

# NIPPON OIL CORPORATION

## Report on Performance in the Six Months Ended September 30, 2007

**Shinji Nishio**

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November 1, 2007



**NIPPON OIL**  
Your Choice of Energy

# Outline of Today's Presentation

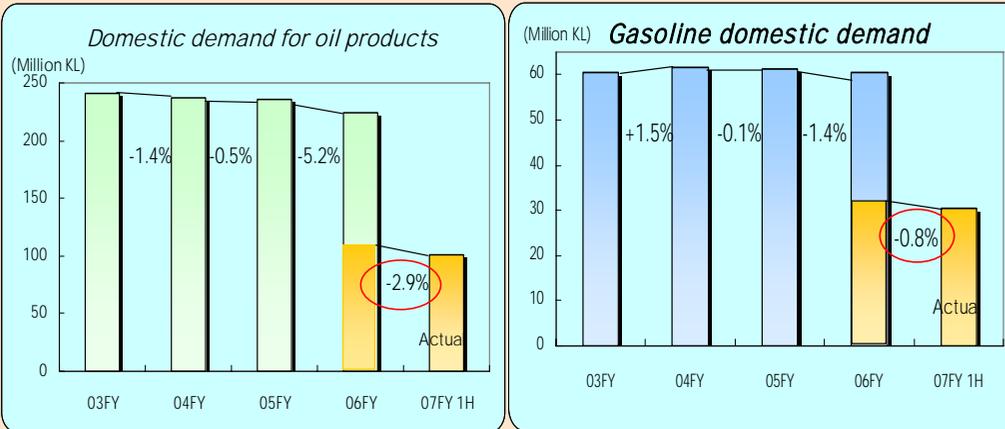
1. Highlights of the Interim period ended Sep 30, 2007 & Progress of the Third Medium-Term Management Plan
2. Directions for the 4<sup>th</sup> Medium-Term Consolidated Management Plan
3. Review of Consolidated Income (FY07 1<sup>st</sup> Half) <'07/4~'07/9>
4. Forecast for Consolidated Income (FY07) <'07/4~'08/3>

# 1. Highlights of the Interim period ended Sep 30, 2007 & Progress of the Third Medium-Term Management Plan

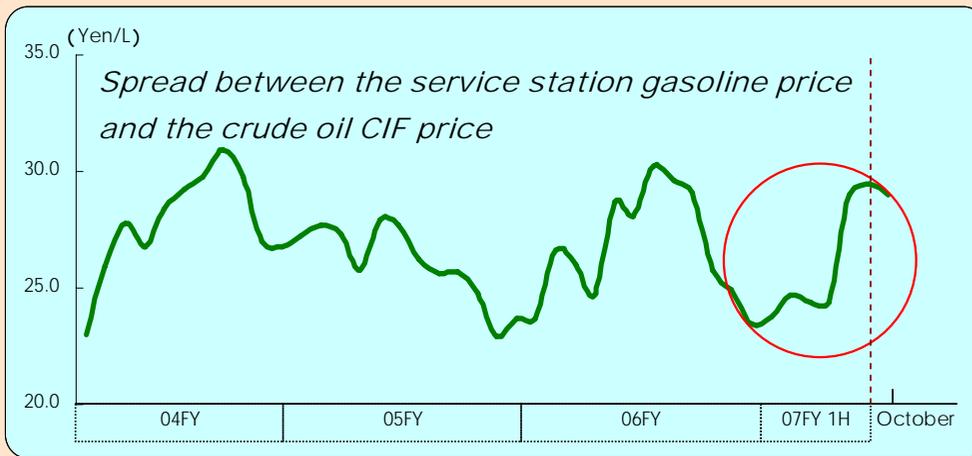
# FY07 1st Half Business Environment

## -Petroleum Products Business-

Declining domestic demand for Petroleum Products

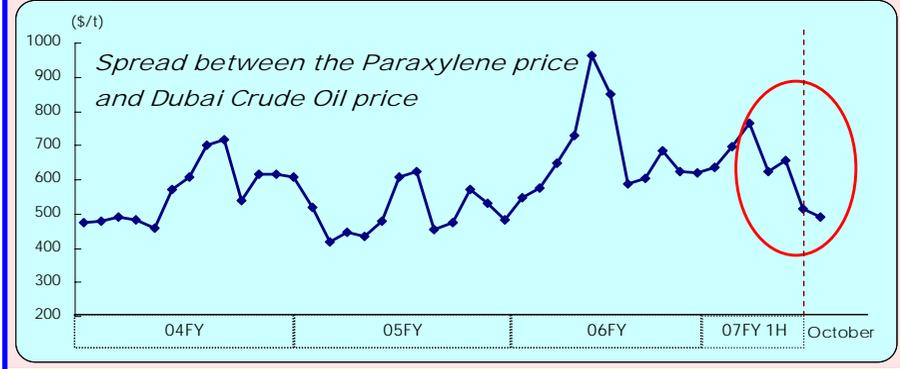


Harsh Market Environment



## -Petrochemical Products Business-

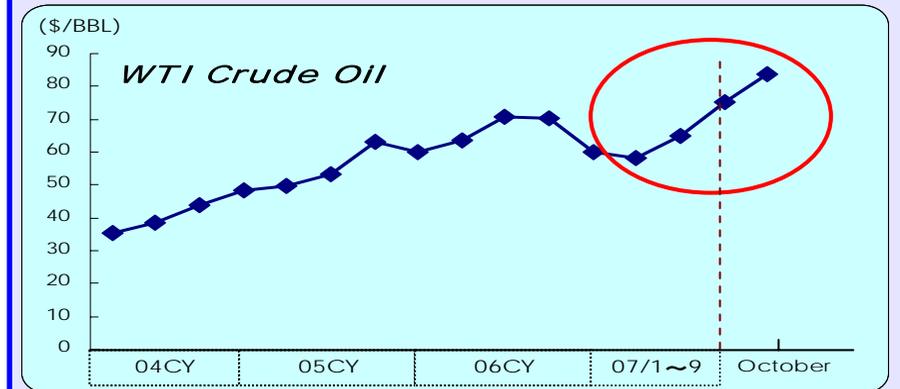
The spread remains at high, but it has narrowed recently



## -Oil and Natural Gas E&P Business-

Crude oil prices high

Severe competition for resources



# Highlights of the Interim period ended Sep 30, 2007

|                                       | <'06/4~'06/9><br>FY06 1H<br>(JPY billion) | ➔            | <'07/4~'07/9><br>FY07 1H<br>(JPY billion) |
|---------------------------------------|---|--------------|---|
| Operating income                      | 114.8                                     | +27.9        | 142.7                                     |
| Excluding inventory valuation factors | 52.9                                      | +12.6        | 65.5                                      |
| Non-Operating income and loss, net    | 17.2                                      | -0.7         | 16.5                                      |
| Ordinary income                       | 132.0                                     | +27.2        | 159.2                                     |
| Excluding inventory valuation factors | <u>70.1</u>                               | <u>+11.9</u> | <u>82.0</u>                               |

Excluding the inventory valuation factors, Ordinary income improved due to progress of cost reductions and improvements in efficiency

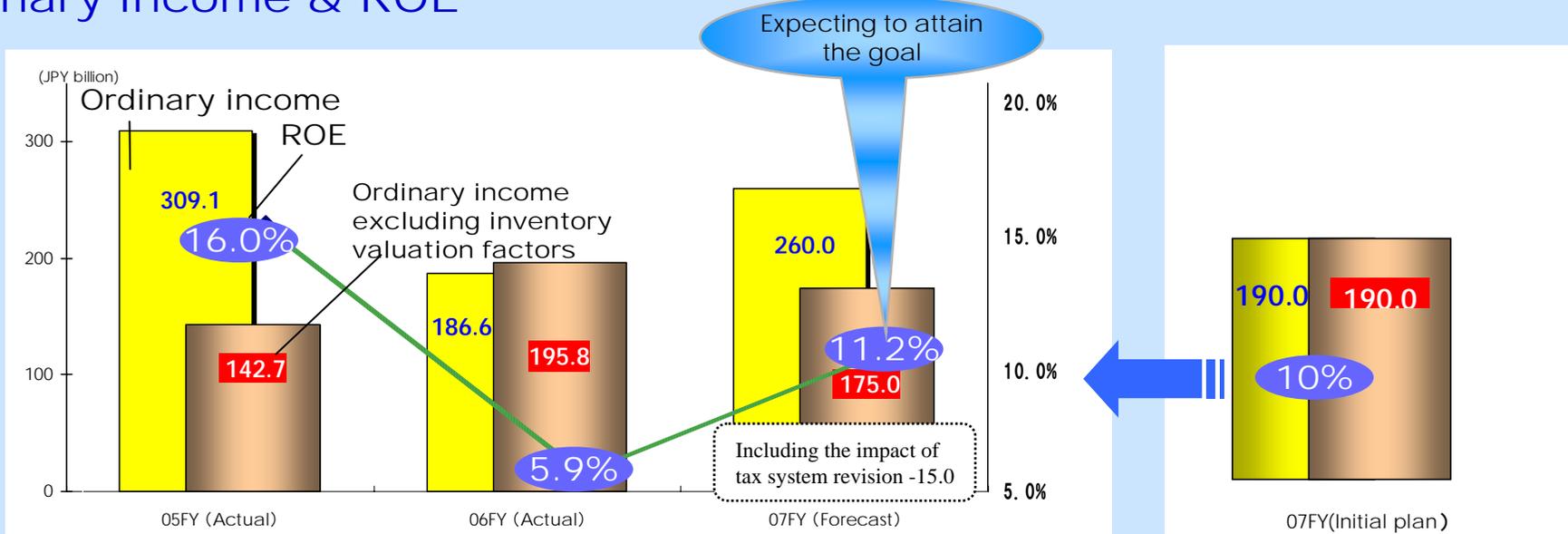
# Highlights of forecast for fiscal year ended Mar 31, 2008

|                                       | Original Forecast<br>(announced in Jul)<br>(JPY billion) | →            | Revised Forecast<br>(JPY billion) |
|---------------------------------------|--|--------------|-----------------------------------|
| Operating income                      | 237.0  | +3.0         | 240.0                             |
| Excluding inventory valuation factors | 173.0  | -18.0        | 155.0                             |
| Non-Operating income and loss, net    | 17.0   | +3.0         | 20.0                              |
| Ordinary income                       | 254.0  | +6.0         | 260.0                             |
| Excluding inventory valuation factors | <u>190.0</u>   | <u>-15.0</u> | <u>175.0</u>                      |

Excluding the inventory valuation factors, ordinary income will decrease due to shrinkage in margins for petrochemicals despite improved profit in E&P business.

# Progress of the Third Medium-Term Management Plan

## Ordinary income & ROE



| (JPY billion)                                  | FY05 ('05/4-'06/3)<br><Actual> | FY06 ('06/4-'07/3)<br><Actual> | FY07 ('07/4-'08/3)<br><Forecast> | FY05-07 Total ('05/4-'08/3)<br><Forecast> | FY05-07 Total ('05/4-'08/3)<br><Initial Plan> |
|--|--------------------------------|--------------------------------|----------------------------------|---|---|
| Cost reductions and improvements in efficiency | -6.9                           | 0.0                            | 23.9                             | 17.0                                      | 33.0  |
| Capital investment                             | 189.8                          | 204.8                          | 291.4                            | 686.0                                     | 500.0   |
| Net debt/equity ratio                          | 1,212.6 (88%)                  | 1,297.1 (84%)                  | 1,250.0 (78%)                    |   | Less than 900.0 (Approx. 70%)<br>Mar 31, 2008 |

|                         |               |               |               |               |
|-------------------------|---------------|---------------|---------------|---------------|
| Dubai Crude Oil(\$/Bbl) | 53.5          | 60.9          | 68.8          | 35.0          |
| WTI Crude Oil (\$/Bbl)  | 56.6(Jan-Dec) | 66.3(Jan-Dec) | 68.4(Jan-Dec) | 40.0(Jan-Dec) |
| Exchange rate (Yen/\$)  | 112.7         | 117.0         | 117.2         | 105.0         |

# Progress of the Third Medium-Term Management Plan Activities in 1<sup>st</sup> Half of FY07

## 1. Refining & Marketing

Overseas : Seize business opportunities

Japan : Increase efficiency and productivity

Refinery Exporting Capacity increased

Collaboration with CNPC

Sendai Refinery  
Advancement Project Completed  
(Boosted Petrochemicals / efficient power generation)

\*Service Station

Consolidation of affiliated S.S.\* operators

## 2. E&P of Oil & Natural Gas

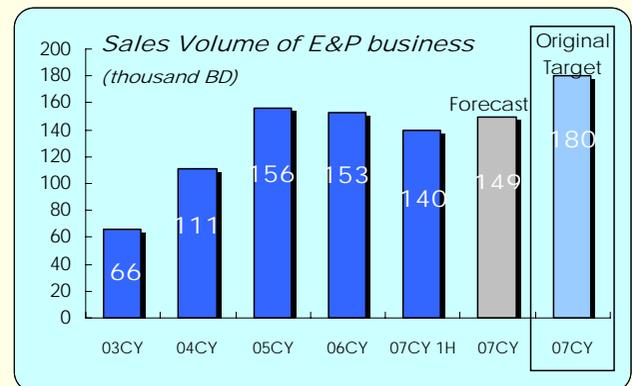
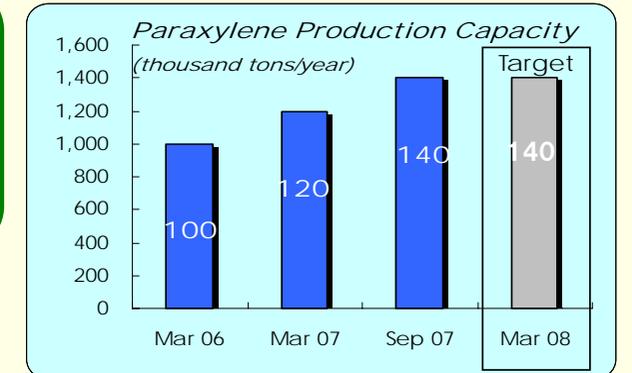
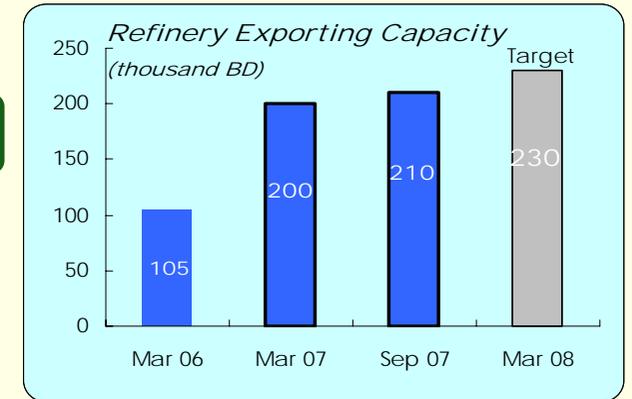
Pillar of Growth strategies

Focus on profitability under  
severe competitions for resources

Acquisition of interest in U.S. Gulf of Mexico

Move to development stage at Phuong Dong oil field

Commercial production at Blane oil field



## 2.Directions for the 4<sup>th</sup> Medium-Term Consolidated Management Plan

4<sup>th</sup> Mid-Term Management Plan to be announced mid-Mar 2008

[Operating environment]

Growth of Asia

Declining Japanese  
Petroleum demand

High Crude Oil Price

Seizing Business  
Opportunities  
In Asia

[Operating environment]

Growth of Asia

Declining Japanese  
Petroleum demand

High Crude Oil Price

## Capital Strategy

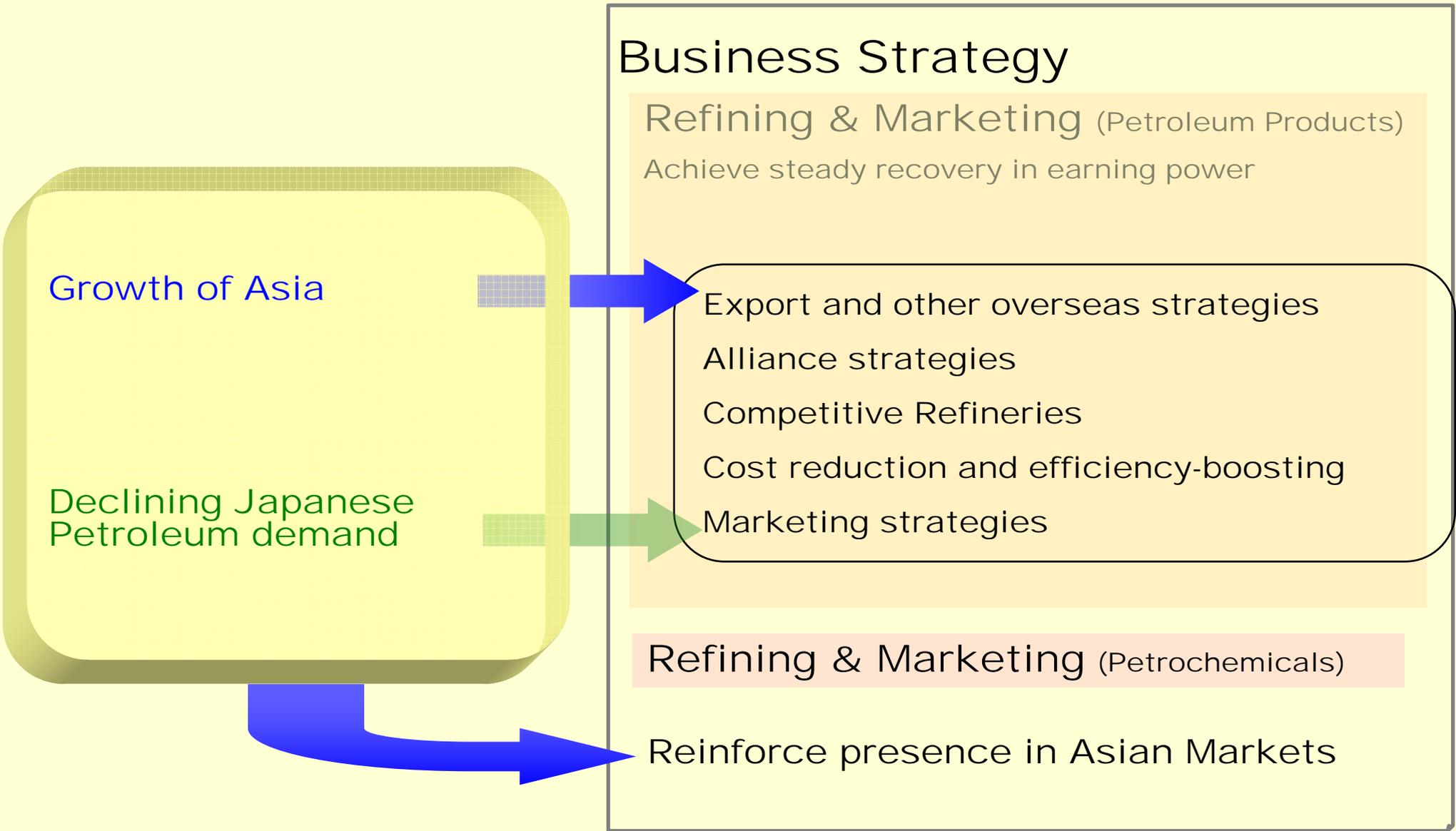
Optimum balance among  
investment,  
Shareholder return  
and debt

Expand strategic investment



To achieve both

*Adequate ROE and growth*



# Business Strategy

Refining & Marketing (Petroleum Products)  
Achieve steady recovery in earning power

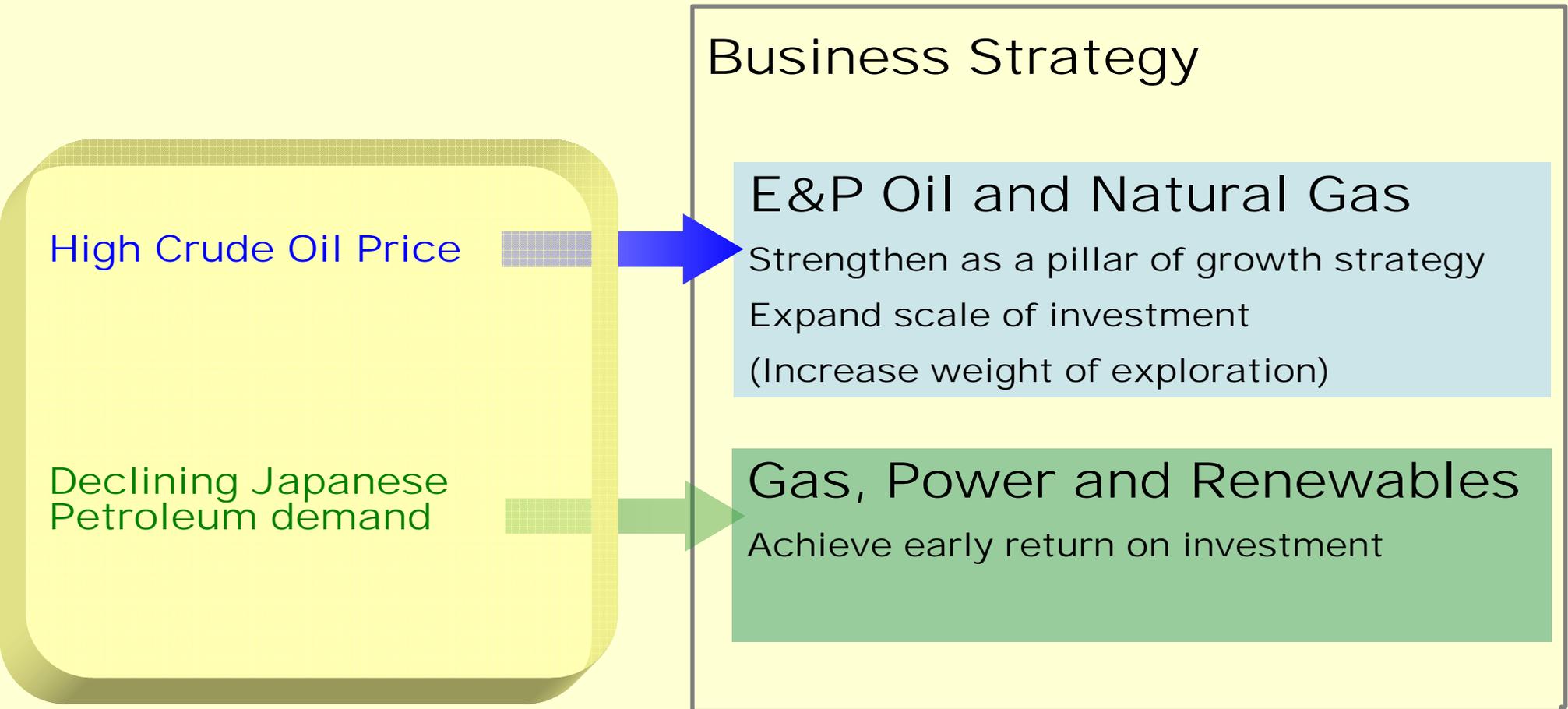
- Export and other overseas strategies
- Alliance strategies
- Competitive Refineries
- Cost reduction and efficiency-boosting
- Marketing strategies

Refining & Marketing (Petrochemicals)

Reinforce presence in Asian Markets

Growth of Asia

Declining Japanese Petroleum demand



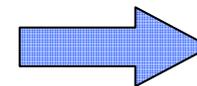
<'07/4~'07/9>  
3. Review of Consolidated Income (FY07 1<sup>st</sup> Half)

# Result for the interim period ended Sep 30, 2007

|   | <'06/4~'06/9>            |                         | <'07/4~'07/9>            |  |
|---|--------------------------|-------------------------|--------------------------|--|
|   | FY07 1H                  |                         | FY07 1H                  |  |
| Crude Oil Price (\$/Bbl)                                | 66.1                     | +0.4                    | 66.5                     |  |
| Exchange Rate (Yen/\$)                                  | 115.4                    | +4.3                    | 119.7                    |  |
| Sales volume excluding Barter trade & others (10,000KL) | 3,298                    | -19.0                   | 3,279                    |  |
| Net Sales   | (JPY billion)<br>3,198.3 | (JPY billion)<br>+137.5 | (JPY billion)<br>3,335.8 |  |
| Operating income  | 114.8                    | +27.9                   | 142.7                    |  |
| Excluding inventory valuation factors                   | 52.9                     | +12.6                   | 65.5                     |  |
| Non-Operating income and loss, net                      | 17.2                     | -0.7                    | 16.5                     |  |
| Ordinary income   | 132.0                    | +27.2                   | 159.2                    |  |
| Excluding inventory valuation factors                   | 70.1                     | +11.9                   | 82.0                     |  |
| Extraordinary income and loss, net                      | -0.7                     | -3.1                    | -3.8                     |  |
| Net income  | 64.1                     | +20.7                   | 84.8                     |  |

# Changes in ordinary income by business segment (YoY) FY07 <sup><'07/4~'07/9></sup> 1<sup>st</sup> Half

|                                       | <'06/4~'06/9>                |              | <'07/4~'07/9>                |              |
|---------------------------------------|------------------------------|--------------|------------------------------|--------------|
|                                       | 06FY 1H                      |              | 07FY 1H                      |              |
| I. Refining & Marketing               | (JPY billion)<br><b>69.3</b> |              | (JPY billion)<br><b>94.6</b> | <b>+25.3</b> |
| Excluding inventory valuation factors | <b>7.4</b>                   | <b>+10.0</b> | <b>17.4</b>                  |              |
| Petrochemicals                        | <b>28.8</b>                  | <b>-1.5</b>  | <b>27.3</b>                  |              |
| II. E&P of Oil & Natural Gas          | <b>60.5</b>                  | <b>+1.4</b>  | <b>61.9</b>                  |              |
| III. Construction & Others            | <b>2.2</b>                   | <b>+0.5</b>  | <b>2.7</b>                   |              |
| Total                                 | <b>132.0</b>                 | <b>+27.2</b> | <b>159.2</b>                 |              |
| Excluding inventory valuation factors | <b>70.1</b>                  | <b>+11.9</b> | <b>82.0</b>                  |              |



# Analysis of Changes in ordinary income - Refining and Marketing (YoY) FY07 1st Half

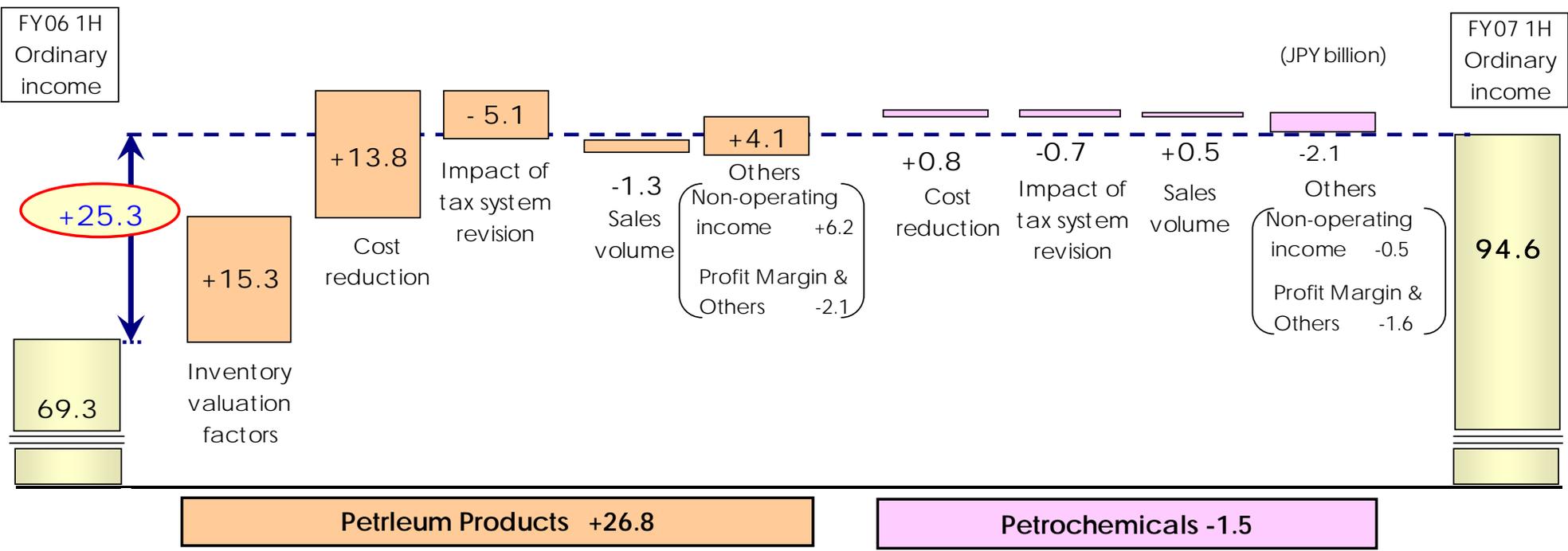
<'07/4~'07/9>

## Ordinary income +25.3 JPY billion

- Positive effect of inventory valuation factors on profitability increased due to high crude oil price
- Cost reduction plan is going on schedule
- Depreciation increased due to revision of Japanese corporate tax system

Detail of Cost reduction & tax system revision impact

|                       | Cost reduction | Tax revision impact | Total impact |
|-----------------------|----------------|---------------------|--------------|
| Petroleum Products    | +13.8          | -5.1                | +8.7         |
| Petrochemicals        | +0.8           | -0.7                | +0.1         |
| Construction & Others | -0.8           | -0.3                | -1.1         |
| <b>Total</b>          | <b>+13.8</b>   | <b>-6.1</b>         | <b>+7.7</b>  |

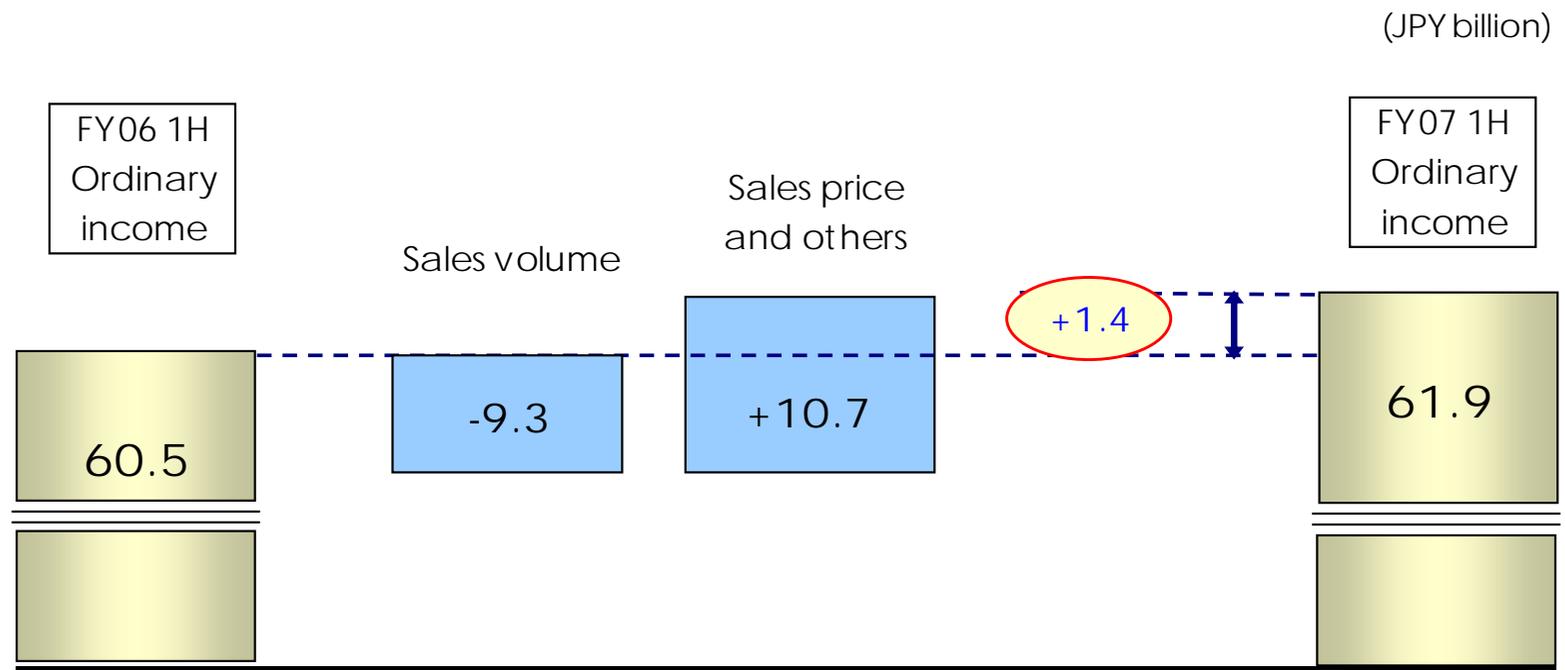


# Analysis of Changes in ordinary income

- E&P of Oil and Natural Gas (YoY) <'07/4~'07/9> FY07 1<sup>st</sup> Half

## Ordinary income +1.4 JPY billion

Offset negative impact of sales volume decrease and positive impact of rising crude oil price



<'07/4~'08/3>  
4. Forecast for Consolidated Income (FY07)

## Revision of Forecast for Consolidated Income (FY07)

|   | FY07<br>(Announced in Jul) |                         | FY07                     |
|---|----------------------------|-------------------------|--------------------------|
| Crude Oil Price (\$/Bbl)                                | 64.0                       | +5.2                    | 69.2                     |
| Exchange Rate (Yen/\$)                                  | 120.3                      | -3.1                    | 117.2                    |
| Sales volume excluding Barter trade & others (10,000KL) | 6,750                      | +140                    | 6,890                    |
| Net Sales   | (JPY billion)<br>6,990.0   | (JPY billion)<br>+200.0 | (JPY billion)<br>7,190.0 |
| Operating income  | 237.0                      | +3.0                    | 240.0                    |
| Excluding inventory valuation factors                   | 173.0                      | -18.0                   | 155.0                    |
| Non-Operating income and loss, net                      | 17.0                       | +3.0                    | 20.0                     |
| Ordinary income   | 254.0                      | +6.0                    | 260.0                    |
| Excluding inventory valuation factors                   | 190.0                      | -15.0                   | 175.0                    |
| Extraordinary income and loss, net                      | 18.0                       | -13.0                   | 5.0                      |
| Net income  | 146.0                      | -2.0                    | 144.0                    |

# Changes in original forecast for <sup><'07/4~'08/3></sup> Ordinary income FY 07 by business segment

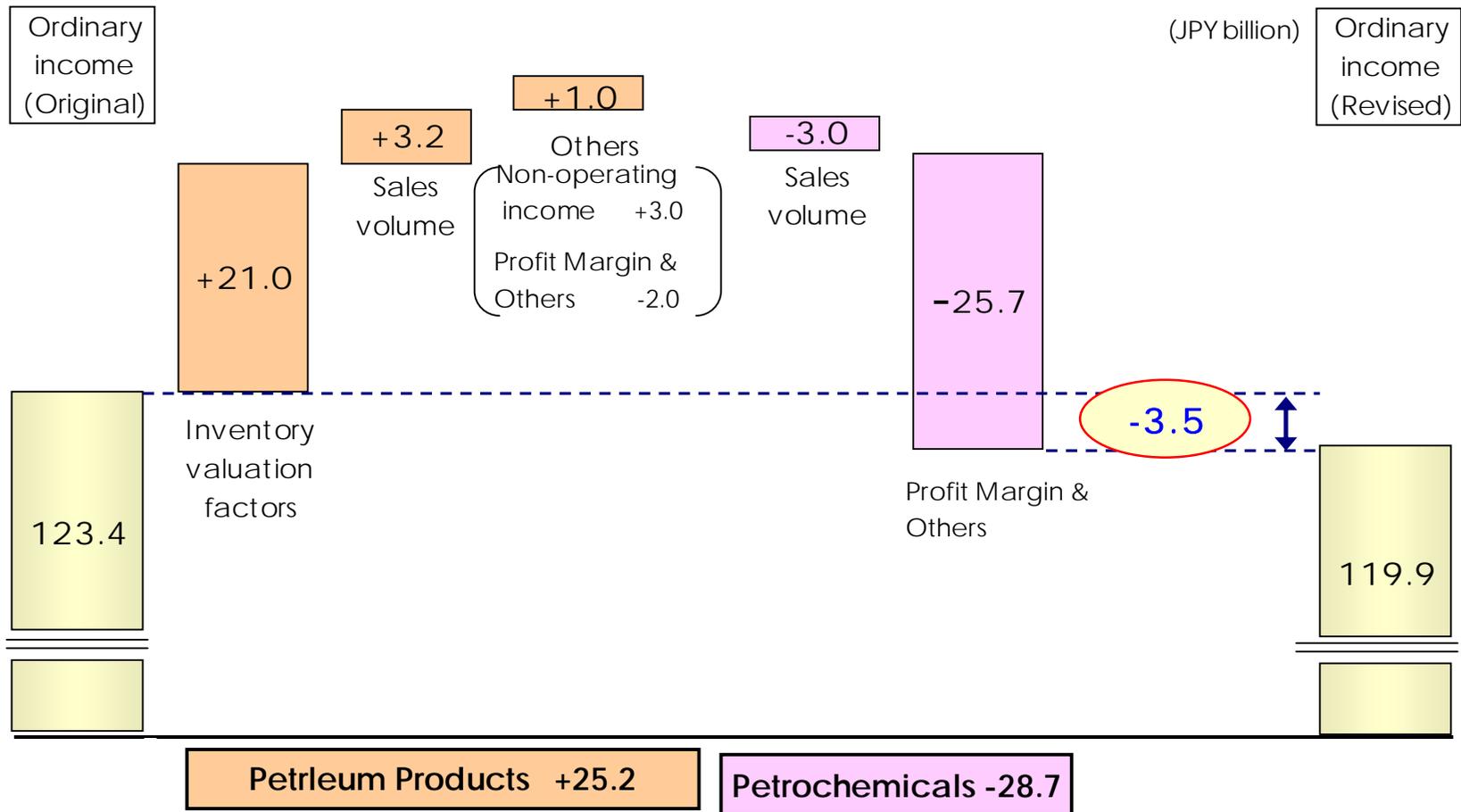
|                                       | FY07<br>(Announced in Jul) |               | FY07          |
|---------------------------------------|----------------------------|---------------|---------------|
|                                       | (JPY billion)              | (JPY billion) | (JPY billion) |
| I. Refining & Marketing               | 123.4                      | -3.5          | 119.9         |
| Excluding inventory valuation factors | 59.4                       | -24.5         | 34.9          |
| Petrochemicals                        | 66.2                       | -28.7         | 37.5          |
| II. E&P of Oil & Natural Gas          | 116.6                      | +10.8         | 127.4         |
| III. Construction & Others            | 14.0                       | -1.3          | 12.7          |
| Total                                 | 254.0                      | +6.0          | 260.0         |
| Excluding inventory valuation factors | 190.0                      | -15.0         | 175.0         |

# Changes in original forecast for ordinary income - Refining and Marketing FY07 <'07/4~'08/3>

## Ordinary income -3.5 JPY billion

Positive effect of inventory valuation factors on profitability increased due to high crude oil price

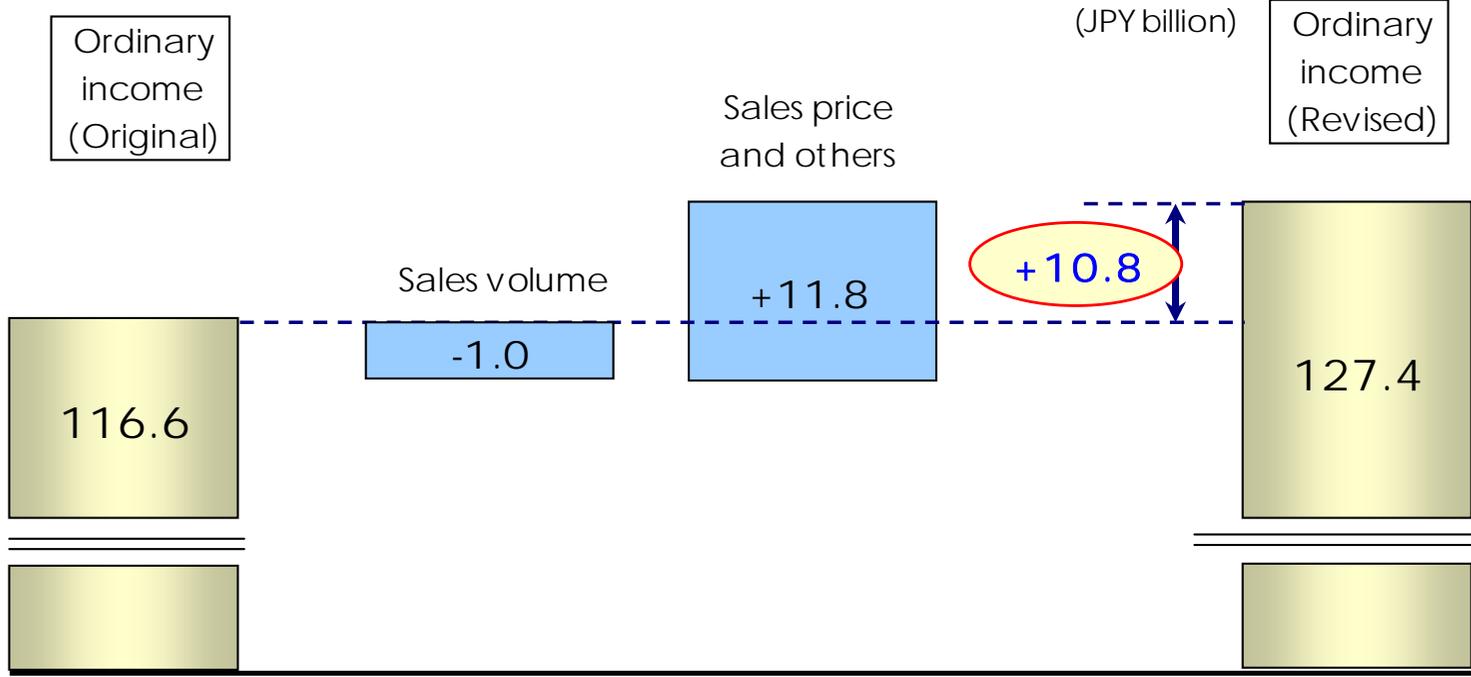
Profit margin of petrochemicals decreased



# Changes in original forecast for ordinary income - E&P of Oil and Natural Gas FY07 <'07/4~'08/3>

## Ordinary income +10.8 JPY billion

Increase in sales price due to surging crude oil price



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## 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 petroleum and petrochemical products, exchange rate and interest rate trends.

# Nippon Oil Corporation

## Report on Performance in the First Half of Fiscal 2007

(from April 1, 2007 to September 30, 2007)

### Supplementary Information

November 1, 2007

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# Activities in 1<sup>st</sup> half of FY07

## Refining & Marketing

### Overseas

- Expanded refined petroleum product export capacity (new facilities completed at Sendai Refinery)
- Signed collaboration agreement with China National Petroleum Corporation
- Increased equity stake in Korean Michang Oil Industrial Co., Ltd. from 6.62% to 10%
- Increased production capacity in the US of ENB\* from 40,000 to 60,000 tons

\* ethyridenenorbornene

### Japan

- Nippon Petroleum Refining and Nippon Petrochemicals merge
- **Sendai Refinery Advancement Project completed**
- Construction started on cumene production facilities at Muroran Refinery
- Facilities built for practical testing on HS-FCC\* process \* high severity fluid catalytic cracking
- Production capacity of isopropyl alcohol (IPA) at Kawasaki Plant increased from 75,000 to 85,000 tons
- **Consolidation of Affiliated Service Station Operators**

# Activities in 1<sup>st</sup> half of FY07

## E&P Oil and Natural Gas

### Overseas

- **Purchase of a stake of K2 oil field, off Gulf of Mexico from Anadarko**
- **Start of commercial operation at Blane Oil Field in the North Sea**
- **Move to development stage at Vietnam's Phuong Dong oil field**
- **Additional reserves of natural gas discovered at Malaysia's Layang Gas Field**

## Gas, Power and Renewables

### Japan

- **BOO (Build-Own-Operate\*) project commenced at Yoshida-Minami Plant of FUJIFILM Corporation**
- **Collaboration agreement signed with Cosmo Oil in field of fuel cell**
- **1kW-class residential-use LPG fuel cell supplied to Japan Energy under OEM contract**

\* Under Build-Own-Operate arrangements, a power supplier constructs and operates a cogeneration system within the grounds of the user to whom the power is to be supplied. The cogeneration system remains under the ownership of the power supplier.

# Activities in 1<sup>st</sup> half of FY07 < Refining & Marketing 1 >

Investment : JPY 60 billion

| Units                                       | Remarks  | Petrochemical Products  | Production Capacity | Commercial Operation |
|---|--|---|---------------------|----------------------|
| Continuous Catalyst Regeneration Unit (CCR) | Using naphtha as feedstock, increases high-octane gasoline base materials and xylene. Xylene produced here is sent to Mizushima Paraxylene Co., Ltd. (J/V with Nippon Oil and Mitsubishi Gas Chemicals Co., Inc.) and turned into paraxylene.                | Xylene  | 300,000 tons/year   | From Nov 2007        |
| Benzene Extraction Unit                     | From the gasoline base materials produced by the CCR Unit, high-purity benzene is extracted using solvents.  | Benzene   | 60,000 tons/year    | From Nov 2007        |
| Propylene Splitter Unit                     | Up to now, low-purity propylene has been produced by the FCC unit (120,000 tons/year). From now on, however, the unit will produce high-purity propylene (100,000 tons/year) and propane (20,000 tons/year).   | High purity propylene   | 100,000 tons/year   | From Oct 2007        |
| Units                                       | Remarks  | Power Generation Capacity   |                     | Commercial Operation |
| Gas Turbine Combined Cycle Power Generator  | Utilizes the associated gas produced during refining process as fuel for power generation by gas turbines, and recovers heat as steam from the exhaust gas. High heat efficiency is achieved by using both the steam and electric power within the refinery. | 100,000 kW (of which we retail 50,000 kW to outside customers as a power producer & supplier [PPS]) |                     | From Dec 2007        |

# Activities in 1<sup>st</sup> half of FY07 < Refining & Marketing 2>

- Objective**
- (1) Increasing back-office operation efficiency
  - (2) Streamlining of overlapping branches
  - (3) Re-organization of service stations

Consolidated company

|                                 |                     |
|---------------------------------|---------------------|
| <b>ENEOS Frontier Co., Ltd.</b> |                     |
| (NOC equity participation 100%) |                     |
| Number of SS:                   |                     |
| Company-owned                   | 477                 |
| <u>Sales company-owned</u>      | <u>791</u>          |
| Total                           | 1,268               |
| Gasoline sales:                 | 1.6 million kl/year |

Establish New Company

|                            |                 |
|----------------------------|-----------------|
| <b>Hokkaido Energy</b>     |                 |
| Number of SS:              |                 |
| Company-owned              | 200             |
| <u>Sales company-owned</u> | <u>85</u>       |
| Total                      | 285             |
| Gasoline sales:            | 380,000 kl/year |

Consolidation

Excluding  
Hokkaido Area

Hokkaido Area

Joint Capital Investment,  
Transfer of Business

Merging  
company

|                                  |                     |
|----------------------------------|---------------------|
| <b>ENEOS Frontier Co., Ltd.</b>  |                     |
| (NOC* equity participation 100%) |                     |
| Number of SS:                    |                     |
| Company-owned                    | 299                 |
| <u>Sales company-owned</u>       | <u>559</u>          |
| Total                            | 858                 |
| Gasoline sales:                  | 1.1 million kl/year |

|                                    |                 |
|------------------------------------|-----------------|
| <b>Takanawa Energy Corporation</b> |                 |
| (NOC equity participation 100%)    |                 |
| Number of SS:                      |                 |
| Company-owned                      | 107             |
| <u>Sales company-owned</u>         | <u>187</u>      |
| Total                              | 294             |
| Gasoline sales:                    | 360,000 kl/year |

|   |                 |
|---|-----------------|
| <b>Taiheiyo Sekiyu Hanbai Co., Ltd.</b> |                 |
| (NOC equity participation 100%)         |                 |
| Number of SS:                           |                 |
| Company-owned                           | 193             |
| <u>Sales company-owned</u>              | <u>116</u>      |
| Total                                   | 309             |
| Gasoline sales:                         | 350,000 kl/year |

|                               |  |
|-------------------------------|--|
| <b>Katsuki Oil Co., Ltd.</b>  |  |
| (No NOC equity participation) |  |

\*NOC:Nippon Oil Corporation

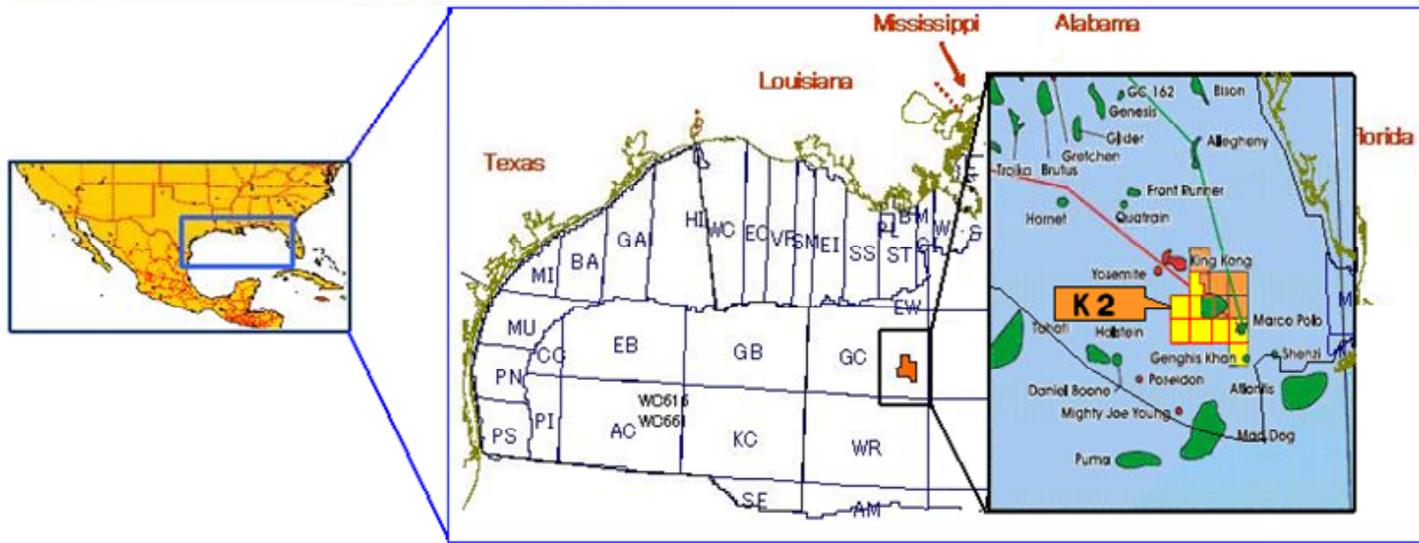
# Activities in 1<sup>st</sup> half of FY07 < E&P Oil and Natural Gas 1 >

Purchase\* of a stake in the K2 oil field, off US coast of Gulf of Mexico, held by Anadarko Petroleum Corporation. \* Joint bid with Mitsubishi Corporation

Production: 40,000 Barrels per Day (BD) (Nippon Oil stake 4 thousand BD)  
 (With further development, total peak production from the oil field (2013 envisaged) is expected to reach around 130,000 to 200,000 BD.)

Stake detail

| Stakeholder Companies                 | Share | Company Profile   |
|---------------------------------------|-------|---|
| Anadarko Petroleum Corporation        | 41.8% | Major US independent oil company  |
| Nippon Oil Exploration U.S.A. Limited | 11.6% | 100% subsidiary of Nippon Oil Exploration Ltd.  |
| MCX Gulf of Mexico, LLC               | 11.6% | MCX New Ventures Ltd. (100% subsidiary of Mitsubishi Corp.): 95%, Mitsubishi International Corp. 5% |
| Others                                | 35.0% | Subsidiaries of ENI (Italy), ConocoPhillips Co. (USA) and Chevron Corp. (USA)                       |



# Activities in 1<sup>st</sup> half of FY07 < E&P Oil and Natural Gas 2>

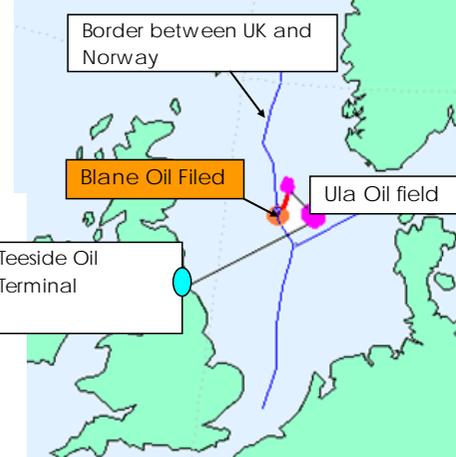
## Start of commercial operation at Blane Oil Filed in the North Sea.

Background: 1989 Test drilling (Crude oil discovered)  
 2005 Approval obtained from both UK and Norwegian governments, moved to development stage.  
 2007 Start of commercial operation

Reserves: 30 million barrels (Nippon Oil share 4 million barrels)

Production at peak: 17,000 BD (Nippon Oil Share 2,400 BD)

| Stakeholder Companies               | Share | Company Profile   |
|-------------------------------------|-------|---|
| Talisman Energy (UK) Ltd (Operator) | 25.0% | A subsidiary of Talisman Energy Inc., a Canadian oil and gas E&P company  |
| Talisman Energy Norge AS            | 18.0% |   |
| MOC Exploration (U.K.) Ltd          | 14.0% | A joint venture project company with 50% participation from Nippon Oil Exploration Ltd., and 50% from the Government of Japan |
| Others                              |       | Subsidiaries of ENI, Bow Valley Energy Ltd, and Roc Oil Company Ltd.  |



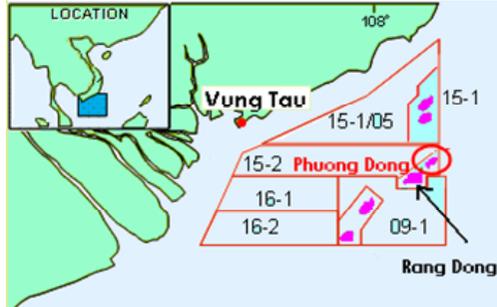
## Move to development stage at Vietnam's Phuong Dong offshore oil field.

Background: 1992 Conclusion of a production sharing contract for block 15-2  
 1994 Test drilling (Discovery of Rang Dong Oil Field)  
 1995 Test drilling (Discovery of Phuong Dong Oil Field)  
 1998 Start of commercial operation at Rang Dong Oil Field  
 2007 Move to development stage at Phuong Dong Oil Field  
 (Commercial production expected to begin at the end of September 2008)

Reserves: 7.5 million barrels (Crude oil: 3 million barrels, Gas: 27 billion cubic feet)

Initial Production: 23,000BD on a crude oil equivalent basis (Nippon Oil Share 8,000BD)

| Stakeholder Companies                       | Share | Company Profile   |
|---|-------|---|
| Japan Vietnam Petroleum Co., Ltd (Operator) | 64.5% | Nippon Oil Exploration Ltd.: 53.13%, Nippon Oil Resource Investment Ltd. 43.94%, Mitsubishi Corp. 2.93% |
| PetroVietnam Exploration and Production     | 35.5% | A subsidiary of Petro Vietnam, the national oil company of Vietnam.                                     |



1.Data Related Financial Results for  
FY07 1H('07/4~ '07/9)  
and  
Financial Forecast for  
FY07('07/4~'08/3)

# Net sales, Operating Income and Ordinary Income by Operating Segment (YoY) (FY07 1H)

## (1) Net Sales

(billions of yen)

| Total                  |              | 3,335.8(+137.5)            |              |             |            |
|------------------------|--------------|----------------------------|--------------|-------------|------------|
| Refining and Marketing |              | E&P of Oil and Natural Gas | Construction | Other       |            |
| Petrochemical Products | 247.4(+17.4) | 3,052.6(+126.6)            | 113.3(+16.7) | 140.5(-4.3) | 29.4(-1.5) |

## (2) Operating income

(billions of yen)

| Total                  |             | 142.7(+27.9)               |              |           |           |
|------------------------|-------------|----------------------------|--------------|-----------|-----------|
| Refining and Marketing |             | E&P of Oil and Natural Gas | Construction | Other     |           |
| Petrochemical Products | 27.6 (-1.0) | 77.2(+19.6)                | 63.0(+8.0)   | 0.3(+0.9) | 2.2(-0.6) |

## (3) Ordinary income

(billions of yen)

| Total                  |             | 159.2(+27.2)               |              |           |           |
|------------------------|-------------|----------------------------|--------------|-----------|-----------|
| Refining and Marketing |             | E&P of Oil and Natural Gas | Construction | Other     |           |
| Petrochemical Products | 27.3 (-1.5) | 94.6(+25.3)                | 61.9(+1.4)   | 1.2(+1.0) | 1.5(-0.5) |

# Net Sales, Operating Income and Ordinary Income by Operating Segment (Change from the July forecast) (FY07 1H)

## (1) Net Sales

(billions of yen)

|                               |                |                                       |                     |              |
|-------------------------------|----------------|---------------------------------------|---------------------|--------------|
| <b>Total</b>                  |                | <b>3,335.8(+25.8)</b>                 |                     |              |
| <b>Refining and Marketing</b> |                | <b>E&amp;P of Oil and Natural Gas</b> | <b>Construction</b> | <b>Other</b> |
| <b>Petrochemical Products</b> |                |                                       |                     |              |
| 247.4(-4.0)                   | 3,052.6(+21.7) | 113.3(+14.6)                          | 140.5(-11.8)        | 29.4(+1.3)   |

## (2) Operating income

(billions of yen)

|                               |             |                                       |                     |              |
|-------------------------------|-------------|---------------------------------------|---------------------|--------------|
| <b>Total</b>                  |             | <b>142.7(+4.7)</b>                    |                     |              |
| <b>Refining and Marketing</b> |             | <b>E&amp;P of Oil and Natural Gas</b> | <b>Construction</b> | <b>Other</b> |
| <b>Petrochemical Products</b> |             |                                       |                     |              |
| 27.6 (-6.0)                   | 77.2(-10.9) | 63.0(+16.9)                           | 0.3(±0)             | 2.2(-1.3)    |

## (3) Ordinary income

(billions of yen)

|                               |            |                                       |                     |              |
|-------------------------------|------------|---------------------------------------|---------------------|--------------|
| <b>Total</b>                  |            | <b>159.2(+11.2)</b>                   |                     |              |
| <b>Refining and Marketing</b> |            | <b>E&amp;P of Oil and Natural Gas</b> | <b>Construction</b> | <b>Other</b> |
| <b>Petrochemical Products</b> |            |                                       |                     |              |
| 27.3 (-5.8)                   | 94.6(-5.1) | 61.9(+16.9)                           | 1.2(+0.1)           | 1.5(-0.7)    |

# Forecast Net sales, Operating Income and Ordinary Income by Operating Segment (YoY) (FY07)

## (1) Net Sales

(billions of yen)

| Total                  |                 | 7,190.0(+565.7)            |              |            |
|------------------------|-----------------|----------------------------|--------------|------------|
| Refining and Marketing |                 | E&P of Oil and Natural Gas | Construction | Other      |
| Petrochemical Products | 6,501.0(+546.6) | 236.0(+32.5)               | 399.0(-8.9)  | 54.0(-4.5) |
| 531.5(+65.1)           |                 |                            |              |            |

## (2) Operating income

(billions of yen)

| Total                  |             | 240.0(+80.3)               |              |           |
|------------------------|-------------|----------------------------|--------------|-----------|
| Refining and Marketing |             | E&P of Oil and Natural Gas | Construction | Other     |
| Petrochemical Products | 98.6(+69.3) | 128.2(+14.4)               | 8.6(-1.5)    | 4.6(-1.9) |
| 38.6(-22.3)            |             |                            |              |           |

## (3) Ordinary income

(billions of yen)

| Total                  |              | 260.0(+73.4)               |              |           |
|------------------------|--------------|----------------------------|--------------|-----------|
| Refining and Marketing |              | E&P of Oil and Natural Gas | Construction | Other     |
| Petrochemical Products | 119.9(+72.7) | 127.4(+3.5)                | 10.2(-1.6)   | 2.5(-1.2) |
| 37.5 (-22.8)           |              |                            |              |           |

# Forecast Net Sales, Operating Income and Ordinary Income by Operating Segment (Change from the July forecast) (FY07)

## (1) Net Sales

(billions of yen)

|                               |                 |                                       |                     |              |
|-------------------------------|-----------------|---------------------------------------|---------------------|--------------|
| <b>Total</b>                  |                 | <b>7,190.0(+200.0)</b>                |                     |              |
| <b>Refining and Marketing</b> |                 | <b>E&amp;P of Oil and Natural Gas</b> | <b>Construction</b> | <b>Other</b> |
| <b>Petrochemical Products</b> |                 |                                       |                     |              |
| 531.5(-15.0)                  | 6,501.0(+195.5) | 236.0(+4.2)                           | 399.0(-0.4)         | 54.0(+0.7)   |

## (2) Operating income

(billions of yen)

|                               |            |                                       |                     |              |
|-------------------------------|------------|---------------------------------------|---------------------|--------------|
| <b>Total</b>                  |            | <b>240.0(+3.0)</b>                    |                     |              |
| <b>Refining and Marketing</b> |            | <b>E&amp;P of Oil and Natural Gas</b> | <b>Construction</b> | <b>Other</b> |
| <b>Petrochemical Products</b> |            |                                       |                     |              |
| 38.6 (-28.8)                  | 98.6(-6.6) | 128.2(+11.3)                          | 8.6(±0)             | 4.6(-1.7)    |

## (3) Ordinary income

(billions of yen)

|                               |             |                                       |                     |              |
|-------------------------------|-------------|---------------------------------------|---------------------|--------------|
| <b>Total</b>                  |             | <b>260.0(+6.0)</b>                    |                     |              |
| <b>Refining and Marketing</b> |             | <b>E&amp;P of Oil and Natural Gas</b> | <b>Construction</b> | <b>Other</b> |
| <b>Petrochemical Products</b> |             |                                       |                     |              |
| 37.5 (-28.7)                  | 119.9(-3.5) | 127.4(+10.8)                          | 10.2(-0.1)          | 2.5(-1.2)    |

# Sales Volume (Unconsolidated)

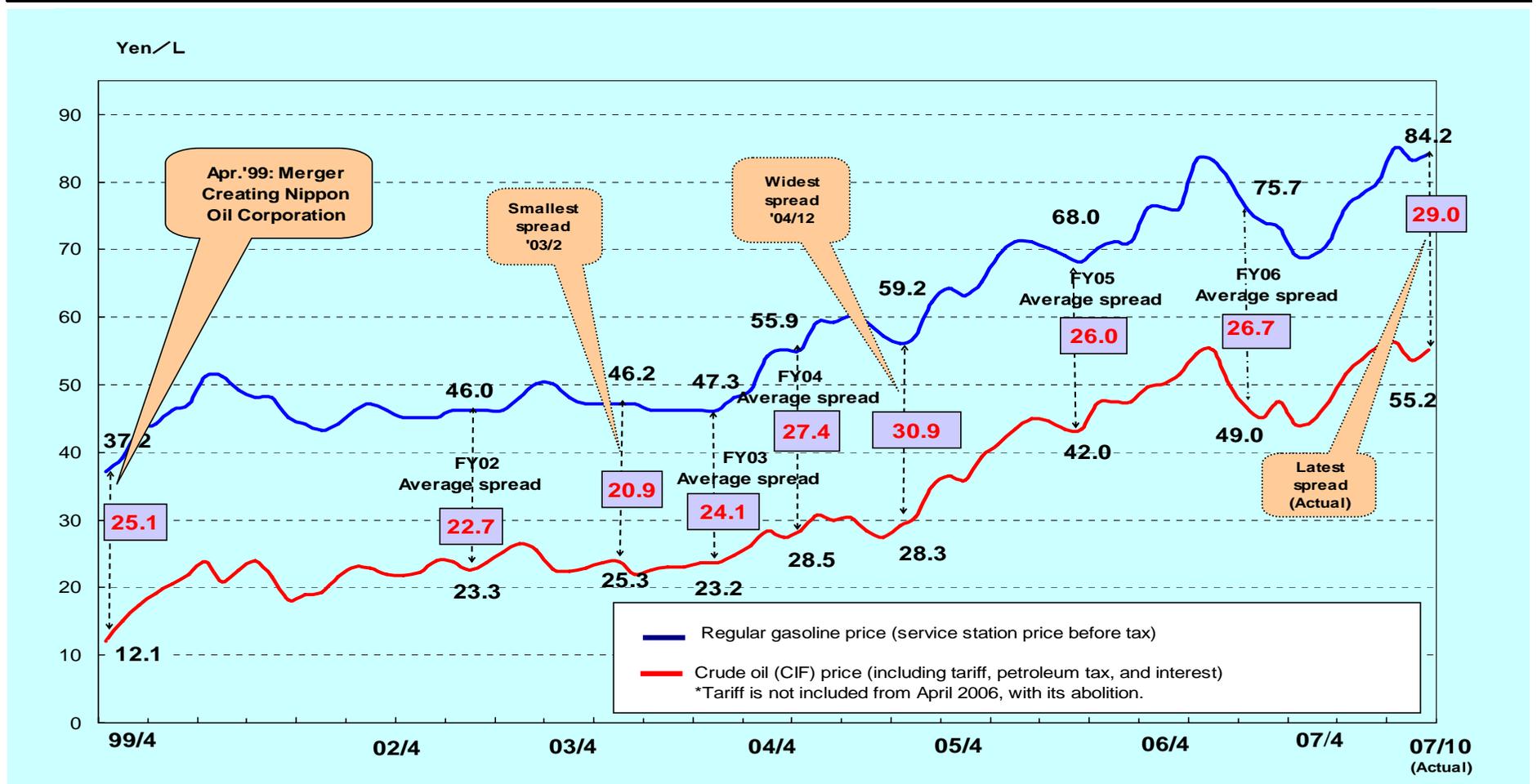
|  | April-September,<br>2006 | April-September,<br>2007 | Changes |
|--|--------------------------|--------------------------|---------|
|  | million KL               | million KL               | %       |
| <b>Gasoline</b>                                  | 73.4                     | 71.1                     | -3.2    |
| ( Premium )                                      | 12.9                     | 12.2                     | -5.4    |
| ( Regular )                                      | 59.8                     | 58.2                     | -2.6    |
| <b>Naphtha</b>                                   | 8.6                      | 8.4                      | -2.1    |
| <b>JET</b>                                       | 6.1                      | 6.3                      | +4.3    |
| <b>Kerosine</b>                                  | 19.2                     | 16.3                     | -15.2   |
| <b>Diesel Fuel</b>                               | 41.9                     | 41.5                     | -1.1    |
| <b>Heavy fuel oil A</b>                          | 34.0                     | 28.0                     | -17.5   |
| <b>Heavy fuel oil C</b>                          | 35.6                     | 34.8                     | -2.3    |
| ( For Electric Power )                           | 18.1                     | 19.3                     | +6.6    |
| ( For General Use )                              | 17.5                     | 15.5                     | -11.5   |
| <b>Total-Domestic Fuel Oil</b>                   | 218.8                    | 206.4                    | -5.7    |
| <b>Crude Oil</b>                                 | 12.2                     | 15.1                     | +23.9   |
| <b>Petrochemicals</b>                            | 13.1                     | 12.8                     | -2.2    |
| <b>Lubricants &amp; Specialities</b>             | 18.7                     | 18.5                     | -1.3    |
| <b>Exported Fuel Oil</b>                         | 67.0                     | 75.1                     | +12.1   |
| <b>Total-Excluding Barter trade &amp; others</b> | 329.8                    | 327.9                    | -0.6    |
| <b>Barter trade &amp; others</b>                 | 96.7                     | 88.3                     | -8.7    |
| <b>Total</b>                                     | 426.5                    | 416.2                    | -2.4    |

## 2. Data Related to markets trend (Gasoline and Petrochemicals)

# Spread (Retail Gasoline Price – Crude Oil CIF Price)

Quartely spread trend(since Apr.2005)

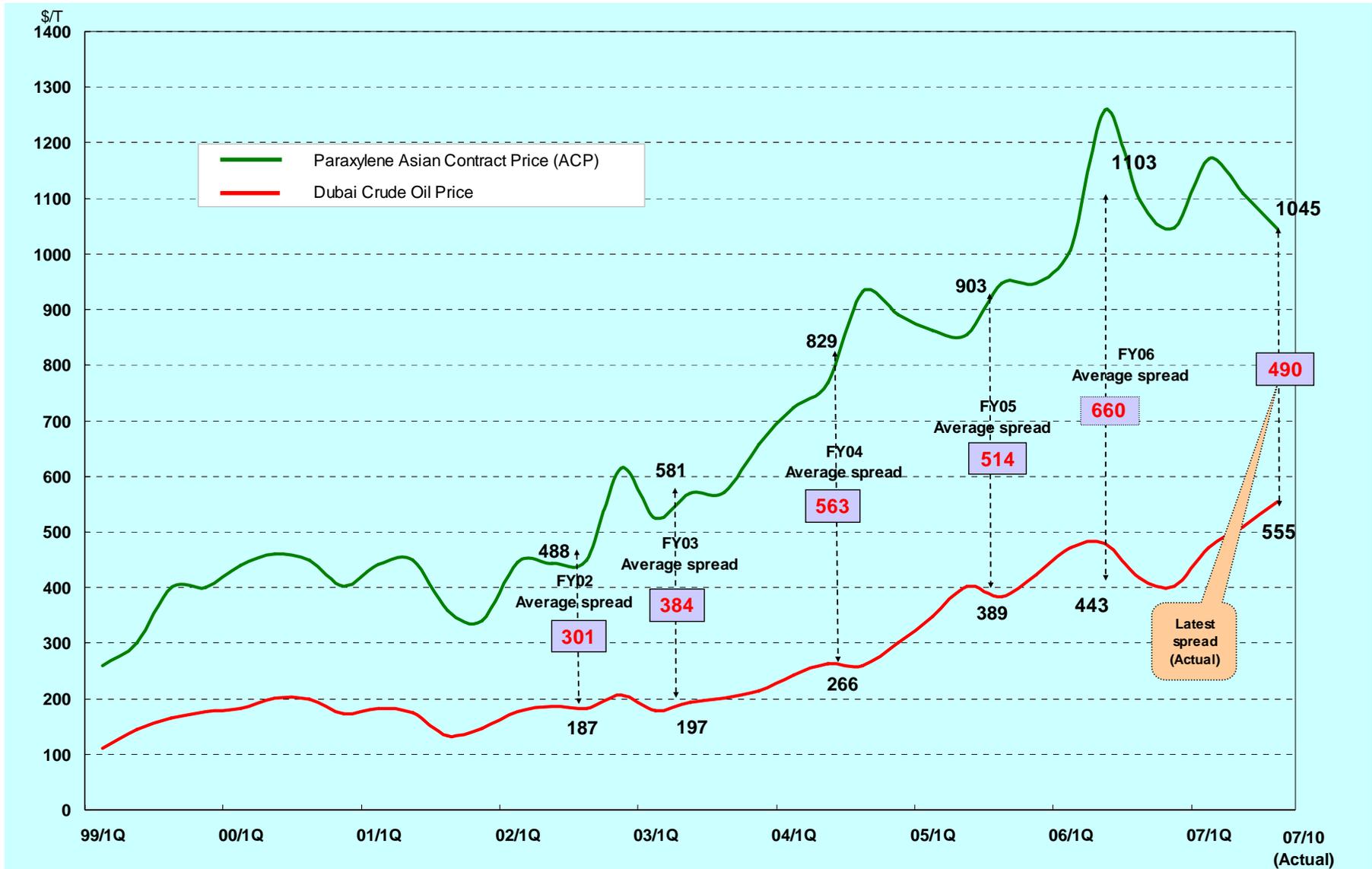
| '05/4-6 | '05/7-9 | '05/1H | '05/10-12 | '06/1-3 | '05/2H | 05FY | '06/4-6 | '06/7-9 | '06/1H | '06/10-12 | '07/1-3 | '06/1H | 06FY | '07/4-6 | '07/7-9 | '07/1H |
|---------|---------|--------|-----------|---------|--------|------|---------|---------|--------|-----------|---------|--------|------|---------|---------|--------|
| 27.4    | 27.1    | 27.3   | 25.9      | 23.8    | 24.9   | 26.0 | 25.4    | 27.2    | 26.3   | 29.6      | 25.1    | 27.3   | 26.7 | 24.3    | 27.6    | 26.0   |



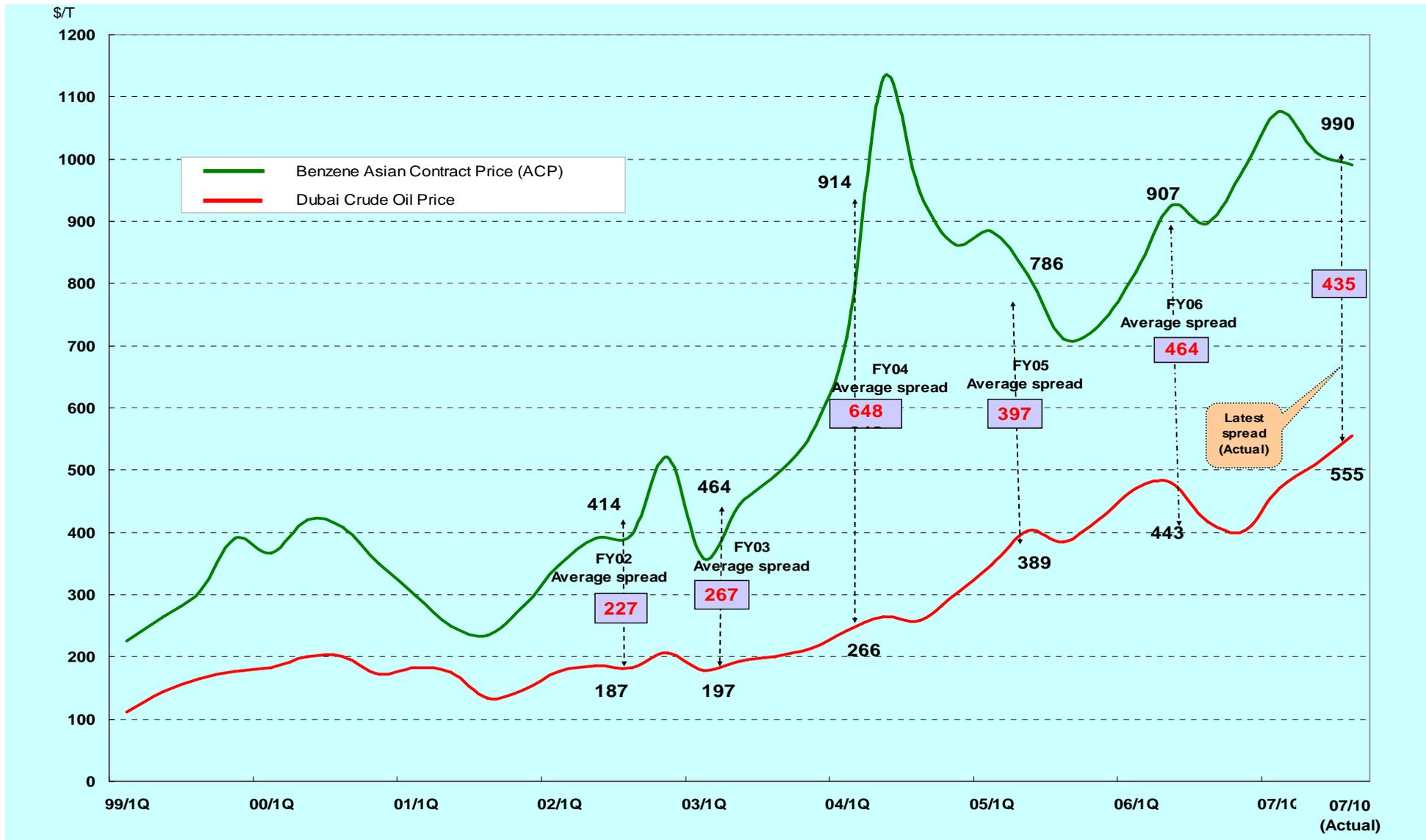
\* CIF: Cost, insurance, and freight basis

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

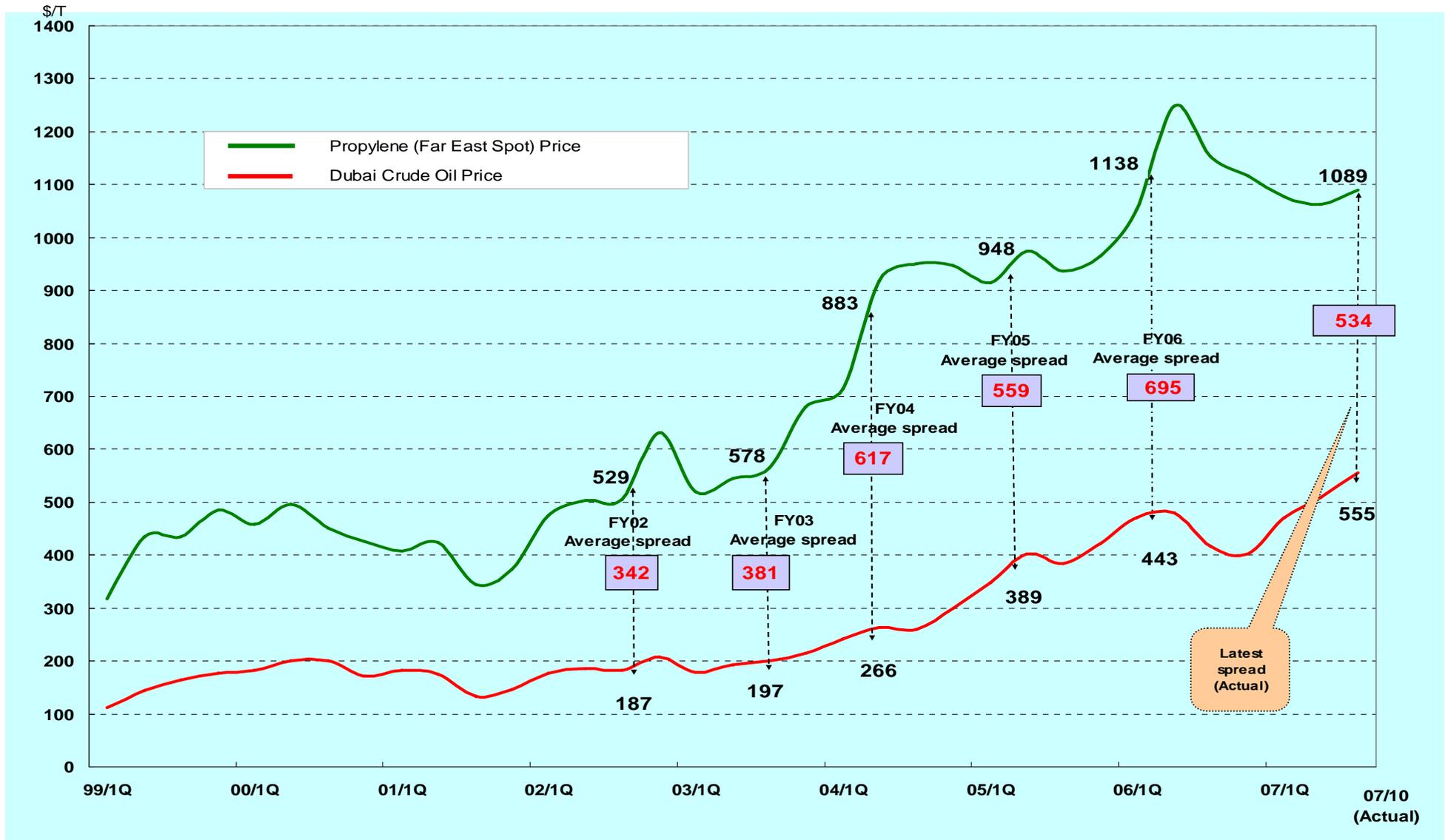
# Spread (PX Price - Dubai Crude Oil Price)



# Spread (Benzene Price - Dubai Crude Oil Price)



# Spread (Propylene Price - Dubai Crude Oil Price)



## 3.Data Related to Business Operations (Refining & Marketing)

# Refining Capacity and Utilization Rates

|                                      |                          |                          | Merger                   |                          |                          |                             |                             |                             | (million BD) |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|--------------|
|                                      | FY97<br>( '97/4 - '98/3) | FY98<br>( '98/4 - '99/3) | FY99<br>( '99/4 - '00/3) | FY00<br>( '00/4 - '01/3) | FY01<br>( '01/4 - '02/3) | FY02<br>( '02/4 - '03/3)    | FY03<br>( '03/4 - '04/3)    | FY04<br>( '04/4 - '05/4)    |              |
| <b>NipponOil Group</b> <sup>*1</sup> | 1.35<br>(80%)            | 1.37<br>(78%)            | 1.35<br>(74%)            | 1.35<br>(76%)            | 1.23<br>(81%)            | 1.22<br>(84%)               | 1.27<br>(83%)               | 1.22<br>(87%) <sup>*4</sup> |              |
| <b>Total for Japan</b>               | 5.32<br>(81%)            | 5.37<br>(78%)            | 5.35<br>(77%)            | 5.27<br>(79%)            | 4.97<br>(81%)            | 4.98<br>(81%)               | 4.89 <sup>*3</sup><br>(83%) | 4.77 <sup>*4</sup><br>(84%) |              |
|                                      | FY05                     |                          |                          | FY06                     |                          |                             | FY07                        |                             |              |
|                                      | 1H<br>(Apr.-Sep.)        | 2H<br>(Oct.-Mar.)        | Total                    | 1H<br>(Apr.-Sep.)        | 2H<br>(Oct.-Mar.)        | Total                       | 1H<br>(Apr.-Sep.)           |                             |              |
| <b>NOC Group</b>                     | 1.22<br>(84%)            | 1.22<br>(93%)            | 1.22<br>(88%)            | 1.22<br>(83%)            | 1.22<br>(85%)            | 1.22<br>(84%)               | 1.22<br>(79%)               |                             |              |
| <b>Total for Japan</b>               | 4.77<br>(83%)            | 4.77<br>(91%)            | 4.77<br>(87%)            | 4.77<br>(81%)            | 4.83<br>(86%)            | 4.83 <sup>*5</sup><br>(83%) | 4.84 <sup>*6</sup><br>(-)   |                             |              |

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 Goup 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. The capacity of Cosmo Oil Yokkaichi Refinery and Sakaide Refinery increased in Dec '06 and Kashima Oil of Japan Energy Group increased in Jun and Oct '06.

\*6. The capacity of Kyusyu Oil increased in Dec '06.

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

# Nippon Oil's Share of Sales of the Four Right Oil Products (Consumption Basis)

| Type of product  | Merger                   |                          |                          |                          |                          |                          |                          |                          |                                | (%) |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------------|-----|
|                  | FY99<br>( '99/4 - '00/3) | FY00<br>( '00/4 - '01/3) | FY01<br>( '01/4 - '02/3) | FY02<br>( '02/4 - '03/3) | FY03<br>( '03/4 - '04/3) | FY04<br>( '04/4 - '05/3) | FY05<br>( '05/4 - '06/3) | FY06<br>( '06/4 - '07/3) | FY07<br>1H<br>( '07/4 - '07/9) |     |
| Gasoline         | 23.2                     | 22.9                     | 22.8                     | 23.2                     | 23.3                     | 23.9                     | 23.6                     | 23.2                     | 23.3                           |     |
| (Premium)        | 23.4                     | 23.2                     | 24.1                     | 24.6                     | 24.6                     | 25.4                     | 26.2                     | 25.2                     | 25.3                           |     |
| Kerosene         | 23.4                     | 23.3                     | 23.9                     | 24.4                     | 24.3                     | 27.6                     | 27.7                     | 26.2                     | 28.9                           |     |
| Diesel Fuel      | 22.8                     | 22.4                     | 22.0                     | 22.7                     | 22.6                     | 23.0                     | 23.2                     | 22.8                     | 23.5                           |     |
| Heavy fuel oil A | 23.4                     | 23.9                     | 24.3                     | 26.3                     | 28.1                     | 30.4                     | 29.1                     | 29.3                     | 29.3                           |     |
| Total            | 23.2                     | 23.0                     | 23.1                     | 23.9                     | 24.2                     | 25.5                     | 25.3                     | 24.6                     | 24.8                           |     |

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

# Number of Service Stations (Fixed-Type)

Repeal of the Specific  
Petroleum Product

Merger

|                                      | FY95<br>(*95/4 - '96/3)  | FY96<br>(*96/4 - '97/3)  | FY97<br>(*97/4 - '98/3)  | FY99<br>(*99/4 - '00/3)  | FY00<br>(*00/4 - '01/3)  | FY01<br>(*01/4 - '02/3)               | FY02<br>(*02/4 - '03/3)               | FY03<br>(*03/4 - '04/3)               | FY04<br>(*04/4 - '05/3)               | FY05<br>(*05/4 - '06/3)               | FY06<br>(*06/4 - '07/3)               | FY95<br>FY06  | FY07<br>1H<br>(*07/4-'07/9) |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------|-----------------------------|
| Nippon Oil Corporation <sup>*1</sup> | 14,895                   | 14,690                   | 14,283                   | 13,162                   | 12,669                   | 11,987                                | 11,694                                | 11,333                                | 11,059                                | 10,807                                | 10,368                                | 69.6%         | 10,183 <sup>*5</sup>        |
| EMGK <sup>*2</sup>                   | 9,283                    | 9,276                    | 8,893                    | 8,101                    | 7,898                    | 7,597                                 | 7,278                                 | 6,904                                 | 6,701                                 | 6,464                                 | 6,044                                 | 65.1%         | 5,872 <sup>*6</sup>         |
| Idemitsu Kosan                       | 9,037                    | 8,879                    | 7,706                    | 6,493                    | 6,114                    | 5,896                                 | 5,624                                 | 5,508                                 | 5,358                                 | 5,249                                 | 5,059                                 | 56.0%         | 5,027 <sup>*6</sup>         |
| Showa Shell<br>Sekiyu                | 7,091                    | 6,937                    | 6,728                    | 5,962                    | 5,642                    | 5,402                                 | 5,153                                 | 4,968                                 | 4,808                                 | 4,689                                 | 4,560                                 | 64.3%         | 4,555 <sup>*6</sup>         |
| Cosmo Oil                            | 6,857                    | 6,802                    | 6,573                    | 5,916                    | 5,600                    | 5,373                                 | 5,152                                 | 4,926                                 | 4,709                                 | 4,552                                 | 4,359                                 | 63.6%         | 4,291 <sup>*6</sup>         |
| Japan Energy                         | 6,384                    | 6,232                    | 6,079                    | 4,952                    | 4,646                    | 4,476                                 | 4,296                                 | 4,150                                 | 4,023                                 | 3,833                                 | 3,708                                 | 58.1%         | 3,690 <sup>*6</sup>         |
| Others <sup>*3</sup>                 | 2,314                    | 2,510                    | 2,418                    | 2,128                    | 1,916                    | 1,733                                 | 1,642                                 | 1,593                                 | 1,500                                 | 1,439                                 | 1,388                                 | 60.0%         | 1,380 <sup>*6</sup>         |
| <b>Oil Companies</b>                 | <b>55,861</b><br>(96.9%) | <b>55,326</b><br>(96.4%) | <b>52,680</b><br>(93.8%) | <b>46,714</b><br>(87.6%) | <b>44,485</b><br>(85.6%) | <b>42,464</b><br>(83.4%)              | <b>40,839</b><br>(82.3%)              | <b>39,382</b><br>(80.4%)              | <b>38,158</b><br>(79.5%)              | <b>37,033</b><br>(78.8%)              | <b>35,486</b><br>(78.9%)              | <b>63.5%</b>  | <b>34,998</b><br>(-)        |
| <b>Private brands<br/>and other</b>  | <b>1,792</b><br>(3.1%)   | <b>2,079</b><br>(3.6%)   | <b>3,469</b><br>(6.2%)   | <b>6,593</b><br>(12.4%)  | <b>7,472</b><br>(14.4%)  | <b>8,436</b> <sup>*4</sup><br>(16.6%) | <b>8,761</b> <sup>*4</sup><br>(17.7%) | <b>9,618</b> <sup>*4</sup><br>(19.6%) | <b>9,842</b> <sup>*4</sup><br>(20.5%) | <b>9,967</b> <sup>*4</sup><br>(21.2%) | <b>9,514</b> <sup>*4</sup><br>(21.1%) | <b>530.9%</b> | <b>-</b><br><b>-</b>        |
| <b>Total</b>                         | <b>57,653</b>            | <b>57,405</b>            | <b>56,149</b>            | <b>53,307</b>            | <b>51,957</b>            | <b>50,900</b> <sup>*4</sup>           | <b>49,600</b> <sup>*4</sup>           | <b>49,000</b> <sup>*4</sup>           | <b>48,000</b> <sup>*4</sup>           | <b>47,000</b> <sup>*4</sup>           | <b>45,000</b> <sup>*4</sup>           | <b>78.1%</b>  | <b>-</b>                    |

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 Kygnus Sekiyu.

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

\*4. Estimates by Nippon oil

\*5. As of September 2007

\*6. As of June 2007

Source: Agency of Natural Resources and Energy

# Number of Company-Owned Service Stations, Number of Self-Service Facilities, Number of Dr.Drive Service Stations

## <Number of Company-Owned Service Stations>

|                        | Merger                  |                         |                         |                         |                         |                         |                         |                         |                               |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|
|                        | FY99<br>(*99/04-'00/03) | FY00<br>(*00/4-'01-/03) | FY01<br>(*01/04-'02/03) | FY02<br>(*02/04-'03/03) | FY03<br>(*03/04-'04/03) | FY04<br>(*04/04-'05/03) | FY05<br>(*05/04-'06/03) | FY06<br>(*06/04-'07/03) | FY07<br>1H<br>(*07/04-'07/09) |
| Nippon Oil Corporation | 3,053                   | 2,945                   | 2,857                   | 2,746                   | 2,607                   | 2,518                   | 2,436                   | 2,309                   | 2,241                         |

## <Number of Self-Service Stations>

|                        | Merger                  |                         |                         |                         |                         |                         |                         |                         |                               |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|
|                        | FY99<br>(*99/04-'00/03) | FY00<br>(*00/4-'01-/03) | FY01<br>(*01/04-'02/03) | FY02<br>(*02/04-'03/03) | FY03<br>(*03/04-'04/03) | FY04<br>(*04/04-'05/03) | FY05<br>(*05/04-'06/03) | FY06<br>(*06/04-'07/03) | FY07<br>1H<br>(*07/04-'07/09) |
| Nippon Oil Corporation | 21                      | 54                      | 142                     | 342                     | 520                     | 651                     | 794                     | 1,055                   | 1,159                         |
| Total for Japan        | 191 *                   | 422 *                   | 1,353 *                 | 2,522 *                 | 3,423 *                 | 3,493 *                 | 4,257 *                 | 5,203 *                 | 5,525 *                       |

\*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                  |                         |                         |                         |                         |                         |                         |                         |                               |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|
|                        | FY99<br>(*99/04-'00/03) | FY00<br>(*00/4-'01-/03) | FY01<br>(*01/04-'02/03) | FY02<br>(*02/04-'03/03) | FY03<br>(*03/04-'04/03) | FY04<br>(*04/04-'05/03) | FY05<br>(*05/04-'06/03) | FY06<br>(*06/04-'07/03) | FY07<br>1H<br>(*07/04-'07/09) |
| Nippon Oil Corporation | 44                      | 390                     | 1,283                   | 1,610                   | 1,871                   | 1,963                   | 2,505                   | 2,403                   | 2,362                         |

# Number of Depots, Number of Employees

## <Number of Depots>

|                               | Merger     |           |           |           |             |
|-------------------------------|------------|-----------|-----------|-----------|-------------|
|                               | '99/04     | '00/04    | '01/04    | '02/04    | '03/04      |
| <b>Nippon Oil Corporation</b> | <b>109</b> | <b>93</b> | <b>75</b> | <b>62</b> | <b>55</b>   |
|                               | '04/04     | '05/04    | '06/04    | '07/04    | October '07 |
|                               | <b>51</b>  | <b>50</b> | <b>50</b> | <b>48</b> | <b>47</b>   |

## <Number of Employees>

|                                  | Merger          |               |                |                 |                 |
|----------------------------------|-----------------|---------------|----------------|-----------------|-----------------|
|                                  | '99/04          | '00/04        | '01/04         | '02/04          | '03/04          |
| <b>Nippon Oil Group</b>          | <b>15,964</b>   | <b>15,570</b> | <b>14,895</b>  | <b>14,368</b>   | <b>13,882</b>   |
| <b>Nonconsolidated + NPRC *6</b> | <b>5,163</b>    | <b>4,602</b>  | <b>4,290</b>   | <b>4,108</b>    | <b>4,990 *1</b> |
|                                  | '04/04          | '05/04        | '06/04         | '07/04          | October '07     |
|                                  | <b>14,347*2</b> | <b>13,424</b> | <b>13,628</b>  | <b>13,214*4</b> | <b>13,290</b>   |
|                                  | <b>4,920</b>    | <b>4,437</b>  | <b>4,705*3</b> | <b>4,907*5</b>  | <b>4,897</b>    |

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 Oil 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.

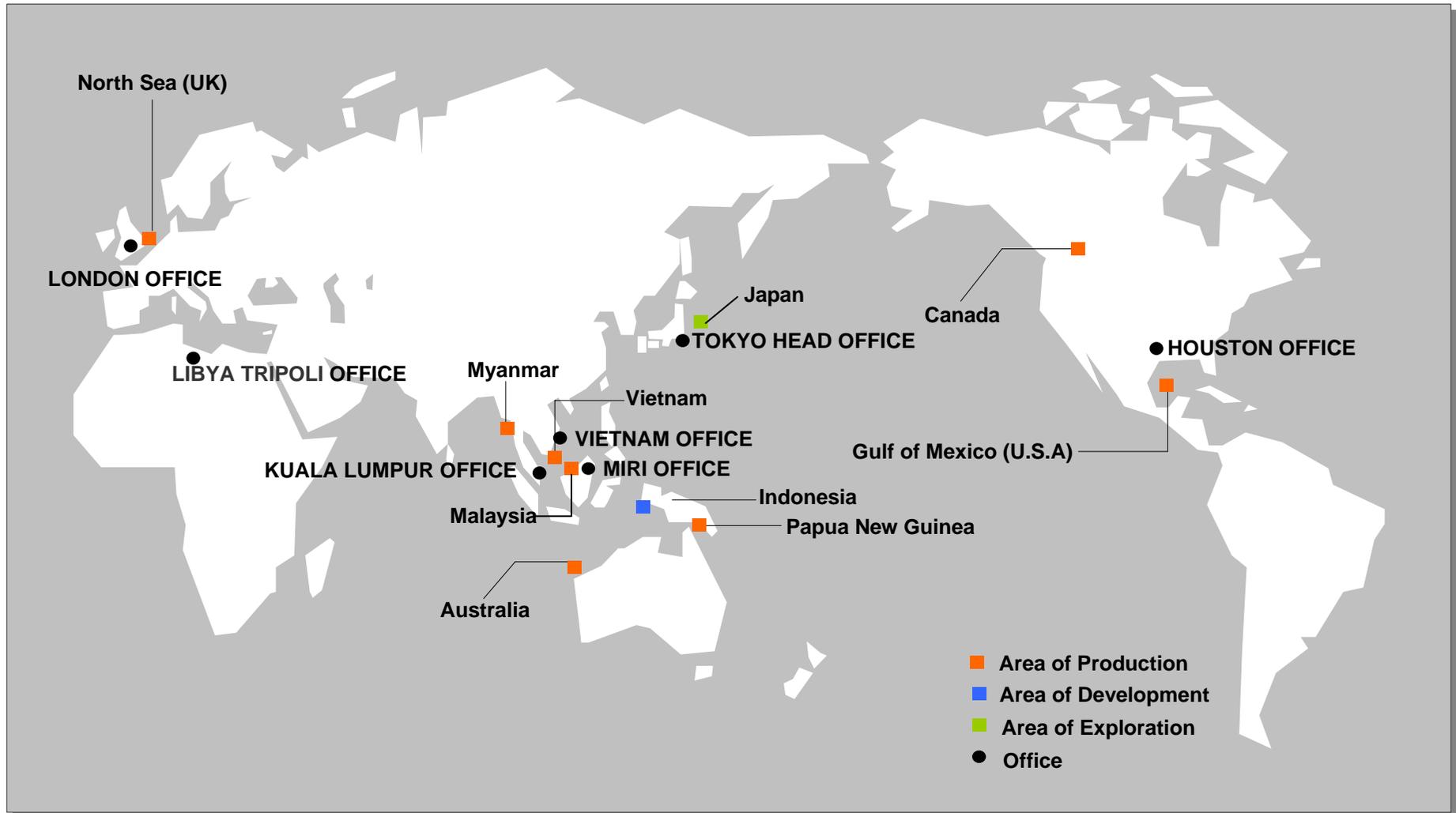
\*5. The number of employees decreased because of the removal of IDOMCO Communications Co.,Ltd. from the scope of consolidation..

\*6. Nippon Petroleum Refining Company, Limited.

## 4. Data Related to Business Operations (E&P)



# Principal E&P of Oil and Natural Gas Project



# Outline of Principal E&P of Oil and Natural Gas Projects

| Project Name/Company   | Total Petroleum | Oil Rights (1,000BD) |                            | Reserves                 |
|--|-----------------|----------------------|----------------------------|--------------------------|
|  | (1,000BD)       | PC Basis             | Nippon Oil Ownership Basis | PC Basis (1 million Bbl) |
| <U.S.A.><br><b>Gulf of Mexico (U.S.A)</b><br>Nippon Oil Exploration U.S.A Limited  | 71              | 15                   | 15                         | 33                       |
| <U.K.><br><b>North Sea, U.K.</b><br>MOC Exploration (U.K.) Limited<br>Nippon Oil Exploration and Production (U.K.) Limited | 88<br>112       | 5<br>7               | 2<br>7                     | 41                       |
| <Southeast Asia><br><b>Vietnam</b><br>Japan Vietnam Petroleum Co., Ltd.  | 45              | 15                   | 15                         | <Southeast Asia Total>   |
| <b>Myanmar</b><br>Nippon Oil Exploration (Myanmar), Limited  | 84              | 9                    | 5                          |                          |
| <b>Malaysia</b><br>Nippon Oil Exploration (Malaysia), Limited<br>Nippon Oil Exploration (Sarawak), Limited                 | 60<br>188       | 28<br>44             | 22<br>34                   |                          |
| <Oceania><br><b>Papua New Guinea</b><br>Japan Papua New Guinea Petroleum Company, Limited                                  | 47              | 2                    | 1                          | <Oceania Total>          |
| <b>Austraria</b><br>Nippon Oil Exploration (Australia) Pty Ltd   | 36              | 9                    | 9                          |                          |
| <Canada><br><b>Canada</b><br>Mocal energy Limited  | 302             | 15                   | 15                         | 268                      |
| <b>Total</b>   | <b>1,033</b>    | <b>150</b>           | <b>124</b>                 | <b>808</b>               |

Note: Proved reserves and probable reserves as of Dec. '06. Including reserves from projects currently under development.

# Individual E&P Project Overview

## Gulf of Mexico



'07 Jan - Sep Production Volume  
14,700BOED  
(oil: 6,000b/d, gas: 52mmcf/d)

### Project Company

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

Range of Interests in Individual Fields  
1.6% to 100%

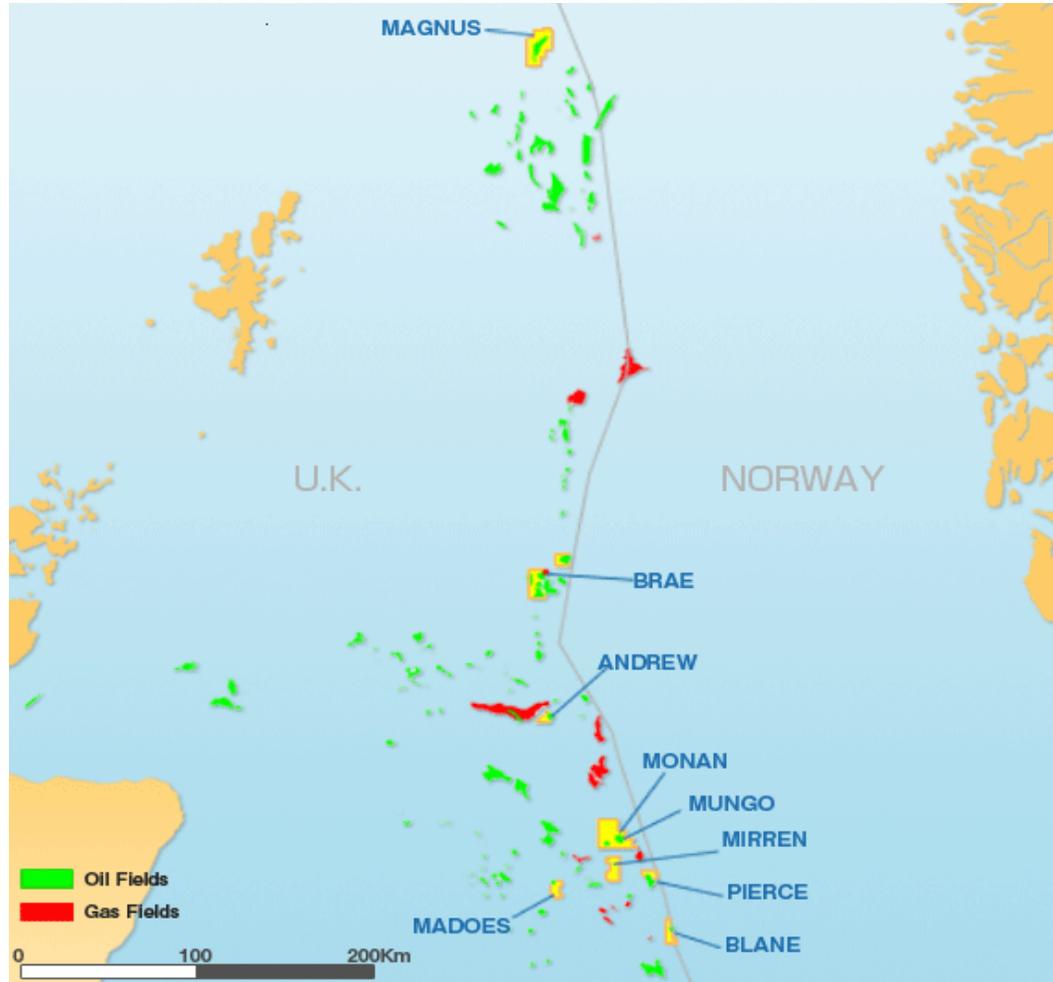
### Operators

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 in 2005 and from Anadarko in 2007.

# Individual E&P Project Overview

## U.K. North sea 1



### '07 Jan - Sep Production Volume

11,800BOED  
(oil: 6,800b/d, gas: 30mmcf/d)

### Project Company

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

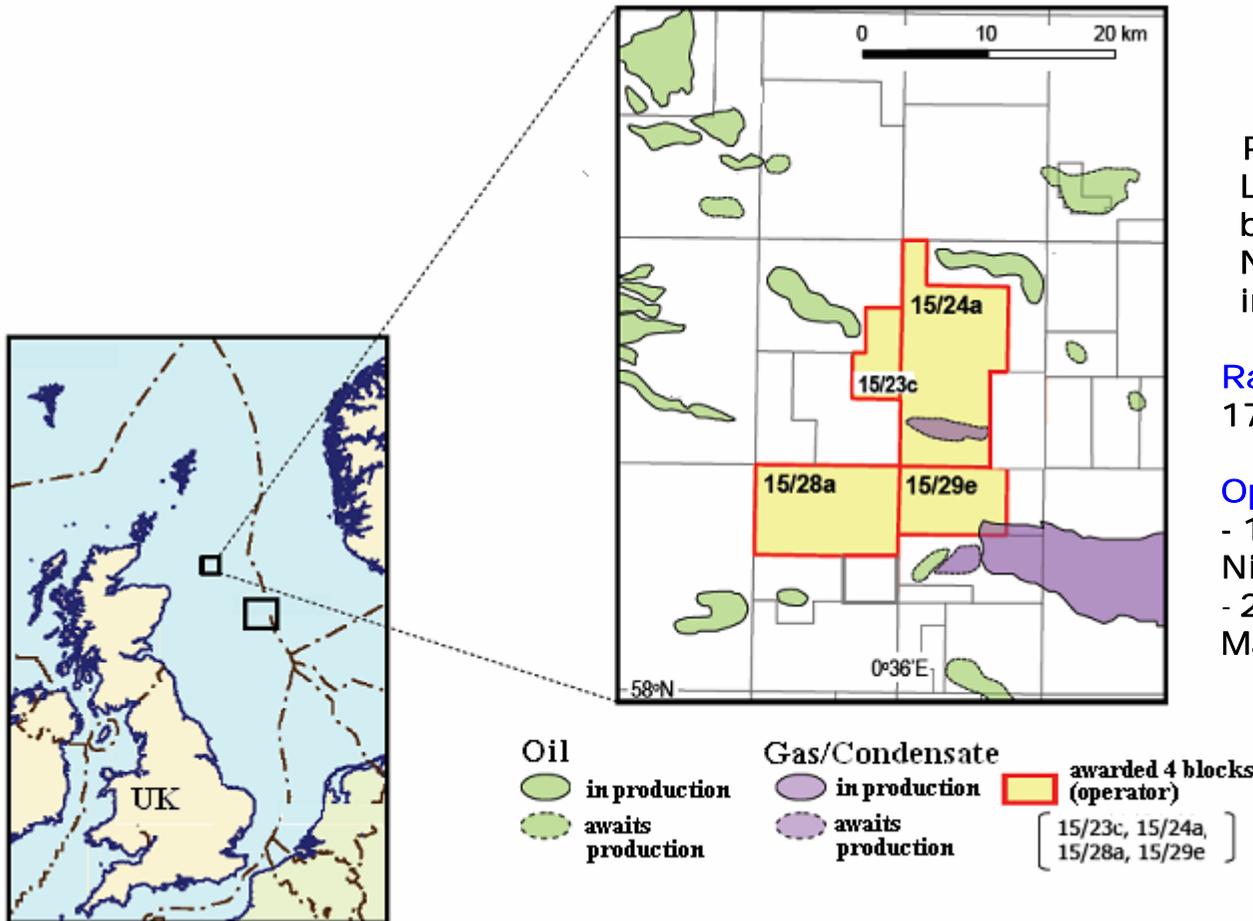
In 1996, NOEP UK acquired an interest in the Magnus Oil Field, and in 2002 it acquired interests in the Brae Gas Fields and the Fiddich Oil Field.

It is currently engaged in development preparation and production operations.

# Individual E&P Project Overview

U.K. North Sea 2

The 24<sup>th</sup> Licensing Round  
2006- U.K. North Sea (1)



In February 2007, Nippon Oil Exploration and Production U.K. Ltd was, in the 24<sup>th</sup> Licensing Round, awarded 6 new exploration blocks which includes 4 operating blocks. Nippon Oil will be the first Japanese operator in the North sea.

## Range of Interests in Individual Fields

17.1% to 30%

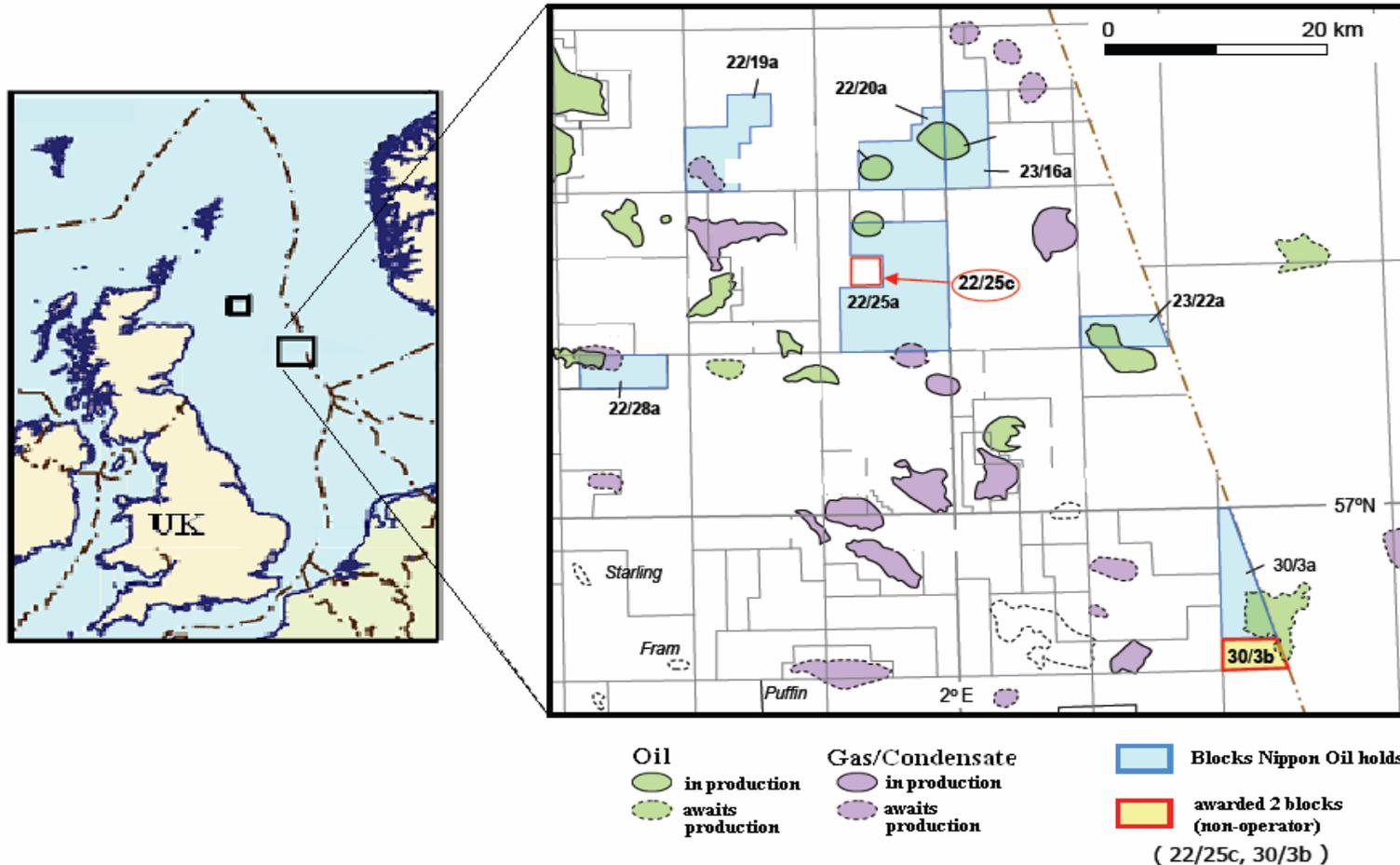
## Operators

- 15/23c, 15/24a, 15/28a, 15/28e
- Nippon Oil Exploration and Production U.K. Ltd
- 22/25c, 30/3b
- Maersk oil North Sea UK Limited

# Individual E&P Project Overview

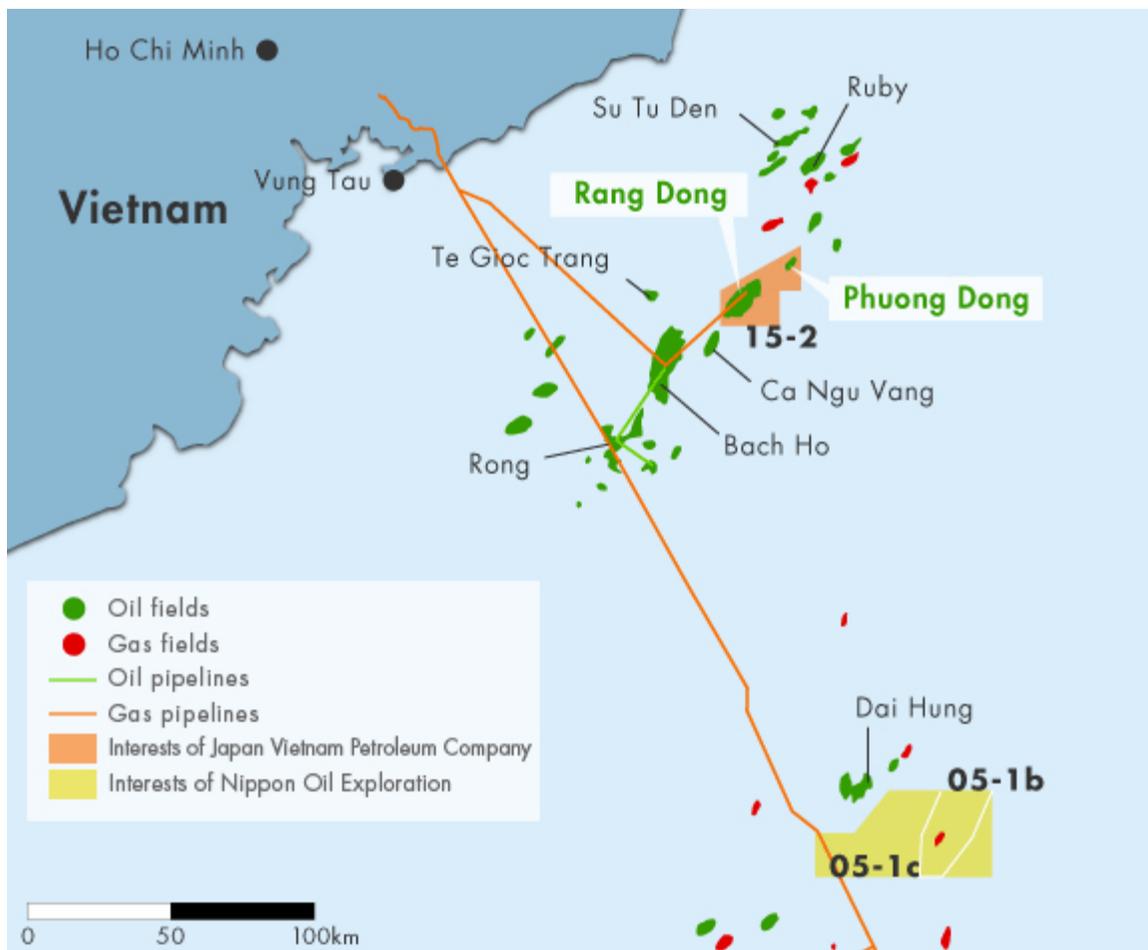
U.K. North Sea 3

The 24<sup>th</sup> Licensing Round  
2006- U.K. North Sea (2)



# Individual E&P Project Overview

## Vietnam



'07Jan - Sep Production Volume  
15,500BOED  
(oil: 10,400b/d, gas: 31mmcf/d)

### Project Company

Nippon Vietnam Petroleum Co., Ltd. (JVPC)  
(97.1%)  
(%) = Nippon Oil Group Shareholding

### Interest in Individual Fields

46.5%

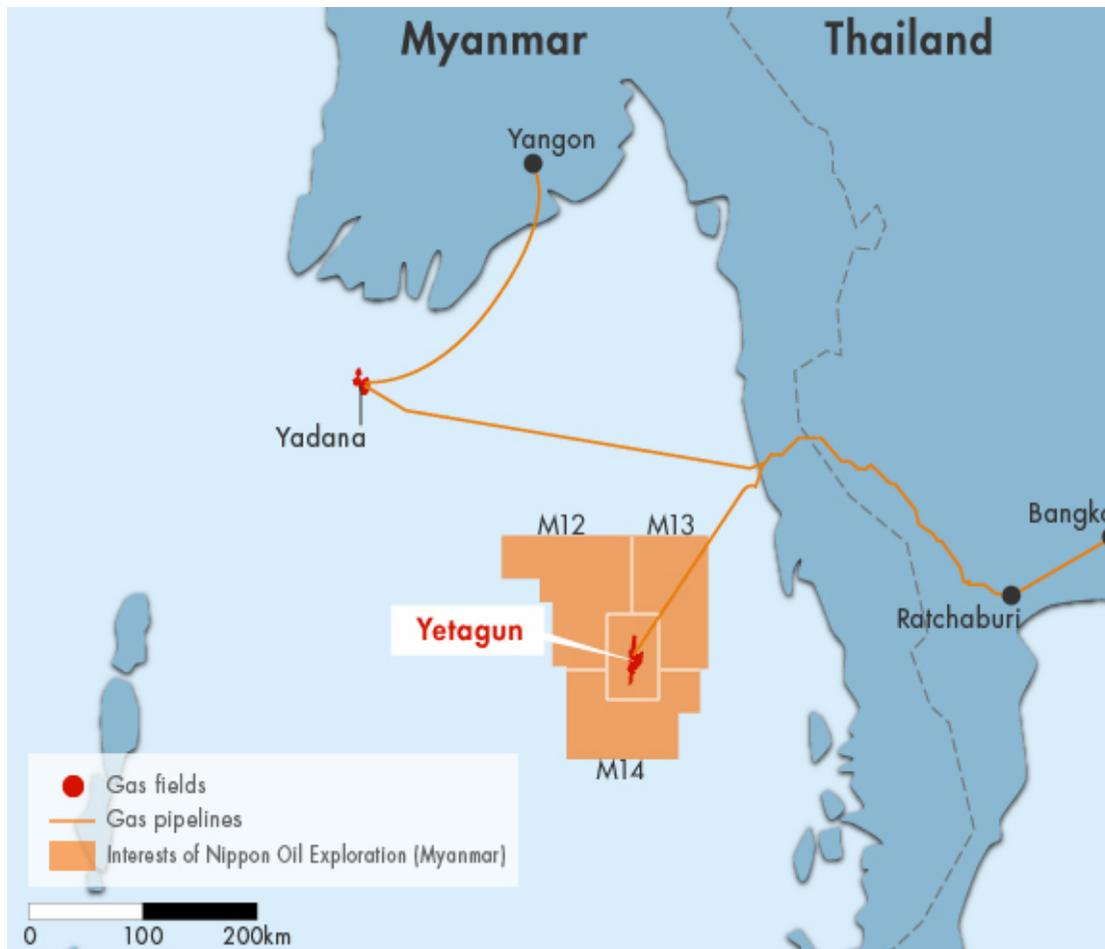
### Operator

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.

# Individual E&P Project Overview

## Myanmar



### '07 Jan - Sep Production Volume

9,500BOED(oil: 900b/d, gas: 51mmcf/d)

### Project Company

Nippon Oil Exploration (Myanmar), Limited  
(NOEX Myanmar) (50%)  
(%) = NOC Group Shareholding

### Interest in Individual Fields

19.3%

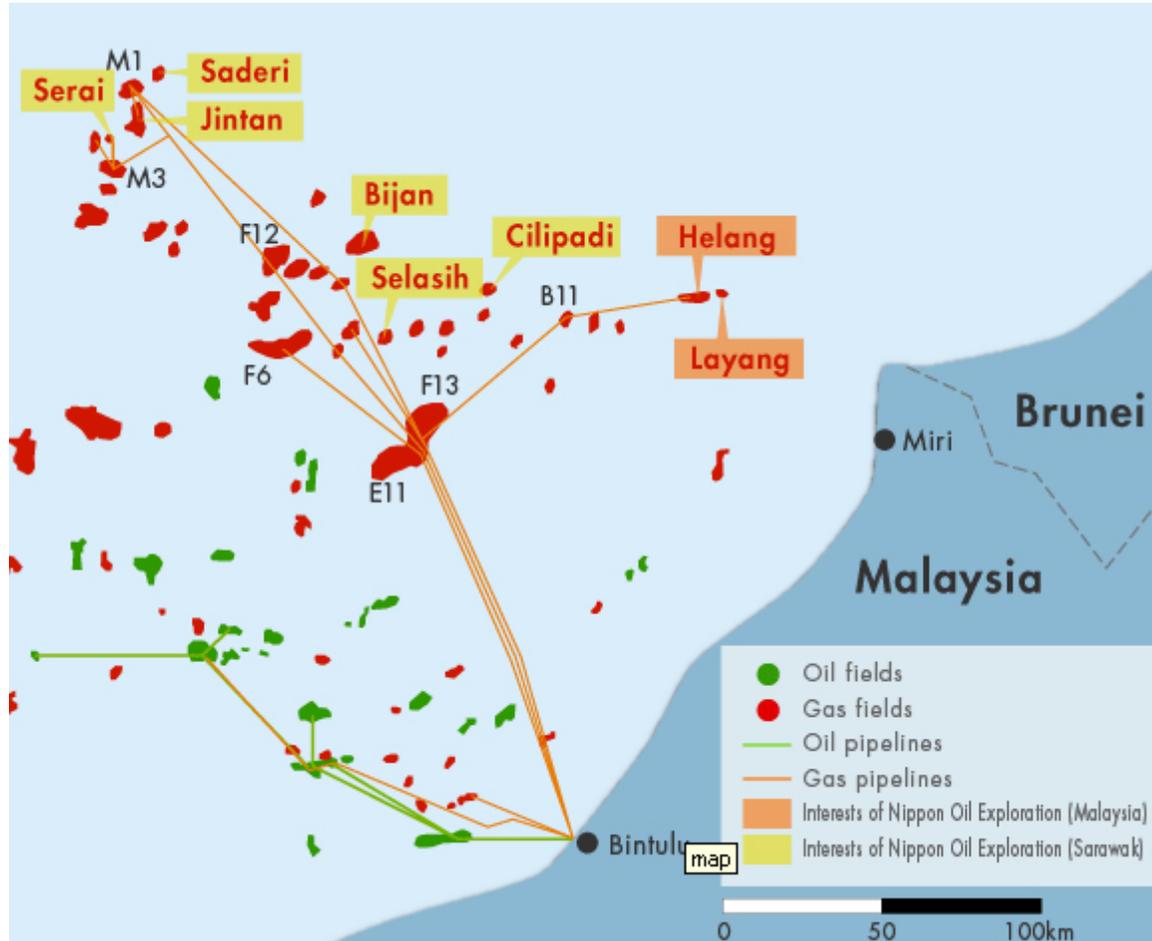
### Operator

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.

# Individual E&P Project Overview

## Malaysia



### '07 Jan - Sep Production Volume

27,800BOED(oil: 5,400b/d, gas: 135mmcf/d)

### Project Company

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

(%) = Nippon Oil Group Shareholding

### Range of Interest in Individual Fields

75%

### Operator

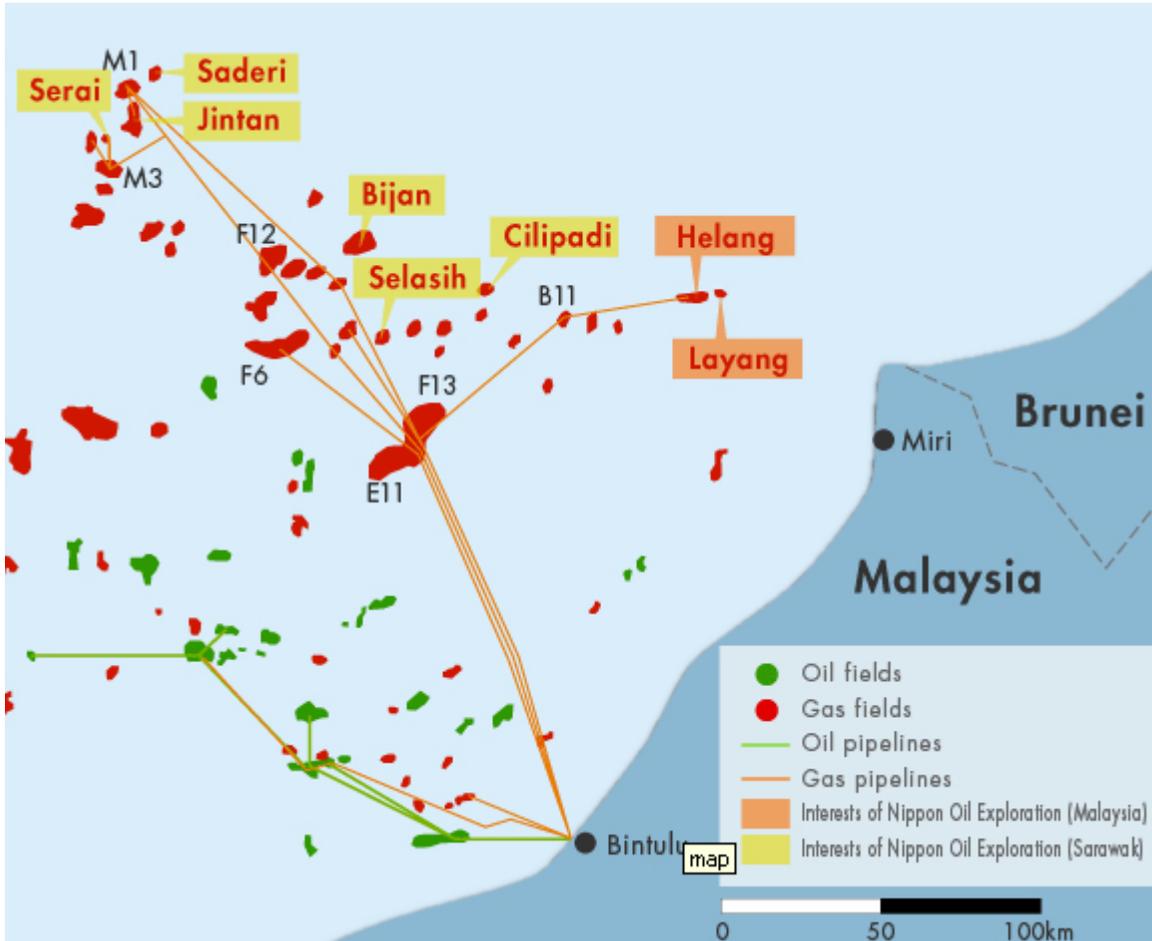
NOMA

● 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.

# Individual E&P Project Overview

## Sarawak



### '07 Jan - Sep Production Volume

44,200BOED

(oil: 4,200b/d, gas: 240mmcf/d)

### Project Company

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

(%) = Nippon Oil Group Shareholding

### Interest in Individual Fields

37.5%

### Operator

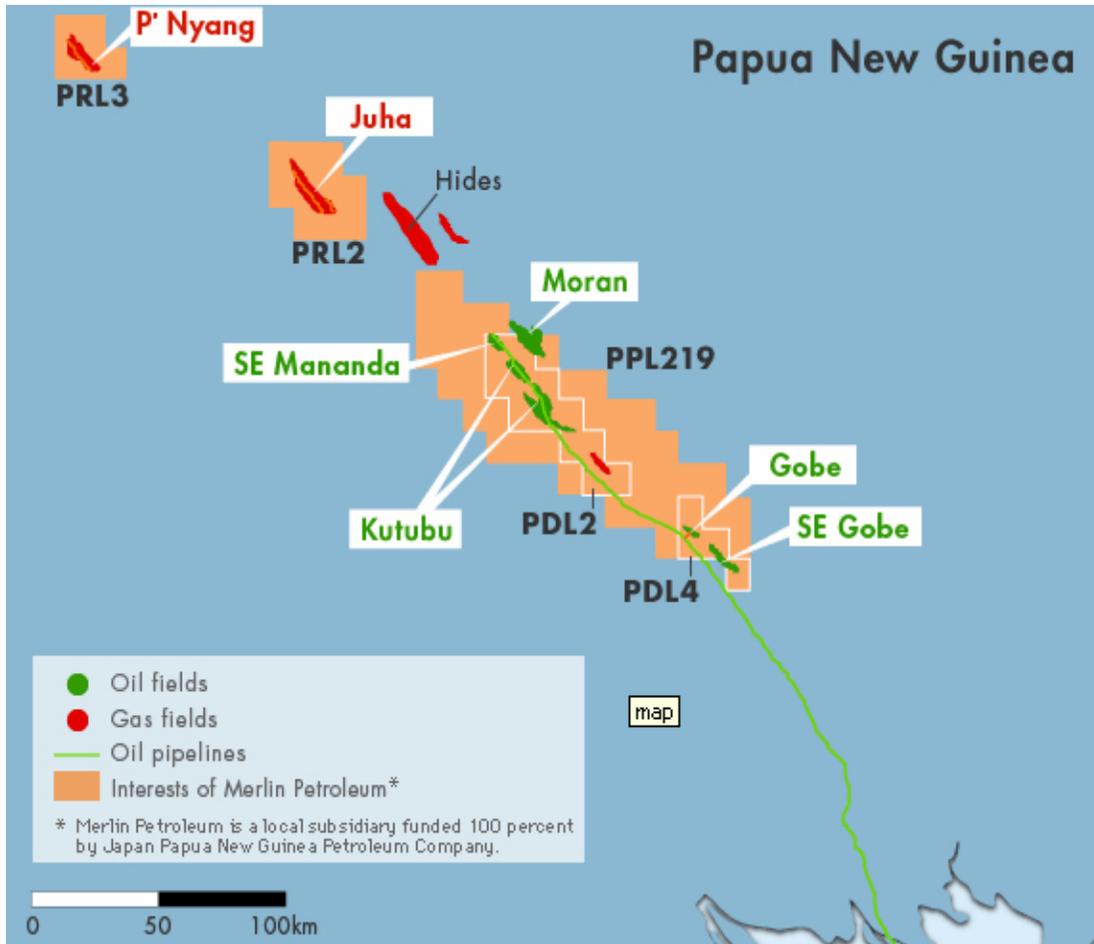
Shell

● 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.

# Individual E&P Project Overview

## Papua New Guinea



'07Jan - Sep Production Volume  
2,200b/d

### Project Company

Japan Papua New Guinea Petroleum Co., Ltd.  
(36.4%)  
(%) = Nippon Oil Group Shareholding

Range of Interests in Individual Fields  
2.8 to 12.5%

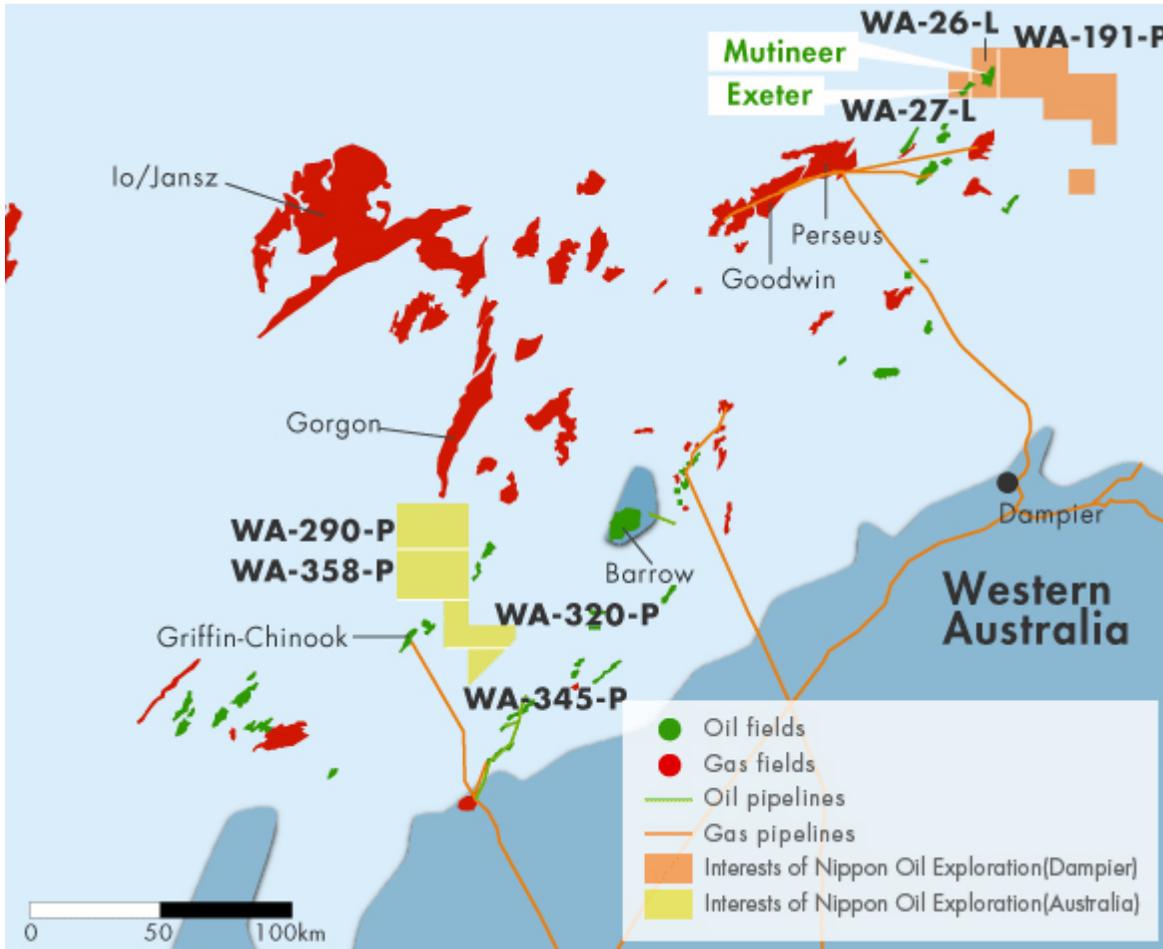
### Operator

Oil Search, Exxon Mobil

● 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.

# Individual E&P Project Overview

## Australia 1



'07 Jan - Sep Production Volume  
9,000b/d

### Project Company

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

### Interest in Individual Fields

25%

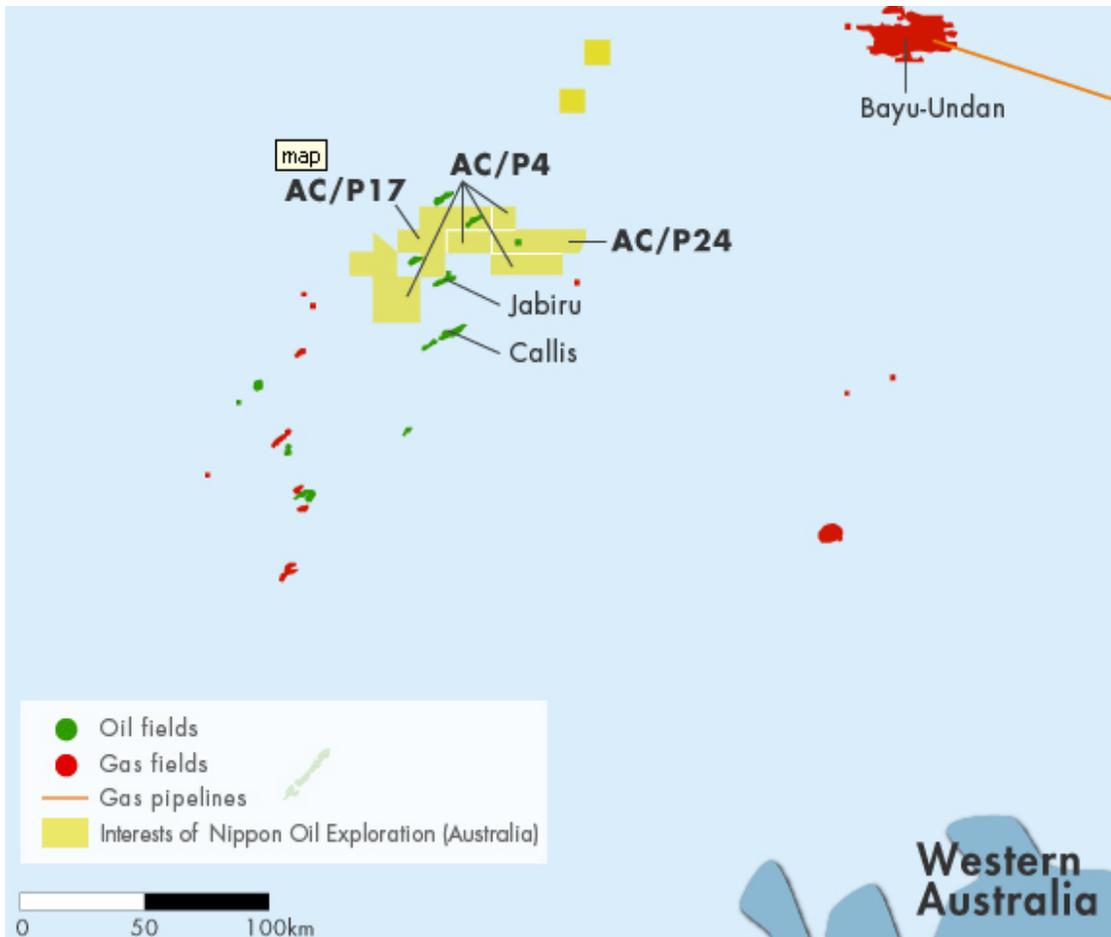
### Operator

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.

# Individual E&P Project Overview

## Australia 2



### '07 Jan - Sep Production Volume

-

### Project Company

Nippon Oil Exploration (Australia) Pty Ltd  
(NOEX (Australia)) (100%)

(%) = Nippon Oil 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/RL4b and AC/RL5 and 25% interest in Block WA-358-P.

# Individual E&P Project Overview

## Canada



'07 Jan - Sep Production Volume  
15,100b/d

### Project Company

Japan Canada Oil Co., Ltd. (100%)  
(%) = Nippon Oil Group Shareholding

### Interest in Individual Fields

5%

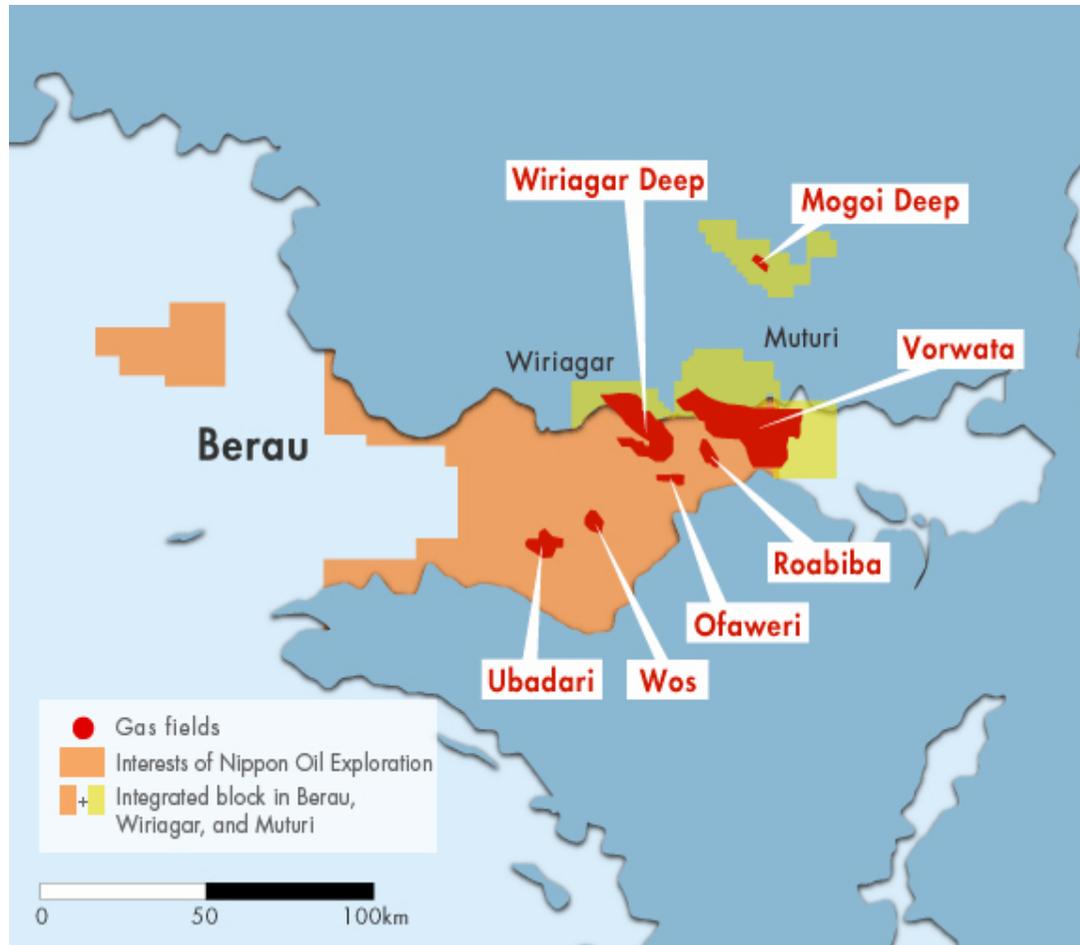
### Operator

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).

# Individual E&P Project Overview

Indonesia



'07Jan - Sep Production Volume

—

Project Company

Nippon Oil Exploration (Berau), Limited  
(NOEX(Berau)) (51%)

(%) = Nippon Oil Group Shareholding

Interest in Individual Fields

12.2% (after unitization)

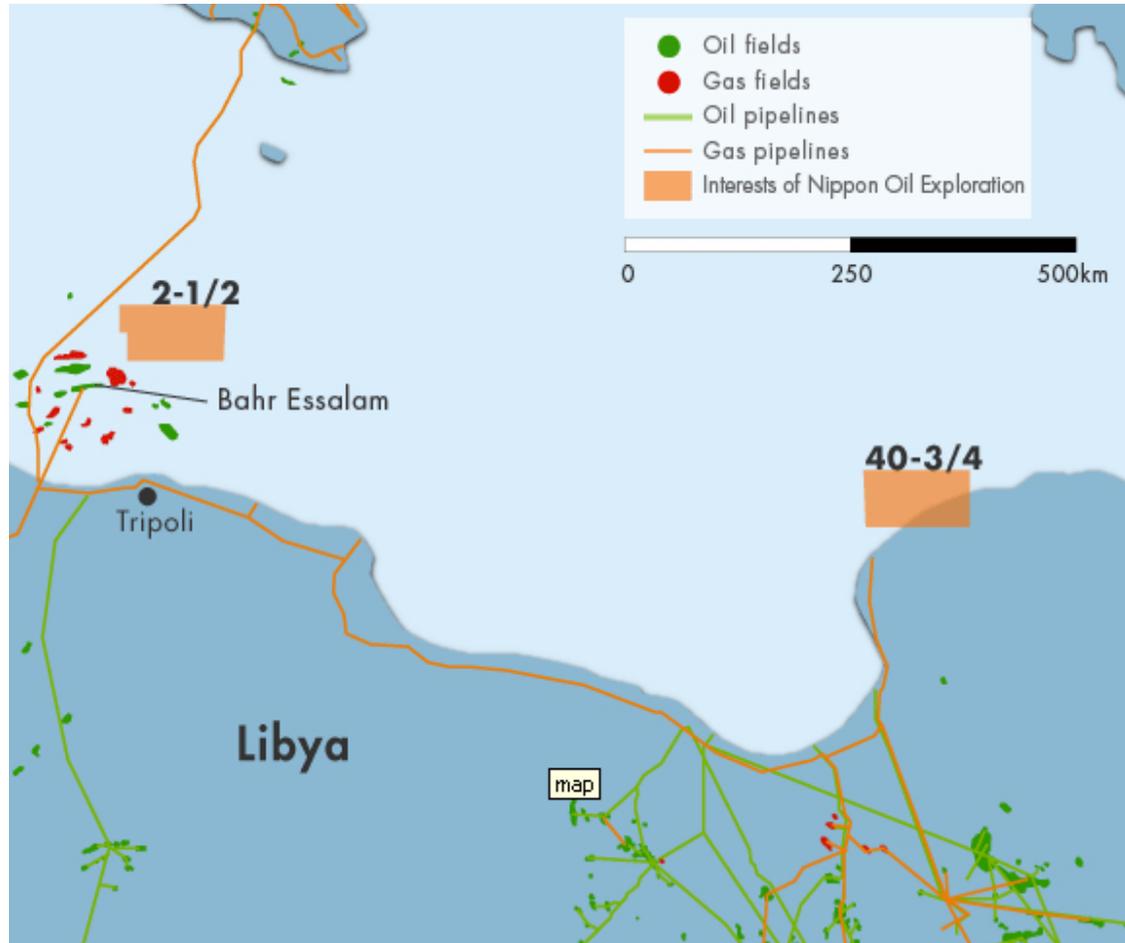
Operator

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.

# Individual E&P Project Overview

## Libya



'07 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 petroleum and petrochemical products, exchange rate and interest rate trends.