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This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered as the primary version.

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US Gulf of Mexico, Entrada Oil/Natural Gas Project

CIECO Energy US Limited (Delaware, USA), a 100% owned subsidiary of ITOCHU Corporation, acquired a 50% working interest in the Entrada Field (Garden Banks Blocks 738, 782, 785, 826, and 827) and entered into the project in April 2008. During the course of the operation, drilling of a development well for the Entrada Field started in August 2008 and the well reached target formation on November 22, 2008. We are disappointed to announce that after reconsidering the project economics based on the information both already in hand and newly acquired from the drilling operation, a decision was made to abandon this well and suspend the current development program.

At present, we have contributed approximately US\$350 million to this project.

We plan to reevaluate the accumulated data to decide our future plan for this project such as sales of the interest of the Field, redevelopment of the Field or withdrawal from the project.

As the future plan is not established at this moment, the aggregate contribution to the project is yet to be finalized and thus, the impact to our company's performance is now under consideration.