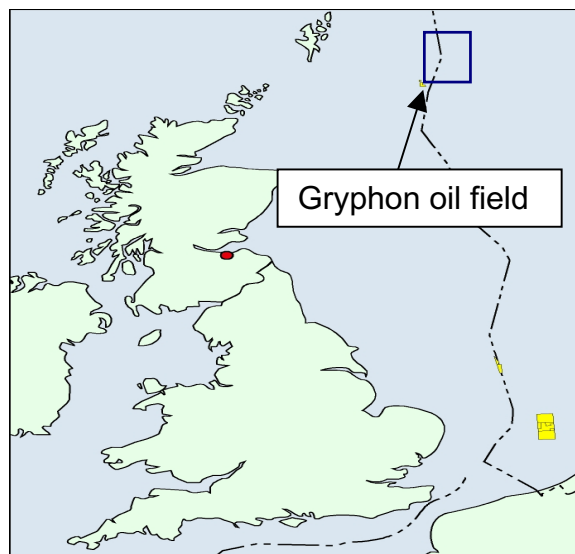


Sojitz Acquires Interest in Exploration Block in the UK North Sea Oil Fields

**Aiming to establish value chain in the energy and resources business
through investment in upstream interests**

(Japan, May28, 2004)--Sojitz Corporation has acquired, at a cost of approximately 2 billion yen, a ten percent interest in an exploration block owned by independent UK oil and gas exploration and production company Cairn Energy Plc through its subsidiary, which block is located in the northern part of the UK North Sea, an area that includes the Gryphon and Gryphon South oil fields.

The production capacity of the Gryphon and Gryphon South oil fields, where oil production commenced in 1993, is currently about 10,000 barrels per day. It is expected that such production capacity will increase to 18,000 barrels a day by the end of 2004. After the production increase, net production for Sojitz's 20% interest will be 1,800 boed, which Sojitz will supply to companies such as BP (UK) and Total (France) under long-term contracts. Crude oil production will extend until 2018, and gas production is also scheduled to commence from 2010.



[Gryphon oil field area]

The crude oil produced in the subject exploration block is being shipped using an FPSO facility owned by Sojitz, and crude oil produced in other nearby exploration blocks is being stored and shipped using the same FPSO facility. Sojitz will thus obtain revenues from facility charges.



[Gryphon FPSO]

Sojitz focuses its energy and resources business on 'production blocks' where oil/gas production has already commenced, and on 'development blocks' where the existence of oil and gas reserves (deposits) has been confirmed but production has not yet commenced. The company is rolling out investments in upstream interests as a non-operator, avoiding concentrating exposure in the same regions and exploration blocks, while seeking to diversify risk in regions such as the US, the UK, South America and the Middle East. The company's net production of oil and gas is scheduled to be well over 10,000 boed at the end of this year, including output from oil and gas exploration blocks where production increases are currently underway.

In addition to investments in upstream interests in oil and gas fields that are 'already discovered, developed and in-production', Sojitz is implementing unique efforts, in a comprehensive manner, to develop its oil and gas business with a derivational approach; from investments in and financing of oil and gas production facilities such as FPSO and rigs (drilling equipment), oil and gas sales through its subsidiaries at home and abroad, to trading downstream. The company will more actively develop the energy and resources field as its core business.

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