

# Financial and Operating Highlights

INPEX CORPORATION and Consolidated Subsidiaries

Years ended March 31,	2007	2008	2009	2010	2011	2011 (U.S. dollars)
<b>Results of Operations</b>						
Net sales (Millions of yen / Thousands of U.S. dollars *1)	¥ 969,713	¥ 1,202,965	¥ 1,076,165	¥ 840,427	¥ 943,080	\$ 11,341,912
Gross profit (Millions of yen / Thousands of U.S. dollars *1)	625,918	812,411	757,127	542,259	608,247	7,315,057
Operating income (Millions of yen / Thousands of U.S. dollars *1)	559,077	714,211	663,267	461,668	529,743	6,370,932
Net income (Millions of yen / Thousands of U.S. dollars *1)	165,092	173,246	145,063	107,210	128,699	1,547,793
EBIDAX (Earnings before interest, depreciation and amortization and exploration) *2 (Millions of yen / Thousands of U.S. dollars *1)	321,790	382,654	275,871	242,543	274,931	3,306,446
<b>Financial Position</b>						
Total assets (Millions of yen / Thousands of U.S. dollars *1)	¥ 1,608,107	¥ 1,807,901	¥ 1,768,045	¥ 2,013,778	¥ 2,680,380	\$ 32,235,478
Net assets excluding minority interests *3 (Millions of yen / Thousands of U.S. dollars *1)	1,028,895	1,157,371	1,271,123	1,387,500	1,996,890	24,015,515
Net debt *4 (Millions of yen / Thousands of U.S. dollars *1)	(169,667)	(328,353)	(324,109)	(349,211)	(688,807)	(8,283,909)
<b>Cash Flows</b>						
Cash flows from operating activities (Millions of yen / Thousands of U.S. dollars *1)	¥ 231,982	¥ 363,995	¥ 230,352	¥ 241,373	¥ 274,094	\$ 3,296,380
Cash flows from investing activities (Millions of yen / Thousands of U.S. dollars *1)	(209,243)	(261,767)	(240,168)	(251,812)	(844,511)	(10,156,476)
Cash flows from financing activities (Millions of yen / Thousands of U.S. dollars *1)	13,794	(45,228)	(46,090)	68,937	548,057	6,591,185
Cash and cash equivalents at end of the year (Millions of yen / Thousands of U.S. dollars *1)	189,417	222,270	162,845	216,395	182,025	2,189,116
<b>Per Share Data</b>						
Earnings per share (EPS) (Yen / U.S. dollars *1)	¥ 70,423.45	¥ 73,510.14	¥ 61,601.60	¥ 45,553.56	¥ 40,832.40	\$ 491.07
Net assets per share (Yen / U.S. dollars *1)	436,467.92	491,168.09	540,100.10	589,548.88	546,958.90	6,577.98
Cash dividends per share (Yen / U.S. dollars *1)	7,000.00	7,500.00	8,000.00	5,500.00	6,000.00	72.16
Payout ratio (%)	9.9%	10.2%	13.0%	12.1%	14.7%	14.7%
<b>Financial Indices</b>						
Net debt / Net total capital employed (%) *5	(18.6)%	(36.1)%	(31.2)%	(30.6)%	(48.9)%	(48.9)%
Equity ratio (%) *6	64.0%	64.0%	71.9%	68.9%	74.5%	74.5%
Return on equity (ROE) (%) *7	17.7%	15.8%	11.9%	8.1%	7.6%	7.6%
Net return on average capital employed (Net ROACE) (%) *8	20.4%	21.4%	14.6%	10.5%	10.8%	10.8%
<b>Stock Indices</b>						
Stock price (Yen / U.S. dollars *1)	¥ 1,020,000	¥ 1,110,000	¥ 683,000	¥ 686,000	¥ 631,000	\$ 7,589
Market capitalization (Billions of yen / Millions of U.S. dollars *1)	2,405.6	2,617.8	1,610.8	1,617.9	2,306.8	27,743
Price earnings ratio (PER) (Times)	14.5	15.1	11.1	15.1	15.5	15.5
Price book-value ratio (PBR) (Times)	2.3	2.3	1.3	1.2	1.2	1.2
<b>Operating Data</b>						
Net proved reserves (Million boe) *9	1,770	1,645	1,598	1,475	1,308	1,308
Net production (Thousand boed) *10	418	423	405	405	423	423
Exploration and development expenditures (Millions of yen / Thousands of U.S. dollars *11)	217,646	315,684	294,364	235,721	248,005	2,982,622

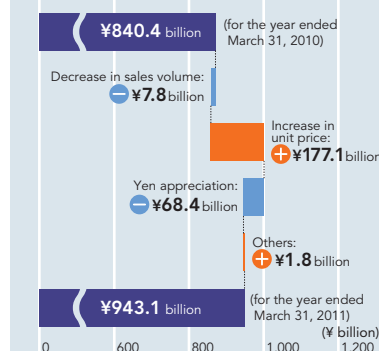
## Net Sales

**¥943.1 billion** ↑

(Up ¥102.7 billion, 12.2% year on year)

Despite a decrease in sales volume of natural gas and the effects of yen appreciation, net sales increased 12.2% year on year, due to oil and gas price increases.

## Net sales analysis



## Net Income

**¥128.7 billion** ↑

(Up ¥21.5 billion, 20.0% year on year)

The 20.0% year-on-year increase was due mainly to the rise in net sales.

## Net income analysis

- Increase in net sales: +¥102.7 billion
- Decrease in exploration expenses and allowance for exploration: +¥3.8 billion
- Increase in cost of sales: -¥36.6 billion
- Increase in income taxes: -¥43.6 billion
- Others: -¥4.8 billion

## Cash Dividends

**¥6,000 per share** ↑

(Increased ¥500 per share year on year)

Including the midterm dividend of ¥3,000 per share, the total cash dividends for the year were ¥6,000 per share (a year-on-year increase of ¥500).

\*1 The translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation only, at ¥83.15 = U.S.\$1.00, the approximate rate of exchange in effect on March 31, 2011.

\*2 EBIDAX = Net income + Minority interests + Deferred tax + (1 - Tax rate) x (Interest expense - Interest income) + Exchange profit and loss + Depreciation and amortization + Amortization of goodwill + Recovery of recoverable accounts under production sharing (capital expenditures) + Exploration expenses + Provision for exploration projects + Provision for allowance for recoverable accounts under production sharing

\*3 Net assets excluding minority interests = Net assets - Minority interests

\*4 Net debt = Interest-bearing debt - Cash and cash equivalents - Time deposits - Public and corporate bonds and other debt securities with determinable value

\*5 Net debt / Net total capital employed = Net debt / (Net assets + Net debt)

\*6 Equity ratio = Net assets excluding minority interests / Total assets

\*7 ROE = Net income / Average of net assets excluding minority interests at the beginning and end of the year

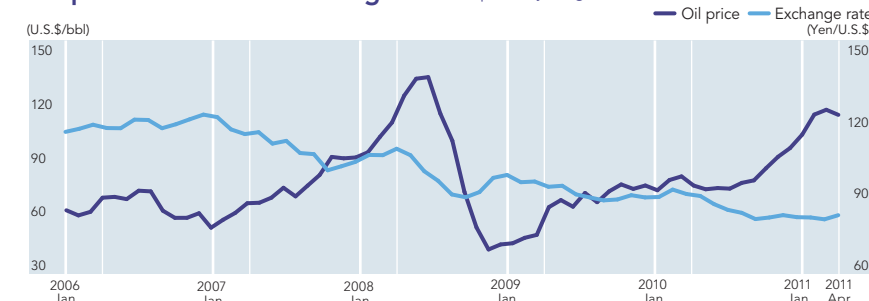
\*8 Net ROACE = (Net income + Minority interests + (Interest expense - Interest income) x (1 - Tax rate)) / (Average of sum of net assets and net debt at the beginning and end of the year)

\*9 The proved reserves are evaluated in accordance with SEC regulations. The reserves cover most of INPEX Group projects including equity method affiliates. The reserves of the projects which are expected to be invested a large amount and affect the company future result materially are evaluated by DeGolyer & MacNaughton, and the others are done internally.

\*10 Production volumes = Production volumes are calculated in accordance with SEC regulations. The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX corresponds to the net economic take of our group.

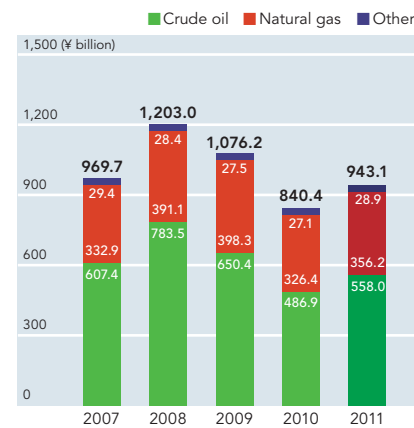
\*11 Exploration and development expenditures = Exploration expenditures + Development expenditures + Acquisition costs

## Oil price (ICE Brent) and exchange rate (Japanese yen against U.S. dollar)

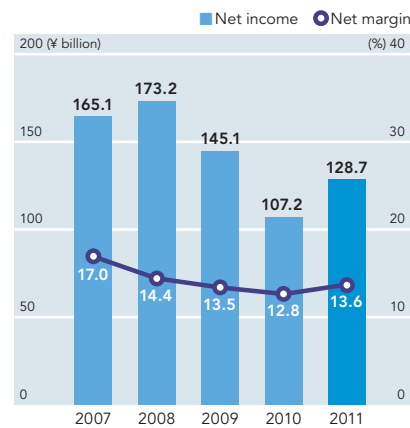


# Financial and Operating Highlights (Graphs)

Net sales (by product)

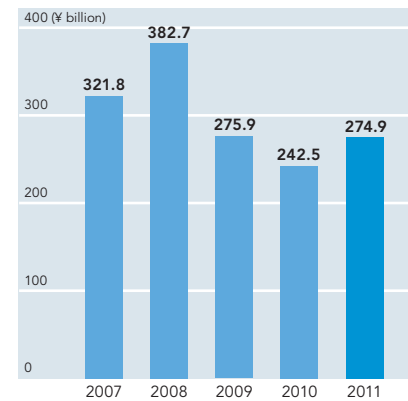


Net income, Net margin

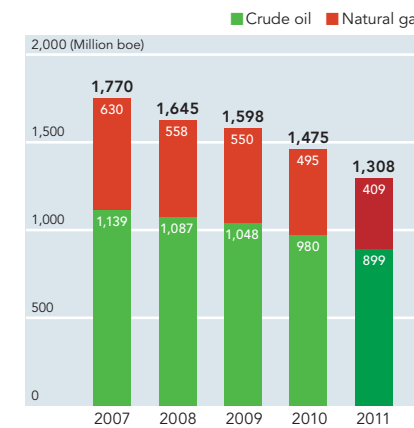


EBIDAX \*1

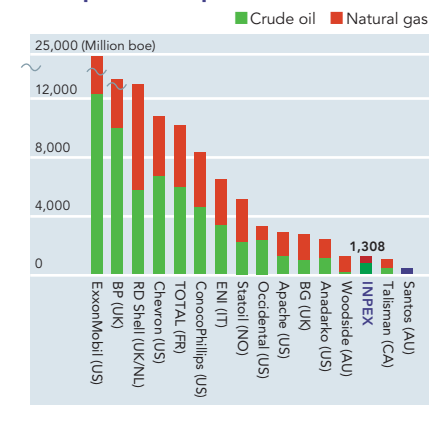
(Earnings before interest, depreciation and amortization and exploration)



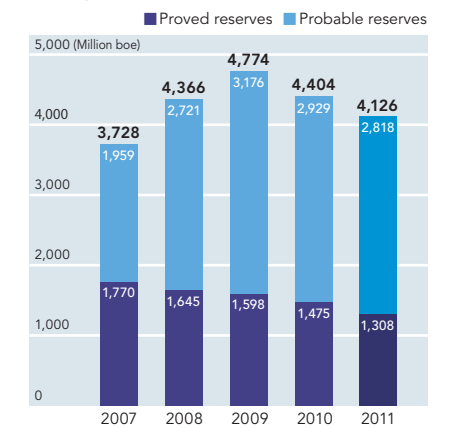
Net proved reserves (by product) \*8



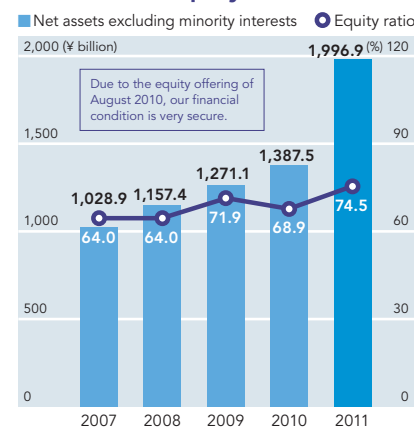
Comparison with global E&P companies in proved reserves \*9



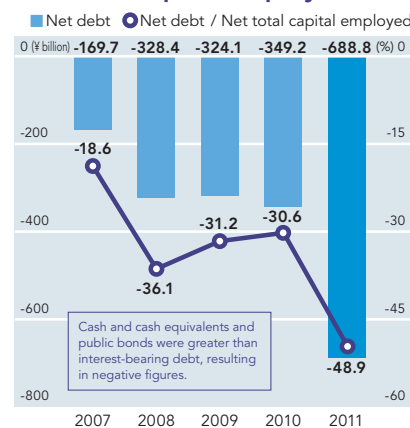
Net proved and probable reserves \*10



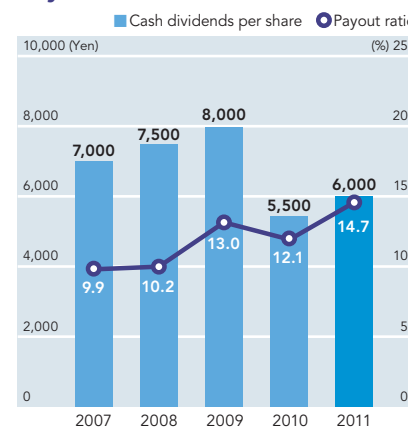
Net assets excluding minority interests \*2, Equity ratio \*3



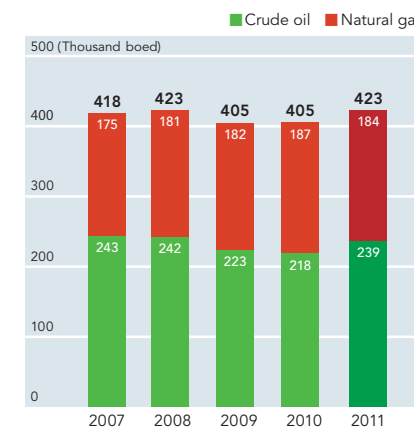
Net debt \*4, Net debt / Net total capital employed \*5



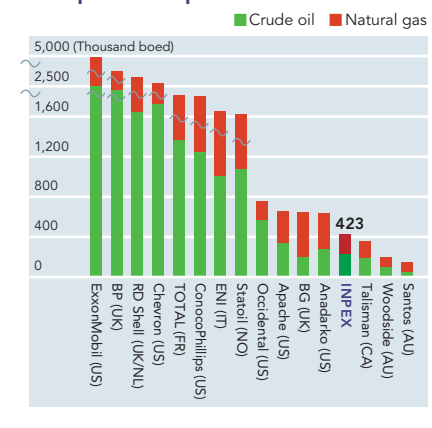
Cash dividends per share, Payout ratio



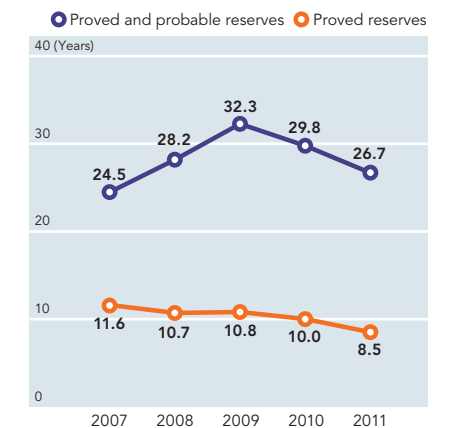
Net production (by product) \*11



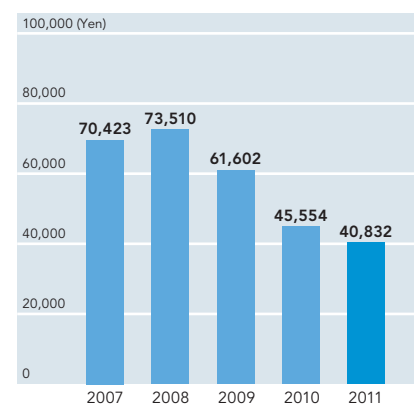
Comparison with global E&P companies in production volume \*12



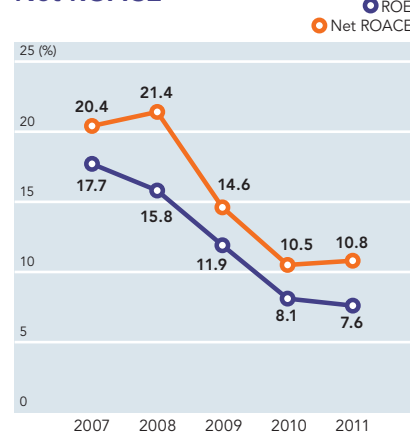
Reserves to production ratio \*13



Earnings per share (EPS)



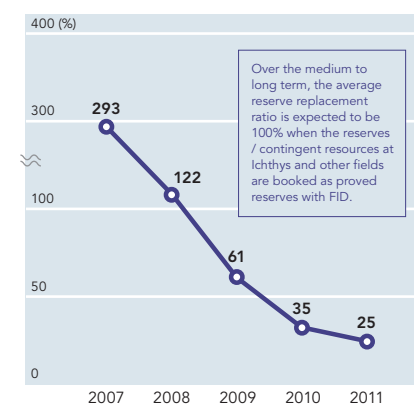
Return on equity (ROE) \*6, Net ROACE \*7



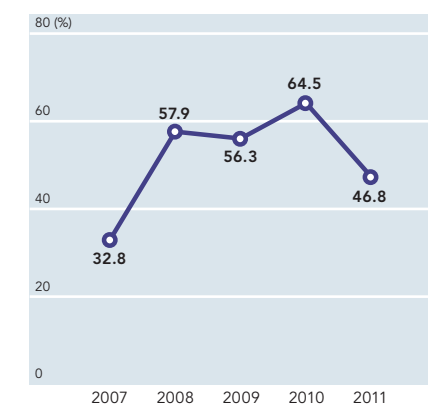
Price earnings ratio (PER)



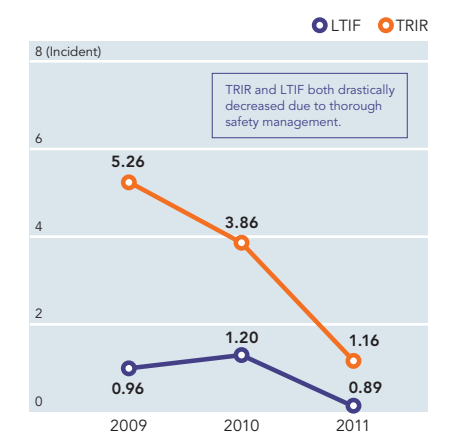
Reserve replacement ratio (3-year average) \*14



Exploration success ratio (3-year average) \*15



LTIF, TRIR \*16



\*1 EBIDAX = Net income + Minority interests + Deferred tax + (1 - Tax rate) x (Interest expense - Interest income) + Exchange profit and loss + Depreciation and amortization + Amortization of goodwill + Recovery of recoverable accounts under production sharing (capital expenditures) + Exploration expenses + Provision for exploration projects + Provision for allowance for recoverable accounts under production sharing  
 \*2 Net assets excluding minority interests = Net assets - Minority interests  
 \*3 Equity ratio = Net assets excluding minority interests / Total assets  
 \*4 Net debt = Interest-bearing debt - Cash and cash equivalents - Time deposits - Public and corporate bonds and other debt securities with determinable value  
 \*5 Net debt / Net total capital employed = Net debt / (Net assets + Net debt)  
 \*6 ROE = Net income / Average of net assets excluding minority interests at the beginning and end of the year  
 \*7 Net ROACE = (Net income + Minority interests + (Interest expense - Interest income) x (1 - Tax rate))

/ (Average of sum of net assets and net debt at the beginning and end of the year)  
 \*8 The proved reserves are evaluated in accordance with SEC regulations. The reserves cover most of INPEX group projects including equity method affiliates. The reserves of the projects which are expected to be invested a large amount and affect the company future result materially are evaluated by DeGolyer & MacNaughton, and the others are done internally.  
 \*9 Reserves Data as of December 31, 2010, except for INPEX (as of March 31, 2011) in accordance with SEC regulations. The reserves cover most of INPEX Group projects including equity method affiliates. The reserves of the projects which are expected to be invested a large amount and affect the company future result materially are evaluated by DeGolyer & MacNaughton, and the others are done internally. Oil reserves include bitumen and synthetic oil. Government-owned companies are not included. Santos does not disclose proved reserves by products.  
 \*10 Probable reserves as of March 31, 2008, 2009, 2010 and 2011 are calculated in accordance with SPE/WPC/AAPG/SPEE guideline (SPE - PRMS) approved in March 2007. The volumes are sum of

proved reserves and probable reserves by SPE - PRMS after deduction of proved reserves by SEC regulations. Probable reserves as of March 31, 2007 are calculated in accordance with the guideline established by SPE and WPC (1997 SPE/WPC). The volumes are sum of proved reserves and probable reserves by 1997 SPE/WPC after deduction of proved reserves by SEC regulations. The proved reserves are evaluated in accordance with SEC regulations. The reserves cover most of INPEX group projects including equity method affiliates. The reserves of the projects which are expected to be invested a large amount and affect the company future result materially are evaluated by DeGolyer & MacNaughton, and the others are done internally. Reserve volumes of Joslyn oil sand project (mining) as of March 31, 2008 are based on the evaluation by RYDER SCOTT.  
 \*11 Production volumes are calculated in accordance with SEC regulations. The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX corresponds to the net economic take of our group.  
 \*12 Production data for the year ended December 31, 2010, except for INPEX (for the year ended March 31, 2011). Production figures are in accordance with SEC regulations. Amounts attributable

to the equity method are included. Government-owned companies are not included. Oil production includes bitumen and synthetic oil.  
 \*13 Reserves to production ratio (Years) = Reserves as of the end of the year / Production in the year  
 \*14 Reserve replacement ratio (3-year average) = Proved reserves increase including acquisition / production  
 \*15 Exploration success ratio (3-year average) = The number of net productive exploratory wells drilled / The number of net exploratory wells drilled  
 Exploratory well: An exploratory well is a well drilled to find a new field, to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir or to extend the limits of a known reservoir.  
 \*16 LTIF: Rate of injuries resulting in fatalities or lost time per million hours worked  
 TRIR: Rate of recordable injuries (fatalities, lost time, restricted workdays, and medical treatment) per million hours worked