



# Performance / Message

Financial and Operating Highlights.....	014
Financial and Operating Highlights (Graphs).....	016
Major Business Topics.....	018
Greetings from the Representative Directors.....	020
Message from the President.....	022



E&P Series 1  
Core samples

# Financial and Operating Highlights

INPEX CORPORATION and Consolidated Subsidiaries  
As of or years ended March 31  
Please refer to p. 96 for notes of major indices.

	2007	2008	2009	2010	2011	2012	2012 (U.S. dollars)
<b>Results of Operations</b>							
Net sales (Millions of yen / Thousands of U.S. dollars)	¥ 969,713	¥ 1,202,965	¥ 1,076,165	¥ 840,427	¥ 943,080	¥ 1,186,732	\$ 14,447,675
Gross profit (Millions of yen / Thousands of U.S. dollars)	625,918	812,411	757,127	542,259	608,247	791,289	9,633,419
Operating income (Millions of yen / Thousands of U.S. dollars)	559,077	714,211	663,267	461,668	529,743	709,358	8,635,963
Net income (Millions of yen / Thousands of U.S. dollars)	165,092	173,246	145,063	107,210	128,699	194,001	2,361,833
EBIDAX (Earnings before interest, depreciation and amortization and exploration) (Millions of yen / Thousands of U.S. dollars)	321,790	382,654	275,871	242,543	274,931	362,597	4,414,378
<b>Financial Position</b>							
Total assets (Millions of yen / Thousands of U.S. dollars)	¥ 1,608,107	¥ 1,807,901	¥ 1,768,045	¥ 2,013,778	¥ 2,680,380	¥ 3,066,398	\$ 37,331,361
Net assets excluding minority interests (Millions of yen / Thousands of U.S. dollars)	1,028,895	1,157,371	1,271,123	1,387,500	1,996,890	2,179,252	26,530,947
Net debt (Millions of yen / Thousands of U.S. dollars)	(169,667)	(328,353)	(324,109)	(349,211)	(688,807)	(874,116)	(10,641,782)
<b>Cash Flows</b>							
Cash flows from operating activities (Millions of yen / Thousands of U.S. dollars)	¥ 231,982	¥ 363,995	¥ 230,352	¥ 241,373	¥ 274,094	¥ 320,692	\$ 3,904,212
Cash flows from investing activities (Millions of yen / Thousands of U.S. dollars)	(209,243)	(261,767)	(240,168)	(251,812)	(844,511)	(280,864)	(3,419,333)
Cash flows from financing activities (Millions of yen / Thousands of U.S. dollars)	13,794	(45,228)	(46,090)	68,937	548,057	29,294	356,635
Cash and cash equivalents at end of the year (Millions of yen / Thousands of U.S. dollars)	189,417	222,270	162,845	216,395	182,025	249,233	3,034,247
<b>Per Share Data</b>							
Earnings per share (EPS) (Yen / U.S. dollars)	¥ 70,423.45	¥ 73,510.14	¥ 61,601.60	¥ 45,553.56	¥ 40,832.40	¥ 53,137.93	\$ 646.92
Net assets per share (Yen / U.S. dollars)	436,467.92	491,168.09	540,100.10	589,548.88	546,958.90	596,908.99	7,266.97
Cash dividends per share (Yen / U.S. dollars)	7,000.00	7,500.00	8,000.00	5,500.00	6,000.00	7,000.00	85.22
Payout ratio (%)	9.9%	10.2%	13.0%	12.1%	14.7%	13.2%	13.2%
<b>Financial Indices</b>							
Net debt / Net total capital employed (%)	(18.6)%	(36.1)%	(31.2)%	(30.6)%	(48.9)%	(60.7)%	(60.7)%
Equity ratio (%)	64.0%	64.0%	71.9%	68.9%	74.5%	71.1%	71.1%
Return on equity (ROE) (%)	17.7%	15.8%	11.9%	8.1%	7.6%	9.3%	9.3%
Net return on average capital employed (Net ROACE) (%)	20.4%	21.4%	14.6%	10.5%	10.8%	16.0%	16.0%
<b>Stock Indices</b>							
Stock price (Yen / U.S. dollars)	¥ 1,020,000	¥ 1,110,000	¥ 683,000	¥ 686,000	¥ 631,000	¥ 559,000	\$ 6,805
Market capitalization (Billions of yen / Millions of U.S. dollars)	2,405.6	2,617.8	1,610.8	1,617.9	2,306.8	2,043.6	2,487.9
Price earnings ratio (PER) (Times)	14.5	15.1	11.1	15.1	15.5	10.5	10.5
Price book-value ratio (PBR) (Times)	2.3	2.3	1.3	1.2	1.2	0.9	0.9
<b>Operating Data</b>							
Net proved reserves (MMboe)	1,770	1,645	1,598	1,475	1,308	2,432	2,432
Net production (Mboed)	418	423	405	405	423	426	426
Exploration and development expenditures (Millions of yen / Thousands of U.S. dollars)	217,646	315,684	294,364	235,721	248,005	243,531	2,964,828

## Net Income

**¥194.0 billion** ↑  
(Up ¥65.3 billion, 50.7% year-on-year)

Despite a decrease in sales volume of natural gas and the effects of yen appreciation, net income increased 50.7% year-on-year to ¥194.0 billion owing to an increase in net sales of ¥243.6 billion due to oil and gas price increases.

## Net Income Analysis



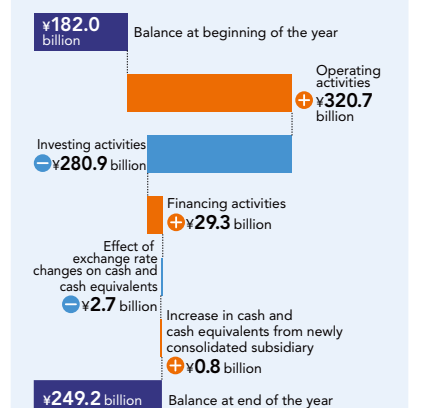
## Cash Flows

(Cash and cash equivalents at end of the year)  
**¥249.2 billion** ↑  
(Up ¥67.2 billion, 36.9% year-on-year)

Net cash provided by operating activities for the year ended March 31, 2012, totaled ¥320.7 billion, an increase of ¥46.6 billion year-on-year due to the increase in income before income taxes and minority interests caused by the rise in oil and gas prices.

Reflecting net cash used in investing activities of ¥280.9 billion and net cash provided by financing activities of ¥29.3 billion in addition to the amount above, cash and cash equivalents at end of the year increased ¥67.2 billion to ¥249.2 billion.

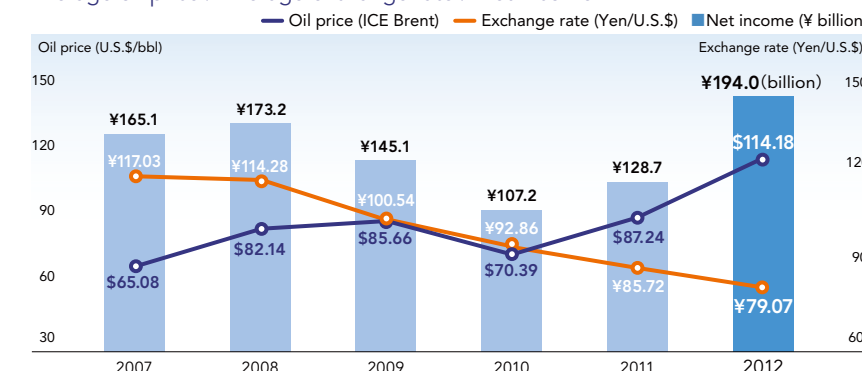
## Cash Flows Analysis



## Oil price / Exchange rate / INPEX share price



## Average oil price / Average exchange rate / Net income

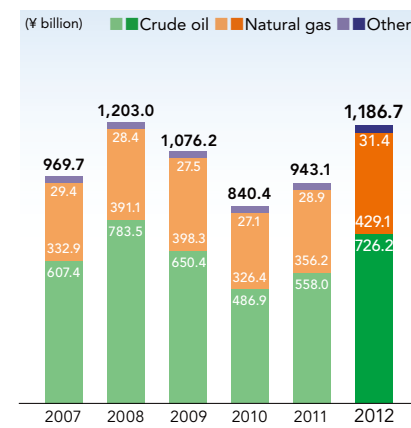


# Financial and Operating Highlights (Graphs)

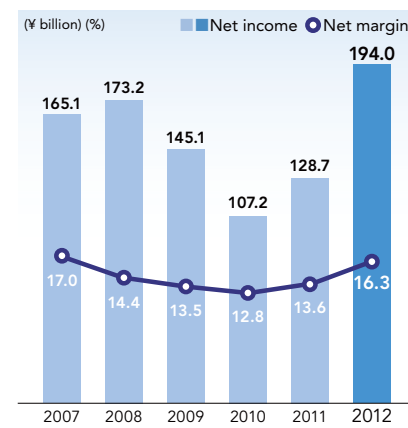
INPEX CORPORATION and Consolidated Subsidiaries  
As of or years ended March 31  
Please refer to p. 96 for notes of major indices.

## Profitability Indices ▶ See p. 8 of Fact Book 2012 for more about profitability indices.

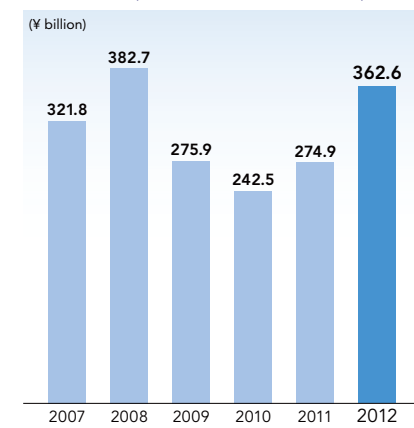
### Net sales (by product)



### Net income, Net margin



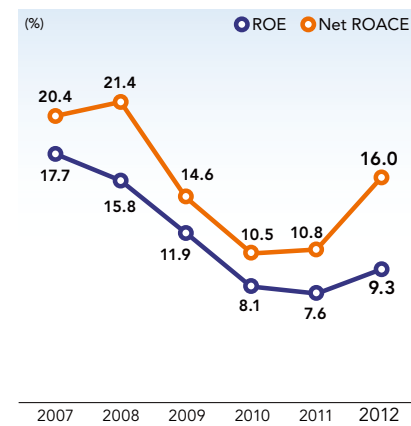
### EBIDAX (Earnings before interest, depreciation and amortization and exploration)



▶ See p. 9 of Fact Book 2012 for more about efficiency indices.

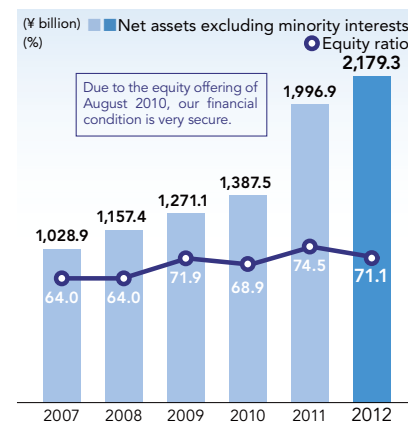
## Efficiency Indices

### Return on equity (ROE), Net ROACE

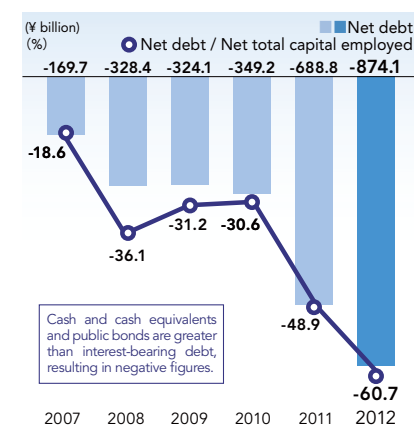


## Stability Indices ▶ See p. 11 of Fact Book 2012 for more about stability indices.

### Net assets excluding minority interests, Equity ratio

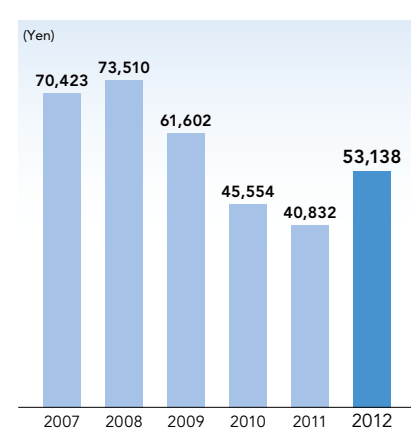


### Net debt, Net debt / Net total capital employed

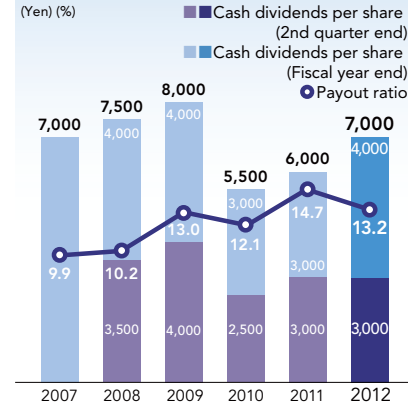


## Performance Indices ▶ See p. 12 of Fact Book 2012 for more about performance indices.

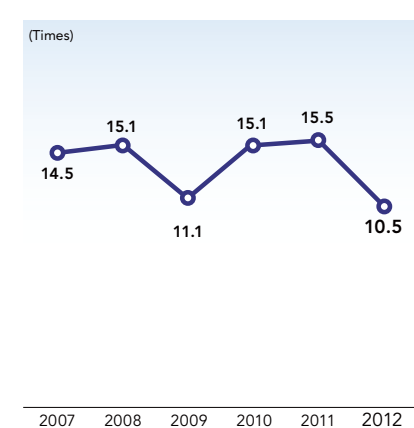
### Earnings per share (EPS)



### Cash dividends per share, Payout ratio

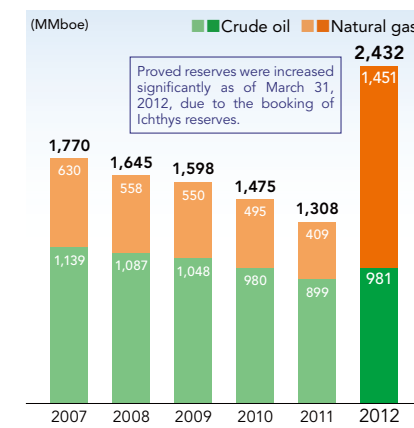


### Price earnings ratio (PER)

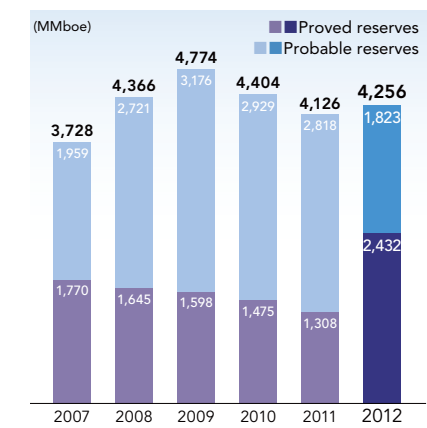


## Reserve/Production Indices ▶ See p. 13 of Fact Book 2012 for more about reserve/production indices.

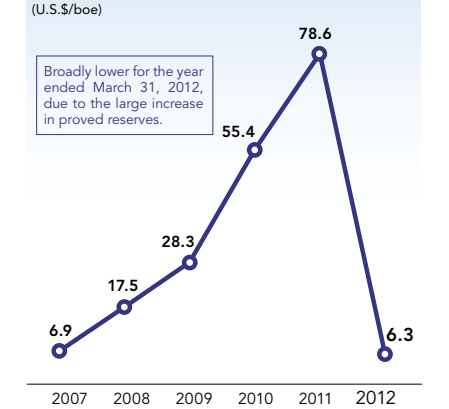
### Net proved reserves (by product)



### Net proved and probable reserves

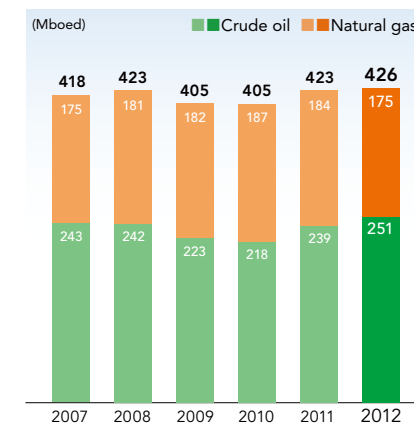


### Finding and development cost per boe (3-year average)

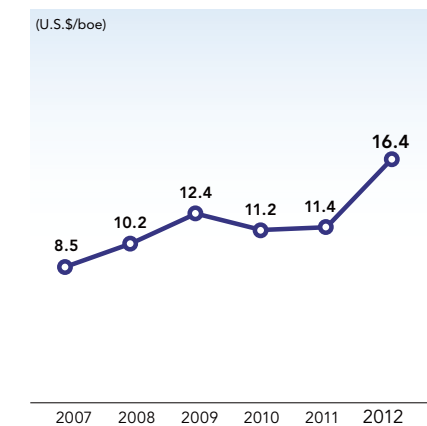


Finding and development cost per boe (3-year average) = The sum of total costs incurred, for exploration and development of oil and gas fields and total costs incurred for acquisitions divided by the sum of proved reserve extensions, acquisitions and revisions.

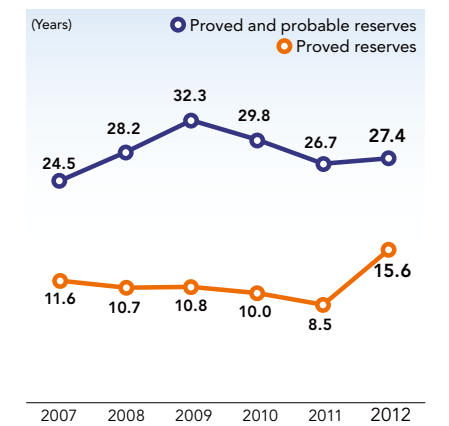
### Net production (by product)



### Average expenses per boe produced

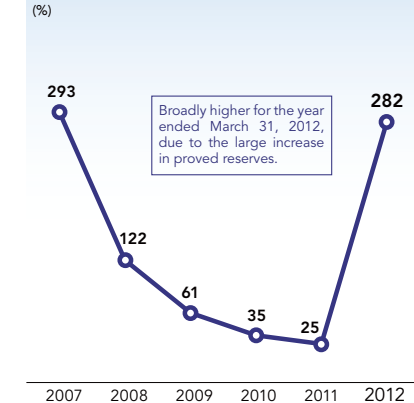


### Reserves to production ratio



Reserves to production ratio (Years) = Reserves as of the end of the year / Production in the year

### Reserve replacement ratio (3-year average)



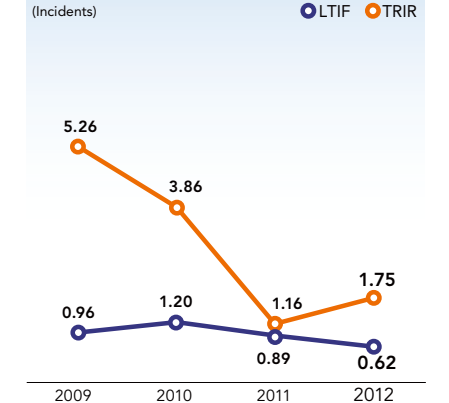
Reserve replacement ratio (3-year average) = Proved reserves increase including acquisition / production

### Exploration success ratio (3-year average)



Exploration success ratio (3-year average) = The number of net productive exploratory wells drilled / The number of net exploratory wells drilled. (An exploratory well is a well drilled 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.)

### LTIF, TRIR



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



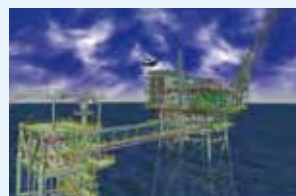
# Major Business Topics

● In production 
 ● Under development 
 ● Preparation for development 
 ● Under exploration 
 ● Other

June 2011, Indonesia

## FID on the Ruby Gas Field

INPEX decided to transition the Ruby Gas Field of the Sebuku Block in Indonesia to the development phase, with a view to commencing production in the second half of 2013.



Offshore production facility at the Ruby Gas Field (image)

July 2011, Indonesia

## Decision to transfer a part of the interest in the Abadi LNG Project

INPEX selected Shell as a strategic partner in development studies and made the decision to transfer 30% of the participating interest in the Abadi LNG Project to a subsidiary of Shell.

▶ See pp. 54 and 61.



Floating LNG at Abadi (image)

October 2011, Timor Sea

## First oil production at the Kitan Oil Field

Production commenced at the Kitan Oil Field (JPDA06-105 block) on October 10. The oil produced is processed and shipped via a floating production, storage and offloading (FPSO) system. We expect production of around 40 Mbbl/d (peak rate).

▶ See p. 62.



Production test at the Kitan Oil Field

November 2011, Canada

## Participation in a shale gas project

INPEX agreed in principle to acquire a 40% participating interest in the shale gas projects in the Horn River, Cordova and Liard basins in the northwest corner of British Columbia of Canada from Nexen Inc.

▶ See p. 69.



Development site of shale gas

January 2012, Australia

## FID on the Ichthys LNG Project

INPEX made the FID on the Ichthys LNG Project on January 13, 2012, and commenced development as an operator.

▶ See p. 46–.



Ceremony of the FID

March 2012, Australia

## Acquired interest in the Prelude FLNG Project

INPEX entered into an agreement with Shell for the acquisition of a 17.5% participating interest in the Prelude FLNG Project, which is under development in the WA-44-L Block offshore Western Australia. Shell made the FID on Prelude, which will be the world's first FLNG project, in May 2011. The start of production is targeted at around 10 years from when the Prelude gas field was first discovered in early 2007.

▶ See pp. 54 and 62.



FLNG vessel (image)

2011

4 5 6 7 8 9 10 11 12

2012

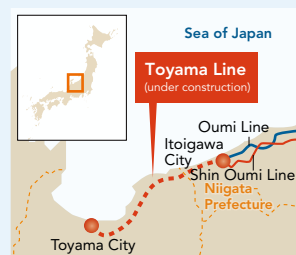
1 2 3 4 5 6

May 2011, Japan

## Decision to construct the Toyama Line

INPEX decided to construct a natural gas trunk pipeline (the Toyama Line) from Itoigawa City, Niigata Prefecture, to Toyama City, Toyama Prefecture. It will become operational at the end of 2014.

▶ See p. 72.



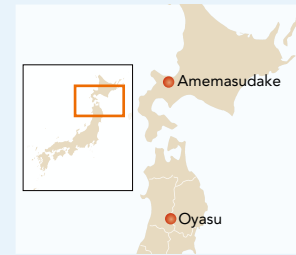
Toyama Line (under construction)

June 2011, Japan

## Commencement of joint geothermal studies

INPEX joined with Idemitsu in conducting geothermal energy development studies in the Amemasudake area (Akaigawa and Sapporo, Hokkaido Prefecture) and the Oyasu area (Yuzawa, Akita Prefecture).

▶ See p. 74.



Geothermal power generation research areas

November 2011, Indonesia

## Acquisition of the Babar Selaru Block

INPEX acquired a 100% participating interest in the Babar Selaru Block, in the eastern part of Indonesia through an open bid, and is conducting exploration activities of the block as the operator.



Location map of block

January 2012, Malaysia

## Acquisition of Sabah deepwater blocks

INPEX acquired a 75% participating interest in the deepwater Block S located offshore Sabah, and also acquired a 37.5% participating interest in the deepwater Block R located southwest of the same area. INPEX is conducting exploration of Block S as the operator.

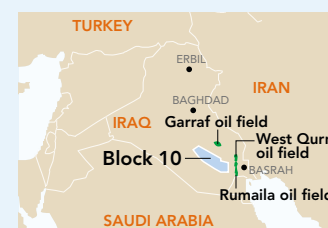


Location map of block

May 2012, Iraq

## Awarded onshore Exploration Block 10

INPEX was successful in the fourth Petroleum Licensing Round in Iraq and won the onshore Exploration Block 10 jointly with a subsidiary of LUKOIL, a Russian oil company. The block is in an area containing some of the world's leading oil fields, and has great potential. Exploration, including the drilling of exploratory wells and seismic surveys, is planned.

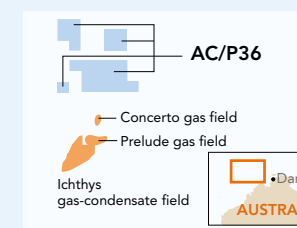


Location map of block

June 2012, Australia

## Acquisition of interest in exploration block AC/P36

INPEX has acquired a 50% participating interest, together with operatorship, in exploration block AC/P36 offshore Western Australia from Murphy Oil Corporation of the United States. Several large gas-condensate fields, including Ichthys, have been discovered and developed in the vicinity of AC/P36, and exploration, including the drilling of exploratory wells, will continue.



Location map of block

## Business highlights

(April 2011–June 2012)

### Project acquired and participated in

November 2011, Indonesia  
● Babar Selaru Block

November 2011, Canada  
● Shale gas project

January 2012, Malaysia  
● Sabah deepwater blocks

March 2012, Australia  
● Prelude FLNG Project

May 2012, Iraq  
● Exploration Block 10

June 2012, Australia  
● Exploration block AC/P36

### Transition to development / Production startup

June 2011, Indonesia  
● Ruby Gas Field transition to development phase

October 2011, JPDA  
● Kitan Oil Field production startup

## Major plans for the year ending March 31, 2013

(large-scale projects)

■ Ichthys LNG Project  
 Mainly detailed engineering work and procurement for each facility

■ Abadi LNG Project  
 Planned startup of front-end engineering and design (FEED) in the second half of 2012

■ Kashagan  
 Production startup planned at the end of 2012