

Special Report 1: Ichthys LNG Project

Ichthys LNG Project

The Ichthys LNG Project is the first large-scale LNG project undertaken by a Japanese company as an operator. The target for FID is Q4 2011, and the production start target is Q4 2016.

One of two large-scale LNG projects in which INPEX is currently engaged, Ichthys is an enormous gas and condensate field discovered in 2000 by us about 200 km offshore from Western Australia. We will build offshore production facilities, an 889-km subsea gas export pipeline and an onshore LNG plant, with production targeted for Q4 2016.

Production volume (expected):	LNG 8.4 million tons/year LPG 1.6 million tons/year Condensate approx. 100,000 bbl/d (peak rate)
FID target:	Q4 2011
Production start target:	Q4 2016
Interest owned:	INPEX 76%, TOTAL 24%
Project status:	Preparation for development



At the offshore rig

Project History

INPEX participated in an open bid conducted by the Australian Federal Government for the WA- 285-P block, which is located off the coast of Western Australia about 200 km from the Kimberley region. In August 1998 we acquired the exploration permit for this block. In the first drilling campaign, three exploratory wells were drilled and discovered the presence of gas and condensate from March 2000. We then conducted a 3-D seismic survey. A second drilling campaign began in 2003, and three exploratory wells were drilled that resulted in confirmation of the extent of gas and condensate. Further wells were drilled beginning in 2007. Through these endeavors, we confirmed sufficient recoverable reserves of gas and condensate for commercial development.

Environmental Impact Survey and Contribution to Regional Communities

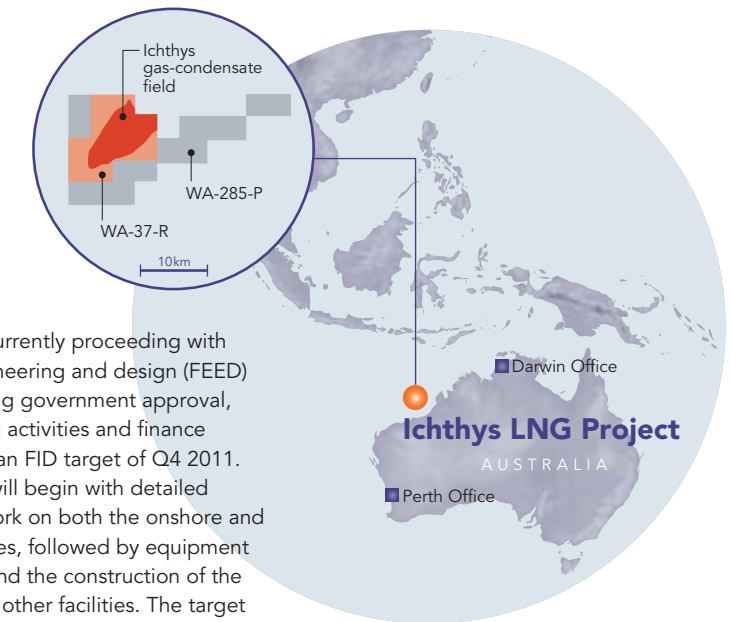
INPEX is working closely with the Australian Federal and Northern Territory Governments and other Australian stakeholders, as well as people associated with the project, to ensure that the Ichthys Project proceeds as planned.

About the Environmental Impact Survey

INPEX is conducting an environmental impact survey in accordance with guidelines established by the Australian Federal and Northern Territory Governments to assess the impact of aspects of the Ichthys Project. These included the environmental impacts of the offshore processing and production facilities, the subsea pipeline and the planned LNG plant (near Darwin in Australia's Northern Territory). We submitted a draft Environmental Impact Statement (EIS) summarizing these activities to both governments in April 2010. This report was submitted for public review during the period July–September 2010, and the opinions of a variety of stakeholders were taken, focusing on those in the Darwin area where the LNG plant will be built. By June 2011, INPEX had been granted environmental approval for the Ichthys Project from the ministers of the Australian Federal and Northern Territory environmental agencies based on the EIS.

We are currently proceeding with front-end engineering and design (FEED) activity, securing government approval, LNG marketing activities and finance activities, with an FID target of Q4 2011. After FID, we will begin with detailed engineering work on both the onshore and offshore facilities, followed by equipment procurement and the construction of the LNG plant and other facilities. The target date for production startup is Q4 2016.

In August 2006, INPEX was granted Major Project Facilitation status for the Ichthys Project by the Federal Minister for Industry, Tourism and Resources. This status recognizes the fact that this project would contribute to the long-term economic development of Australia.



The name "Ichthys," which means "fish" in ancient Greek, is derived from the many fossilized fish that were discovered in onshore areas in close proximity to the block.

Support for Local Communities

In proceeding with the Ichthys Project, INPEX places great importance on communications with local communities and building a relationship of mutual understanding with the indigenous people of the project area. INPEX seeks to be considered as a trusted corporate citizen, and therefore we do our utmost to deepen communications with people in local communities.

In the case of the Ichthys Project, our efforts include providing vocational training opportunities for young people, such as local indigenous peoples, through the donation of approximately AUD2 million for the construction of the Larrakia Trade Training Centre. The goal of the school, which opened in April 2011, is to enable students to earn qualifications that will help them develop their careers, and currently 300 students are enrolled to learn professional skills. In addition, INPEX donated to those affected by the Queensland floods.



Environmental Assessment Report
Please refer details on : <http://www.inpex.com.au/>



Larrakia Trade Training Centre

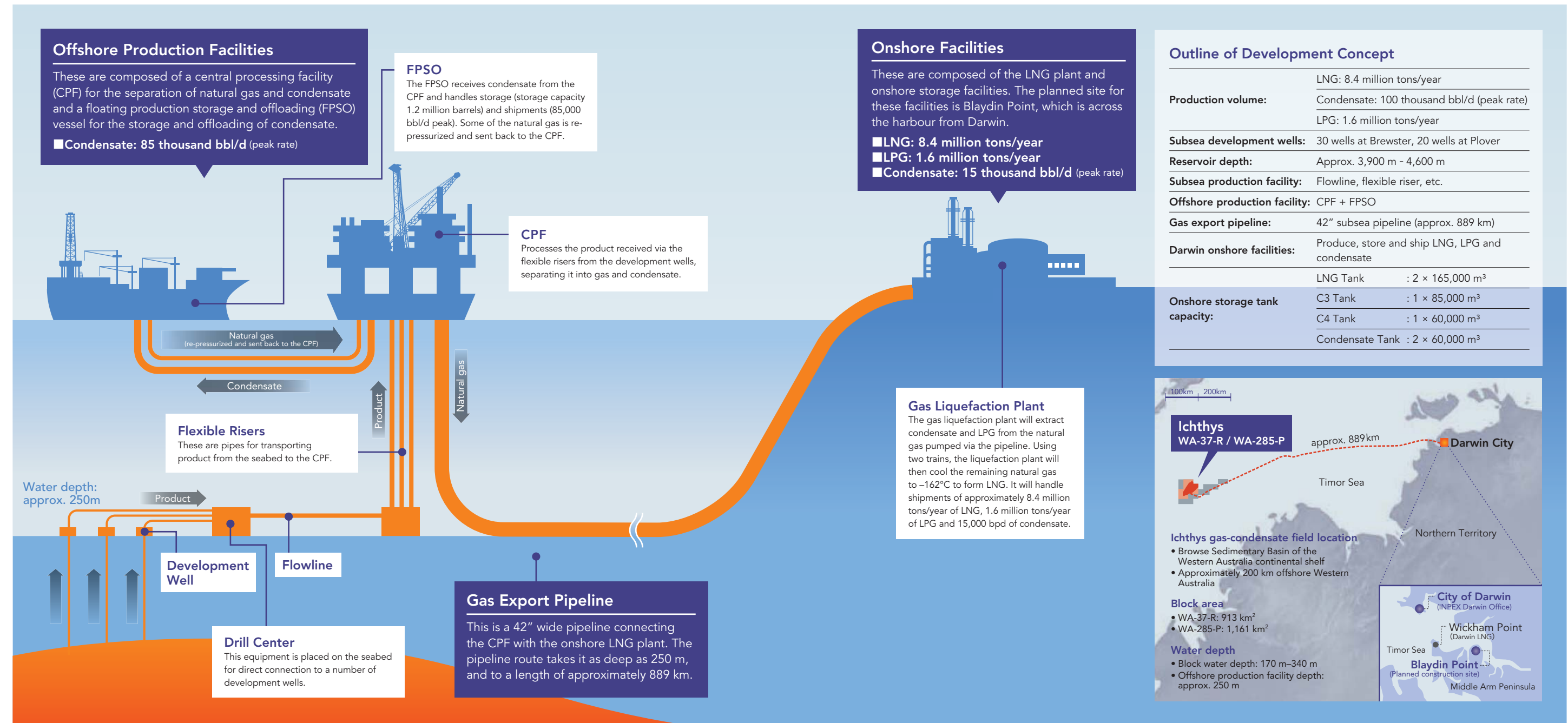


Students and INPEX Chairman Kuroda at the Larrakia Trade Training Centre

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Project Development Concept



Project History

