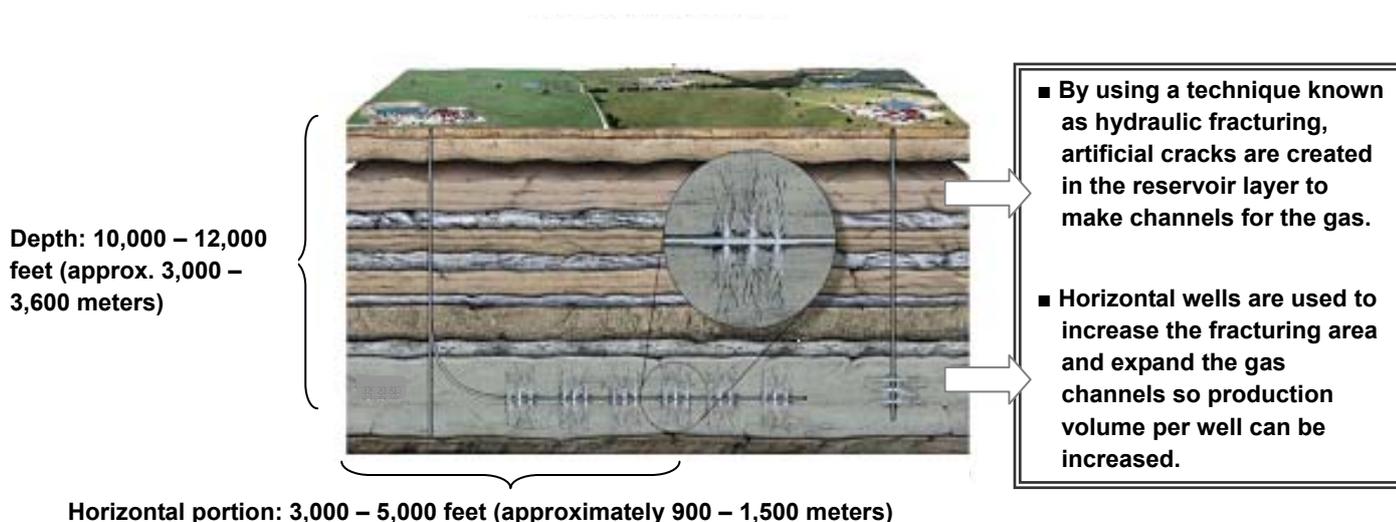


June 16, 2010

Sojitz Corporation

Sojitz Accelerates Development of Tight-Sand Gas and Shale Gas in Texas Horizontal Drilling Used to Develop Deep Layers and Expand Production of Unconventional Gas

Sojitz Corporation, through its Delaware-based, wholly-owned subsidiary Sojitz Energy Venture, Inc., will begin horizontal drilling to double production at the Carthage onshore gas block, which is located in northeast Texas in the United States. Sojitz Energy Venture, an oil and gas upstream development company and business operator, currently produces 9 million cubic feet of tight-sand gas per day (equivalent to 1,500 barrels of crude oil) from the Carthage block.



Conceptual illustration of horizontal drilling and hydraulic fracturing

Source: Canadian Society for Unconventional Gas

Sojitz has developed gas at the Carthage block using vertical drilling, but it will increase production volume per well and raise production efficiency by using horizontal drilling. Horizontal drilling from Well No. 1 began in May 2010, and an additional 6 million cubic feet of gas per day is expected by August of this year, bringing total production to 15 million cubic feet per day (equivalent to 2,500 barrels of crude oil).

The Carthage onshore gas block is an unconventional tight-sand gas development block that Sojitz acquired in July 2007 and is thought to have reserves in excess of 90

billion cubic feet (equivalent to 15 million barrels of crude oil). Also, in addition to the tight-sand gas layer, the presence of a broad shale gas layer in a deeper layer of the block has been confirmed. Sojitz is currently conducting test drilling to confirm the extent of the shale gas layer, and flow tests have confirmed the potential for good productivity. Sojitz plans to use horizontal drilling in the deep shale gas layer too, doubling daily gas production to 20 million cubic feet (equivalent to 3,300 barrels of crude oil) in the future.

Sojitz plans to invest 3.0 billion yen in tight-sand gas and shale gas production at the Carthage gas block this year and will proceed with further development in the future.



Map of the Carthage Gas Block in Texas, USA

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