

November 2, 2016

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Notice of Transfer of Shares in Consolidated Subsidiary

Mitsubishi Corporation (MC) hereby announces that 100% of all outstanding stock held in its consolidated subsidiary Cordova Gas Resources Ltd. (CGR) will be transferred to Penn West Petroleum Ltd. (Penn West). The decision was taken at the company's Board of Directors meeting on October 31, 2016.

1. Reason for Share Transfer

In 2010, MC acquired a 50% stake in shale gas assets owned by Penn West in the Cordova Embayment area of northeastern British Columbia with a view to supplying shale gas to its project for gas exports from Western Canada through CGR. Shale gas production subsequently began in October 2011, currently reaching daily production levels of roughly 30 million cubic feet (approximately 220 thousand tons of LNG per year). However, in keeping with Midterm Corporate Strategy 2018, its current management strategy, MC has been taking steps to establish a more robust portfolio, including a careful rebalancing of assets. This, coupled with a review of the outlook for natural gas prices in Western Canada and an assessment of the potential for achieving economic efficiency in the Cordova endeavor, led to the conclusion that transferring its shares to project operators Penn West would be the optimal course of action.

2. Outline of Subsidiary to Be Transferred

■ Cordova Gas Resources Ltd.

(1)	Company Name	Cordova Gas Resources Ltd.
(2)	Head Office	Calgary, Alberta, Canada
(3)	Representative	Koichi Wada, President and Secretary
(4)	Main Business	Development and production of natural gas centered on shale gas in the Cordova Embayment area of British Columbia, Canada
(5)	Capital	JPY 21.3 billion (CAD 273 million; 1 CAD = 78.1 JPY, as of October 31, 2016)
(6)	Date Established	August 2010
(7)	Main Shareholders and Share Ownership Ratio	Mitsubishi Corporation, 100%

(8)	Relationship with Subsidiary	Capital	Listed company holds 100% of voting rights in subsidiary.	
		Personnel	Listed company has dispatched two (2) executives to serve at subsidiary.	
		Business Transactions	None	
(9)	Subsidiary's consolidated business performance an consolidated financial status for the three most recent years(IFRS) Unit : JPY 1,000,000 *			
		Notation for ordinary income not included, in keeping with IFRS requirements *		
	Reporting Period for Year Ended:	December 2013	December 2014	December 2015
	Net Assets	4,360	-40,484	-40,410
	Total Assets	51,917	10,419	4,165
	Net Assets Per Share (JPY)	66	-611	-610
	Sales	2,508	2,645	1,410
	Operating Profit	-8,390	-41,769	-8,205
	Net Income	-8,894	-42,422	-8,995
	Net Income Per Share (JPY)	-134	-640	-136
	Dividend Per Share (JPY)	0	0	0

* Note: 1) Operating profits is including in MC's financial statements (IFRS)
2) Foreign exchange rate figures are based on the conversion rates at the time of reporting

3. Outline of Purchaser (as of October 31, 2016)

(1)	Company Name	Penn West Petroleum Ltd.	
(2)	Headquarters	Calgary, Alberta, Canada	
(3)	Representative	President and CEO David French	
(4)	Main Business	Development and production of shale gas in Canada	
(5)	Capital	CAD 8,995 million	
(6)	Date Established	January 2011	
(7)	Consolidated Net Assets	CAD 2,707 million	
(8)	Consolidated Total Assets	CAD 4,894 million	
(9)	Main Shareholders and Share Ownership Ratio	Nondisclosure	
(10)	Relationship with Listed Company	Capital	None
		Personnel	None
		Business Transactions	None
		Status of Related Parties	Not Applicable

4. Details Regarding Value and Number of Shares Held Before and After Transfer

■ Cordova Gas Resources Ltd.

(1)	Number of Shares Held Before Transfer	66,300,001 (Total No. of Voting Rights: 66,300,001) (Voting Rights Ratio: 100.0%)
(2)	Number of Shares Transferred	66,300,001 (Total No. of Voting Rights: 66,300,001)
(3)	Number of Shares Held After Transfer	0 (Total No. of Voting Rights: 0) (Voting Rights Ratio: 0%)

Note: The disposition price cannot be disclosed due to confidentiality agreements with the transferee, but an appropriate figure was agreed upon in negotiations between the parties on the basis of the data contained in official financial statements certified as of June 30, 2015.

5. Schedule

(1)	Date of Meeting of the Board of Directors	September 16, 2016
(2)	Date of Execution of Share Transfer Agreement	October 7, 2016
(3)	Date of Transfer of Shares	October 31, 2016

6. Business Outlook

The current transaction is expected to have negligible impact on MC's overall business.