

Press Release

Nippon confirmed the spread of hydrocarbon on Davy Jones Prospect in Gulf of Mexico

JX Nippon Oil & Gas Exploration Corporation (“Nippon”) (Mr. Makoto Koseki, President and CEO) today announced that one of Nippon’s 100% subsidiary companies, Nippon Oil Exploration U. S. A. Limited (“NOEX USA”), announced that preliminary data from wireline logs over the interval from 25,400 feet to 27,300 feet of Davy Jones ultra-deep prospect’s first appraisal well, which has been drilled since last April, indicated over 200 feet of gross sand and approximately 100 net feet of sand in multiple Wilcox zones that appear to be hydrocarbon bearing. Although additional data will be required to complete the evaluation, that verifies the success of the exploration well where a total of 200 net feet of hydrocarbon bearing sands in six zones in the Wilcox section of the Eocene/Paleocene at a measured depth of approximately 28,530 feet was found in January 2010.

The Davy Jones appraisal well on South Marsh Island Block 234 is located two and a half miles southwest of the Davy Jones exploration well which is on South Marsh Island Block 230 in approximately 20 feet of water on the shelf of the Gulf of Mexico about 15miles off Louisiana.

Nippon believes that this is a significant, albeit still preliminary, result, which will underlie our geologic concept that there is much potential on the below-20,000-foot shelf of the Gulf of Mexico, where little exploration has been done yet. Nippon will continue to strengthen our operations in the Gulf.

NOEX USA is an oil and gas exploration branch of Nippon’s group.

Working Interest of Davy Jones Prospect

McMoRan	60.4%
Energy XXI	15.8%
NOEX USA	12.0%
Moncrief Jr.	8.8%
Others	3.0%

South Marsh Island 234

