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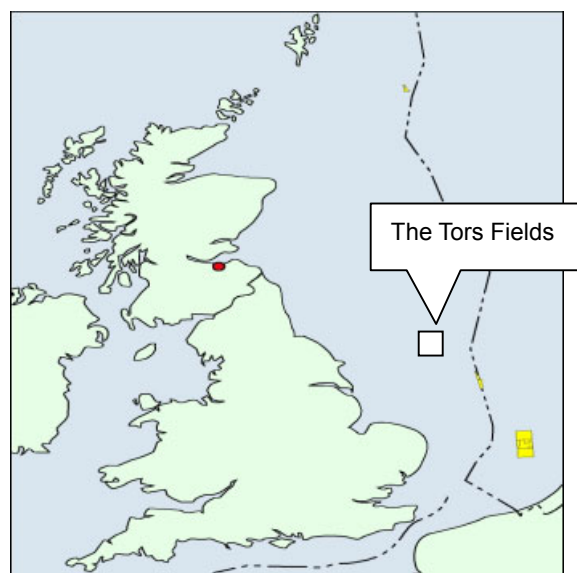
Sojitz Cororation

## **Sojitz Acquires Working Interests in the UK North Sea Gas Fields**

### **Acceleration of Investments in Best Working Interests in the Fields of Energy Resources**

Sojitz Corporation has acquired a 15 percent working interest in the Tors fields in the Southern Gas Basin of the UK North Sea, which working interest was held by medium sized, US-based oil and gas producer ATP Oil & Gas Corporation through its subsidiary in the UK.

The Tors fields in the Southern North Sea consist of the Kilmar and Garrow Fields. The Tors fields have proved reserves of 20 million barrels, with total development costs of approximately 24 billion yen. Development work is mostly complete in the Kilmar fields, where production will start from the latter part of December 2005. Initial production at the Garrow fields, where development projects have already been undertaken, is expected in July 2006. The Kilmar fields will start producing 8,300 barrels per day (Sojitz's share of the output: equivalent to 1,250 barrels/day), and the Garrow fields will start producing 4,200 barrels per day (Sojitz's share of the output: equivalent to 650 barrels/day). Thus, the total output from the two gas fields will be 125,000 barrels per day (Sojitz's share of the output: equivalent to 1,900 barrels/day).



Domestic gas production in the UK is on a declining trend from its peak in 2000, and the country became a net importer of gas in 2004. While steady growth in demand is anticipated, gas imports through pipelines from neighboring nations and LNG import from Africa, the Middle East and Asia are planned in order to secure a balance between supply and demand. However, the present situation is that gas futures prices for the 2005 to 2007 period are hovering at high levels, as there are strong concerns over a tight supply-demand balance.

Sojitz's participation in the UK gas market as a producer will allow the company to maintain its competitiveness in supply and costs of imported gas and LNG. The company intends to work on its gas business development in the UK, in light of the expertise and experiences accumulated through its crude oil production business in the North Sea Gryphon Field, for which Sojitz holds working interests, and in light of the knowledge and experience cultivated through its pipeline gas business in the Gulf of Mexico.

Sojitz positions its petroleum and gas field production and development operations in the fields of upstream energy business as one of its core businesses, having narrowed down its target to 'blocks in production' where petroleum and gas production have already been undertaken, and 'blocks in development' where the existence of petroleum and gas reserves has been confirmed but production has not yet commenced. Sojitz also carries out investments in upstream interests while diversifying risks in areas including the UK, the US, South America, Africa, the Middle East and Asia, with no risk exposures concentrated on the same region and/or mining blocks.

Sojitz's current share of petroleum and gas output is estimated to be over 10,000 barrels per day, and the company plans to build up prime assets in order to double such output in the year 2006.

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