



October 18, 2017

Press Release

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Announcement Concerning the Transfer of the upstream business in the UK North Sea

Idemitsu Kosan Co.,Ltd. (the “Company”) hereby announces that the Company decided in the board of directors meeting on October 17, to transfer the entire issued share capital of our consolidated subsidiary Idemitsu Petroleum UK Ltd. (Head Office: London, UK, Management Director: Shogo Hirahara, “IPUK”) to Rockrose Energy PLC (Head Office: London, UK, Chairman: Andrew Austin, “Rockrose”).

1. The reason for the transfer of business

The Company acquired IPUK in 2009, originally intended for establishing new business base in UK North Sea in addition to already established Norwegian North Sea, to further expand business in the region. IPUK currently produces approximately 5,000 barrels/day (net share basis).

The Company is reorganizing whole upstream portfolio in consideration of long term business environment, and decided to transfer the entire issued share capital of IPUK to Rockrose.

2. Outline of the transfer of business

(1) Outline of IPUK

(1) Name	Idemitsu Petroleum UK Ltd.	
(2) Location	Halton House, 5th Floor, 20 – 23 Holborn, London, EC1N 2JD, United Kingdom	
(3) Representative	Shogo Hirahara, Management Director	
(4) Main Business Activities	Exploration, production and sale of petroleum and gas in the United Kingdom	
(5) Capital	156,000,368 U.S. dollars and 1,000 British pounds	
(6) Date established	October 29, 1990	
(7) Relationship between the Company and IPUK	Capital relations	The Company owns 100% of IPUK stock (ordinary shares: 156,000,368 shares, deferred shares: 1,000 shares).
	Personal relations	IPUK director is the secondee from Idemitsu.
	Business relations	The Company provides loan transactions of funds and in-house business services through a cash management system for IPUK.

(2) Business to be transferred

Petroleum exploration and production operations in the UK North Sea

(3) Method of the business transfer

The transfer of all IPUK stocks to Rockrose will be carried out.

However, the implementation of the business transfer is subject to the approval of the United Kingdom’s government.

3. Outline of the destined company for the business transfer

(1) Name	Rockrose Energy PLC	
(2) Address	C/O Cooley Services Limited, Dashwood, 69 Old Broad Street, London, EC2M 1QS, United Kingdom	
(3) Representative	Andrew Austin, Executive Chairman & Director	
(4) Main Business Activities	Exploration, production and sale of oil and gas in the United Kingdom	
(5) Capital	2 million British pounds (at the end of December 2016)	
(6) Date established	July 1, 2015	
(7) Relationship between the listed company and the concerned company	Capital relations	There is no relevant information.
	Personal relations	There is no relevant information.
	Business relations	There is no relevant information.
	Related parties to the relevant situation	There is no relevant information.

4. Schedule

(1) Date of board of directors decision	October 17, 2017
(2) Date of conclusion of contract	October 17, 2017
(3) Date of implementation of the business transfer	Undecided*

*Note: The implementation of the business transfer is subject to the approval of the United Kingdom's government.

5. Future prospects

Due to the date of the implementation of the business transfer being undecided as mentioned above, the influence on our company's consolidated performance for this term is pending at the present time. Furthermore, an extraordinary income is expected to be recorded in our company's consolidated performance when the business transfer is implemented, but if there is a development of facts concerning this situation that ought to be released, we will disclose them promptly.