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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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ITOCHU Corporation  
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### **Regarding the Loss relating to US Gulf of Mexico, Entrada Oil/Natural Gas Project**

ITOCHU Corporation (hereinafter "ITOCHU") announced today that it recorded a loss relating to the Entrada Oil/Gas Field (Garden Banks Block 738, 782, 785, 826, 827), which CIECO Energy US Limited (hereinafter "CIECO US") (Delaware, USA), 100% owned subsidiary of ITOCHU, holds through CIECO Energy Entrada LLC (Delaware, USA), 100% owned subsidiary of CIECO US, in the Financial Statement for the Third Quarter of FY 2009 (from October 1, 2008 through December 31, 2008).

#### **1. Present Situation**

As we announced in our previous press release "US Gulf of Mexico, Entrada Oil/Natural Gas Project" on December 1, 2008, we suspended the then current development program. At present, we are still evaluating the economic value of this field and a way forward, whether to sell the interests in this field or to go dormant, has not yet been decided. However, most of the expenditures to date are expected to be unrecoverable, and moreover, additional expenditures are likely. Therefore, ITOCHU has recorded the following losses in the Consolidated Financial Statement for the Third Quarter of FY 2009 based on the expenditures already incurred and estimated additional expenditures to be incurred in the future.

#### **2. Recognition of Loss**

For the impairment of the asset that CIECO US possesses and the estimated additional expenditure, a loss of 26.6 billion yen as "Loss on property and equipment-net" and 10.5 billion yen as "Other-net" was recorded, adding up to a total of 37.1 billion yen loss before tax. A loss on a net tax basis is 21.9 billion yen.

#### **3. Consolidation results forecast for FY 2009**

Please refer to the "Consolidated Financial Results for the Third Quarter of Fiscal Year 2009 ending March 31, 2009" announced today for further details.