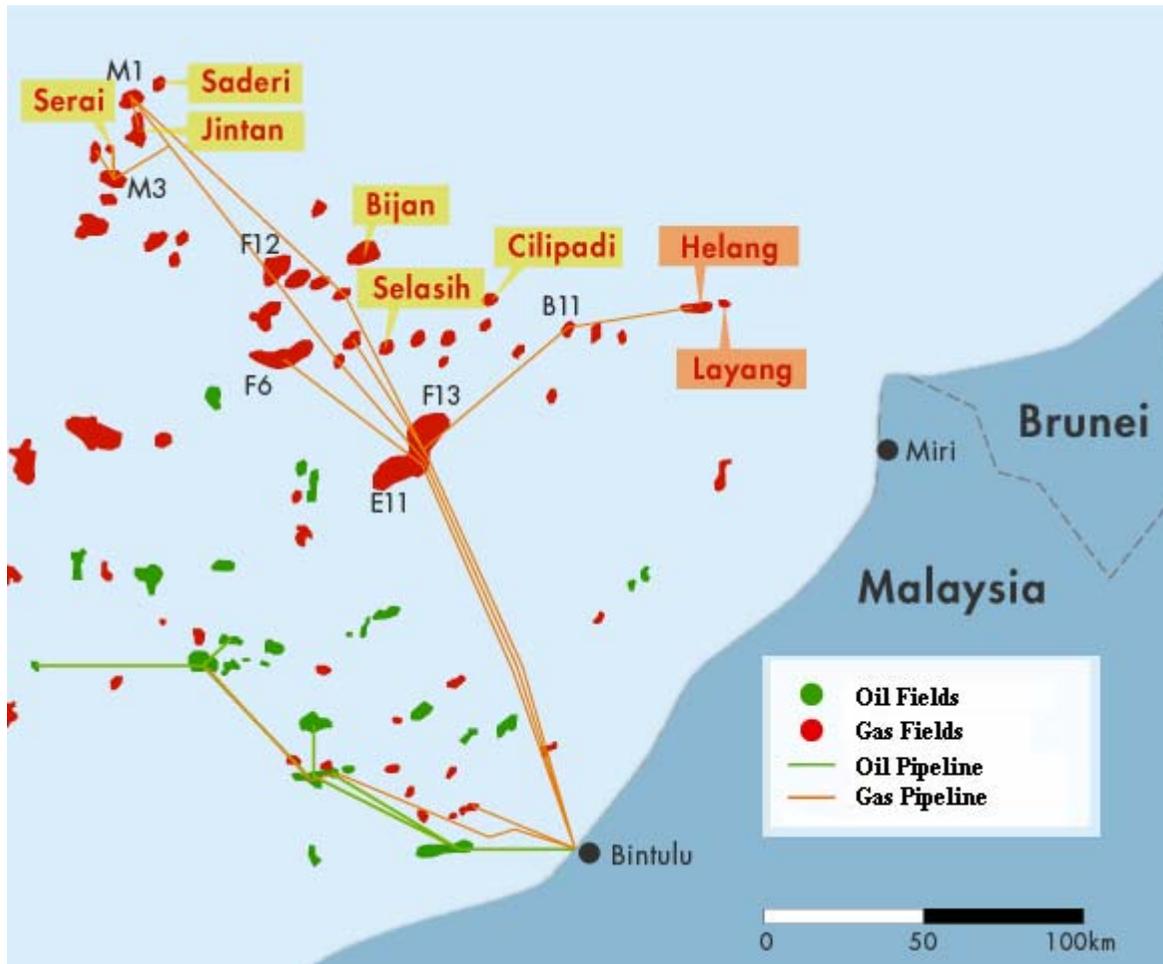
Interest in Individual Fields

19.3%

Operator

Petronas

- In 1991, NOEX Myanmar acquired a working interest in blocks M-13/14 offshore Myanmar. The following year, it acquired a working interest in block M-13/1 and discovered the Yetagun Gas Field in that block.
- In 2000, production at the Yetagun Gas Field commenced, with the produced gas supplied to the Ratchaburi power plants in Thailand.



'06 Jan - Sep Production Volume

33,900BOED(oil: 9,000b/d, gas: 149mmcf/d)

Project Company

Nippon Oil Exploration (Malaysia), Limited
(NOMA) (78.7%)

(%) = NOC Group Shareholding

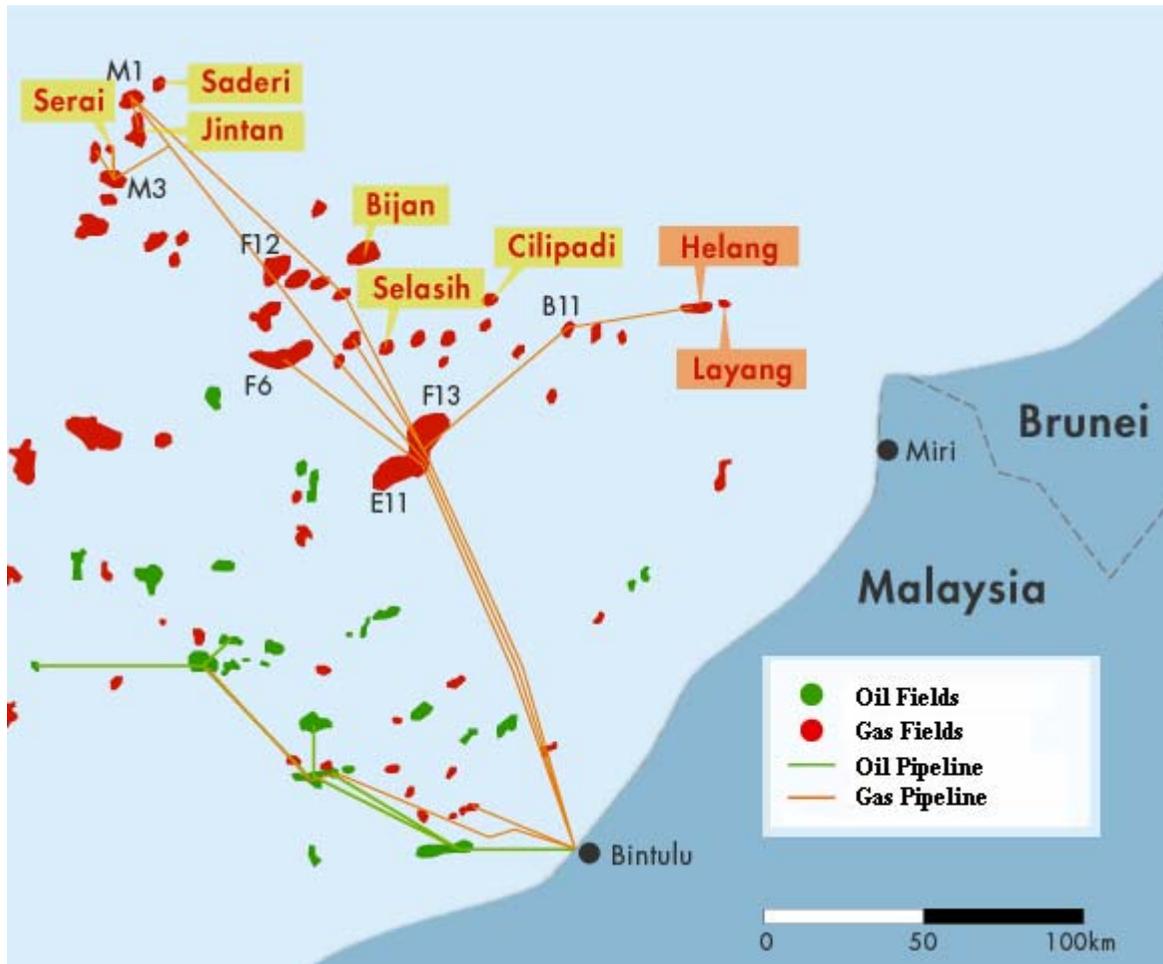
Range of Interest in Individual Fields

75%

Operator

NOMA

- In 1987, NOMA acquired a working interest in Block SK-10 offshore Sarawak, Malaysia.
- In 1990, NOMA discovered the Helang Gas Field, where production commenced in 2003.



'06 Jan - Sep Production Volume

43,400BOED

(oil: 3,400b/d, gas: 240mmcf/d)

Project Company

Nippon Oil Exploration (Sarawak), Limited
(NOSA) (76.5%)

(%) = NOC Group Shareholding

Interest in Individual Fields

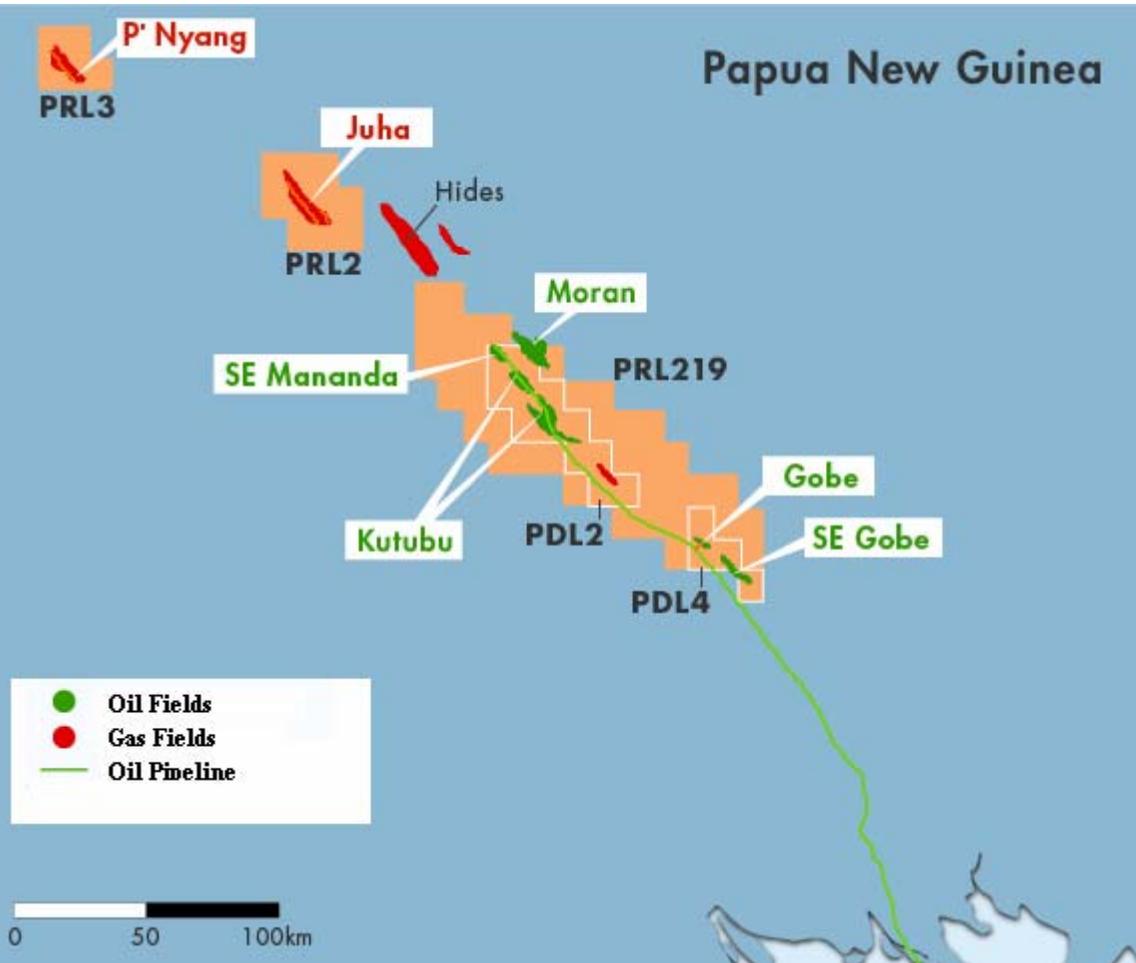
37.5%

Operator

Shell

- In 1991, NOSA acquired a working interest in Block SK-8 offshore Sarawak, Malaysia.
- From 1992 through 1994, the Jintan and Serai Gas Fields were discovered in that block, and production there commenced in 2004.

Papua New Guinea



'06 Jan - Sep Production Volume
2,400b/d

Project Company

Japan Papua New Guinea Petroleum Co., Ltd.
(36.4%)

(%) = NOC Group Shareholding

Range of Interests in Individual Fields

2.8 to 12.5%

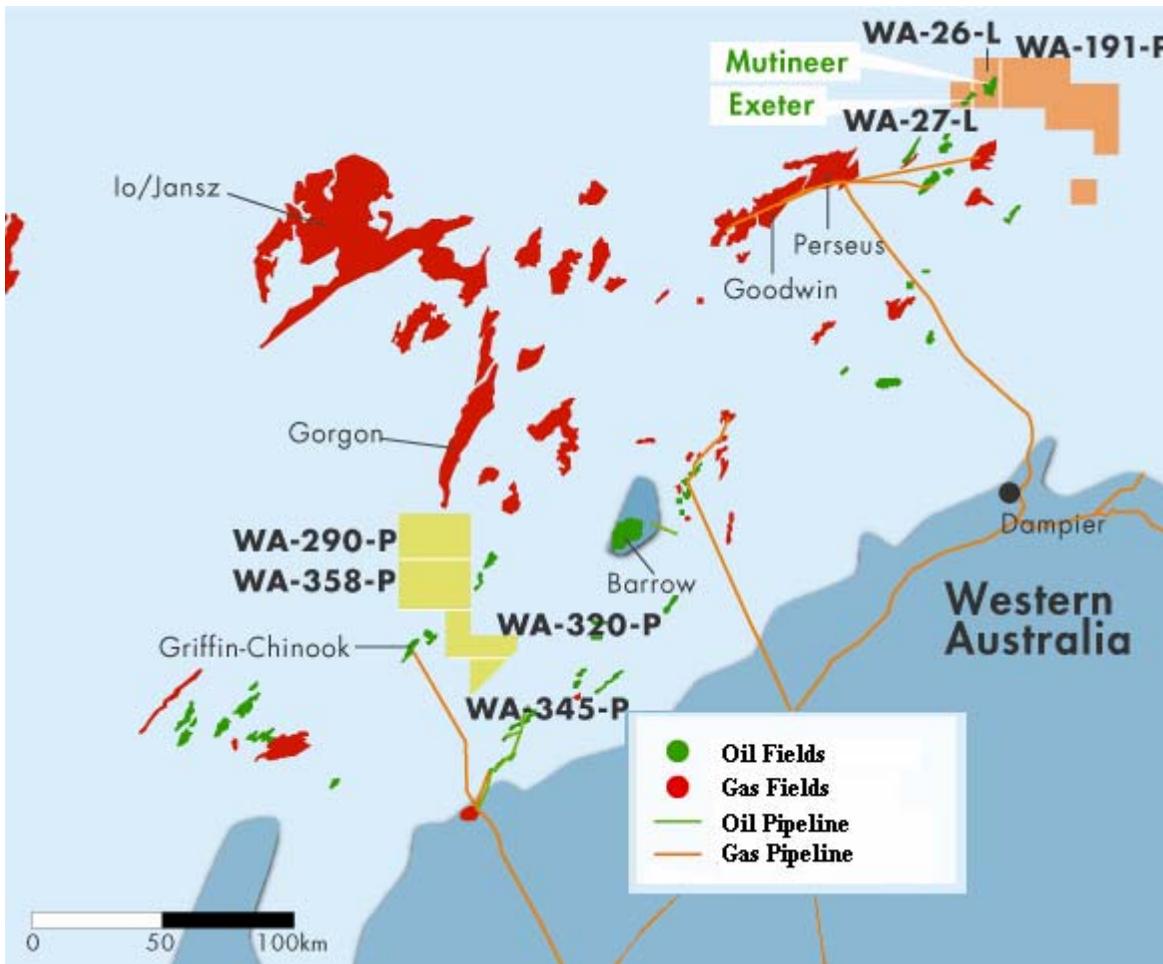
Operator

Oil Search

● In 1990, Japan Papua New Guinea Petroleum acquired exploration rights in Papua New Guinea from Merlin. Subsequently, exploration, development, and production activities have been undertaken in the Kutubu, Moran, Gobe, and SE Gobe oil fields.

● In 2005, development work was undertaken in the SE Mananda and NW Moran oil fields.

Australia



'06 Jan - Sep Production Volume
9,700b/d

Project Company

Nippon Oil Exploration (Dampier) Pty Ltd
(NOEX (Dampier)) (100%)
(%) = NOC Group Shareholding

Interest in Individual Fields

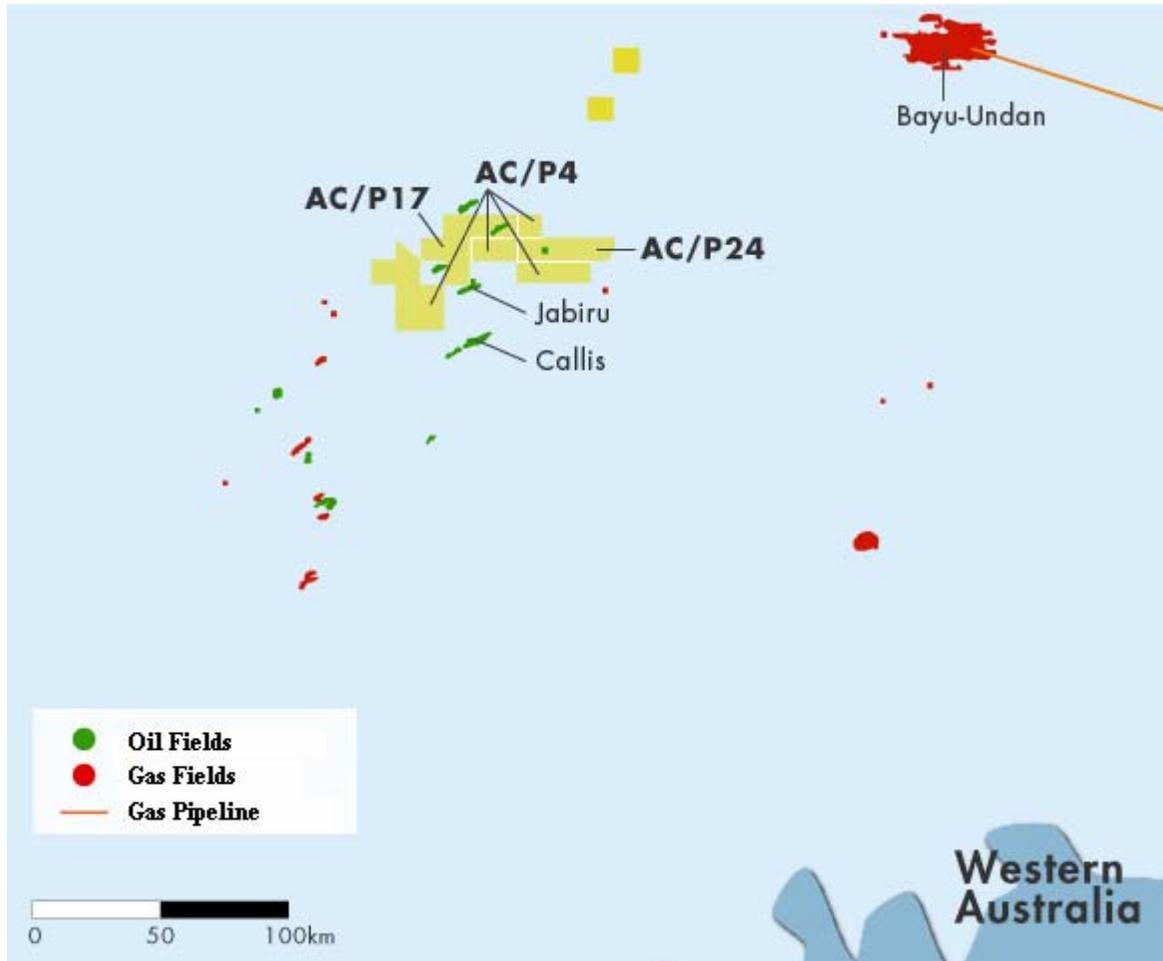
25%

Operator

Santos

- In 1997, NOEX (Dampier) acquired a 25% working interest in Block WA-191-P. Subsequently, the Mutineer and Exeter gas fields were discovered in that block, and production there commenced in 2005.

Australia



'06 Jan - Sep Production Volume

-

Project Company

Nippon Oil Exploration (Australia) Pty Ltd

(NOEX (Australia)) (100%)

(%) = NOC Group Shareholding

Interest in Individual Fields

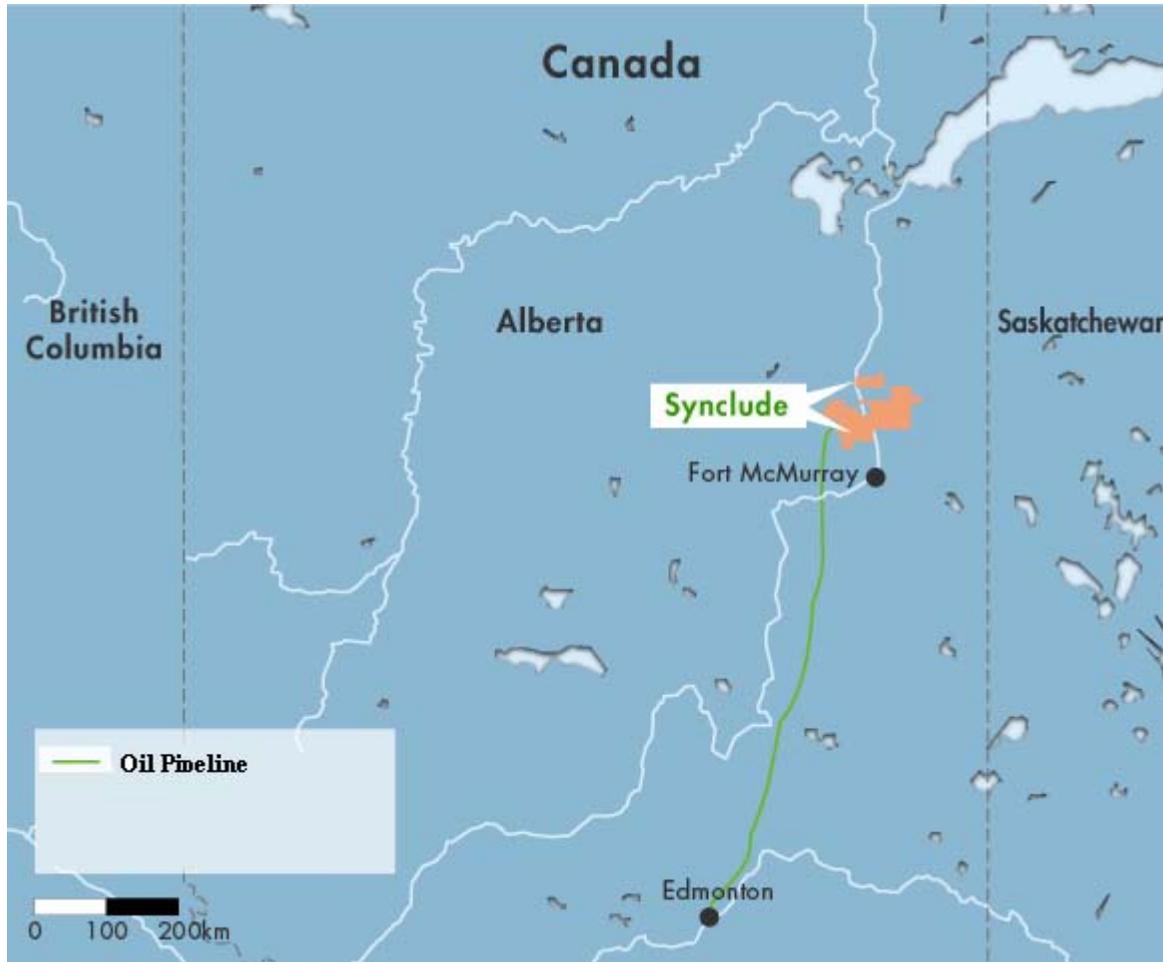
25 - 30%

Operator

OMV

- In 2004, NOEX (Australia) acquired a 25% working interest in Block WA-290-P, WA320-P, WA-345-P and 30% interest in Block AC/P24.
- In 2005, NOEX (Australia) acquired a 30% working interest in Block AC/P4, AC/P17, AC/RL4 and AC/RL5 and 25% interest in Block WA-358-P.

Canada



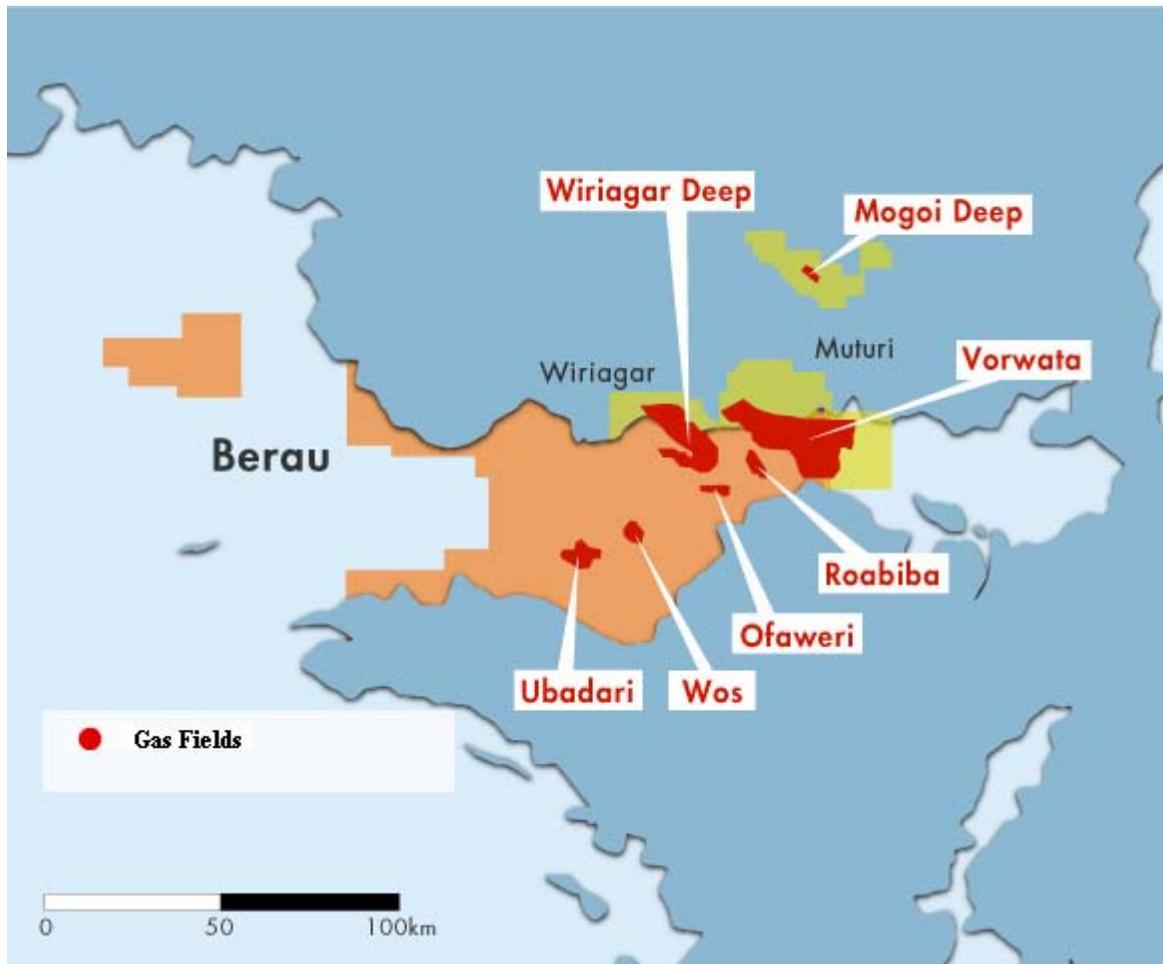
'06 Jan - Sep Production Volume
12,200b/d

Project Company
Japan Canada Oil Co., Ltd. (100%)
(%) = NOC Group Shareholding

Interest in Individual Fields
5%

Operator
Syncrude

● In 1992, NOEX acquired a 5% stake in the Syncrude project from PetroCanada. Subsequently, this stake was transferred to Mocal Energy Limited (a wholly owned subsidiary of NOEX).



‘06 Jan - Sep Production Volume

Project Company

Nippon Oil Exploration (Berau), Limited

(NOEX(Berau)) (51%)

(%) = NOC Group Shareholding

Interest in Individual Fields

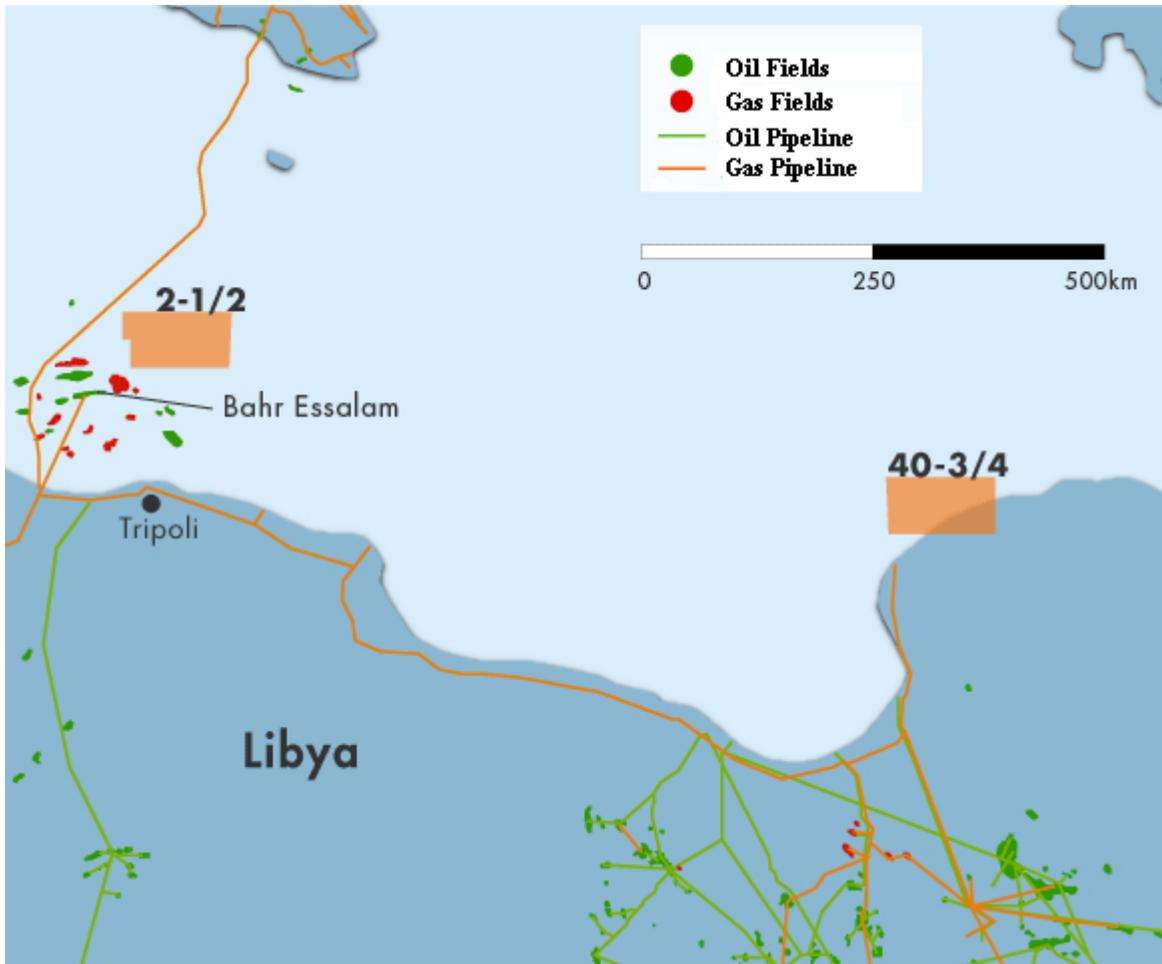
12.2% (after unitization)

Operator

BP

- From 1990, using three test wells natural gas was discovered in the area. Subsequently, the Vorwata Gas Field, Wiriagar Deep Gas Field, and other gas structures were discovered.
- From 2003, those with interests in the Berau, Wiriagar, and Muturi blocks agreed to become partners in unitizing the blocks and undertake development work cooperatively.
- In 2008, production is scheduled to begin.

Libya



'06 Jan - Sep Production Volume

—

Project Company

Nippon Oil Exploration Limited (NOEX)

Interests in Individual Fields

90% (2-1/2 block)

38% (40-3/4 block)

Operators

NOEX (2-1/2 block)

Japex Libya Ltd. (40-3/4 block)

● **NOEX won interests in two blocks (2-1/2 and 40-3/4) in a round of public bidding held in October 2005. Plans call for beginning exploration activities in those blocks.**

Cautions with Respect to Forward-Looking Statements

The financial forecasts, management targets, and any other estimates and projections of the Company presented in this report are based on information available to management as of the date set forth within.

Please note that actual results may vary significantly from projected forecasts due to various uncertain factors, and, as such, readers should take care when making investment decisions based solely on the forecasts herein.

The factors affecting actual results include but are not limited to economic conditions, crude oil prices, demand for and market conditions of oil-related products, and exchange rate and interest rate trends.