

Long-Term Growth in Global Energy Demand

Global energy demand is expected to further grow in conjunction with the economic development of emerging economies. As resource competition becomes more intense, securing and providing stable supplies of energy will become increasingly important.

Our oil and gas reserves and production volume are the largest among Japanese E&P companies, contributing to the stable and efficient supply of energy

Our reserves (proved + probable) stood at approximately 4.26 billion boe as of March 31, 2012, and net production for the year ended March 31, 2012, was approximately 426 Mboed. These figures are the largest of any Japanese E&P company, and internationally INPEX ranks among the mid-tier global E&P companies, just after the oil majors.

Net production volume

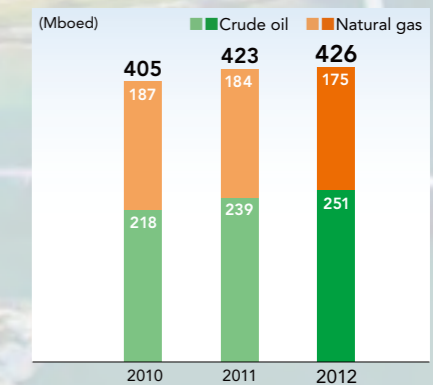


Photo: Bontang LNG Plant, Indonesia

Focusing on a “Shift to Natural Gas” and “Renewable Energy”

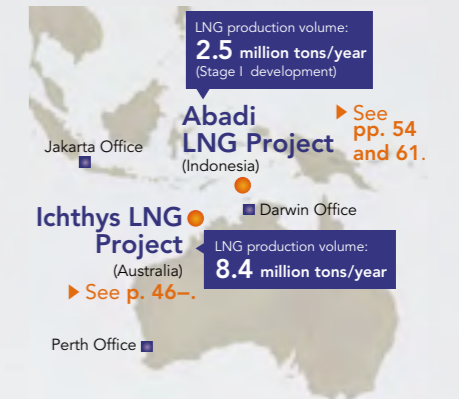
Japan is being forced to revise its energy policy in the wake of its nuclear power plant problems, and both natural gas and renewable energy are in focus because of their importance in achieving an optimal mix of energy resources in terms of safety and environmental impact.

Making Progress in Two Large-Scale LNG Projects

Ichthys (Australia) and Abadi (Indonesia), large-scale gas fields currently operated by INPEX, will produce more than 10% of Japan’s annual LNG import volume in total and will form an important source for meeting expanding energy demand.

INPEX will also use the technologies it has cultivated in oil and gas exploration and drilling in its initiatives to commercialize renewable geothermal energy.

Ichthys and Abadi LNG projects



▶ See pp. 54 and 61.

▶ See p. 46--.

Perth Office ■

Photo: Drilling rig in offshore Western Australia

Dynamic Changes in the Energy Development Industry

An issue faced by the energy development industry is how to continuously make large-scale investments over the long term while minimizing various risks.

Conducting **74** projects in **27** countries for a balanced portfolio

INPEX conducts 74 projects in 27 countries, mainly in Asia and Oceania. We avoid an excessive presence in any specific region and seek to maintain a balanced asset portfolio.

Number of overseas projects (As of June 30, 2012)

▶ See pp. 56-57.



Photo: Kashagan oil field, Kazakhstan



Consolidated net sales
¥1,186.7 billion

Consolidated net income
¥194.0 billion

Consolidated net sales for the year ended March 31, 2012, increased 25.8% to ¥1,186.7 billion and consolidated net income increased 50.7% to ¥194.0 billion due to the rise in oil and gas prices. Cash dividends per share were ¥7,000, an increase of ¥1,000 over the previous fiscal year.

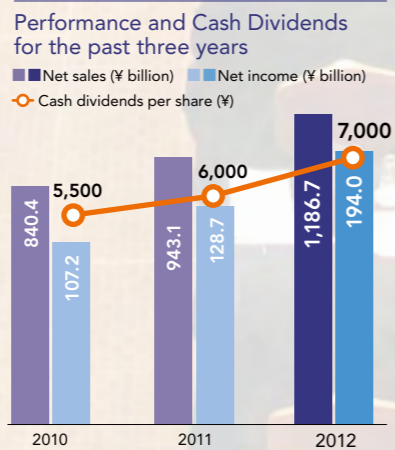


Photo: Financial results presentation for the six months ended September 30, 2011 (held in November 2011)

Achieve net production volume of 1 MMboed by the early 2020s

Three targets for sustainable growth to achieve by the early 2020s were established in May 2012 as the Medium- to Long-Term Vision of INPEX.

▶ See pp. 42-43.

Three Growth Targets

1 Continuous Enhancement of Our E&P Activities

Achieve net production volume of 1 MMboed by the early 2020s

2 Strengthening Our Gas Supply Chain

Achieve domestic gas supply volume of 2.5 billion m³/year by the early 2020s (3.0 billion m³/year in the long term)

3 Reinforcement of Our Renewable Energy Initiatives

Promote efforts to commercialize renewable energies and reinforce R&D activities for the next generation



Photo: Minami-Nagaoka gas field (gas test)

Responsible Management

INPEX conducts strong CSR management including the corporate governance necessary to become a leading oil and gas E&P company. INPEX has endorsed the UN Global Compact, will establish an Advisory Board and has taken other effective measures to ensure responsible management.

- ▶ See p. 75— for our CSR.
- ▶ See p. 85— for our corporate governance.

Photo: Blaydin Point, Northern Territory, Australia (Ichthys LNG Project)