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Sojitz Corporation

Sojitz Commences Gas and Crude Oil Production in the UK North Sea and Qatar Successively

Achievements from Investments in Working Interests in the Fields of Energy Resources

Sojitz Corporation has begun gas production in the Tors fields in the Southern Gas Basin of the UK North Sea, in which fields the company owns a 15 percent working interest. The Tors fields consist of the Kilmar and Garrow Fields, which have total proved reserves of approximately 22.5 million barrels of crude oil equivalent (the Sojitz equity portion of which is approximately 3.4 million barrels). The gas to be produced will be sold to a leading energy company in the UK.

Production has begun in the Kilmar Field, and the initial production volume will be 10,000 barrels per day, 1,500 barrels per day of which represents the Sojitz equity portion. Gas production is also scheduled to commence in the Garrow Fields by the further drilling of production wells. With commencement of production in the Garrow Field, the production scale of the entire Tors fields will reach 15,000 barrels per day (the Sojitz equity portion of which is 2,200 barrels per day). Meanwhile, Sojitz has working interests in the Gryphon and Gryphon South oil fields in the North Sea off the UK, which oil fields are in production. The oil produced is sold to the international oil majors (majors) in the UK and France. The Sojitz equity portion of the production output from the entire North Sea fields is 4,900 barrels of crude oil equivalent per day for both the gas and oil fields.

Further, Sojitz has undertaken production of crude oil in Qatar through Qatar Petroleum Development Co., Ltd. (QPD; Head office: Minato-ku, Tokyo; President Keiichiro Okabe; 14.2% stake held by Sojitz), a joint venture between Sojitz and Cosmo Oil Co., Ltd. The crude oil produced will be shipped from Halul Island in Qatar as Qatar Marine Crude Oil and the entire volume will be brought into Cosmo Oil refineries. The initial production volume will be 6,000 barrels per day (800 barrels per

day of the Sojitz equity portion), and a peak production volume of 10,000 barrels per day (1,400 barrels per day of the Sojitz equity portion) is expected to be reached by March 2008 as a result of additional development.

In 2005, a total of 28 blocks of crude oil and gas fields in the Gulf of Mexico, in which Sojitz has working interests, were visited by hurricanes and operations were brought to a partial standstill. Currently, operations are fully restored. In addition to the investments in upstream interests in oil and gas fields, Sojitz takes the approach of deriving oil and gas businesses in a complex manner and expanding such businesses; from investment in and loans to oil and gas production facilities such as FPSO (Floating Production Storage Offloading system) and rigs (drilling equipment), sales of petroleum and gas through the company's subsidiaries in Japan and overseas, and to trading to downstreams. Sojitz continues to fully utilize the experience, techniques and human resources that it has cultivated to date, and will carry out business development in the field of energy resources in a more aggressive manner.

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