4

Project Overview

E&P Series 4
Drill bit

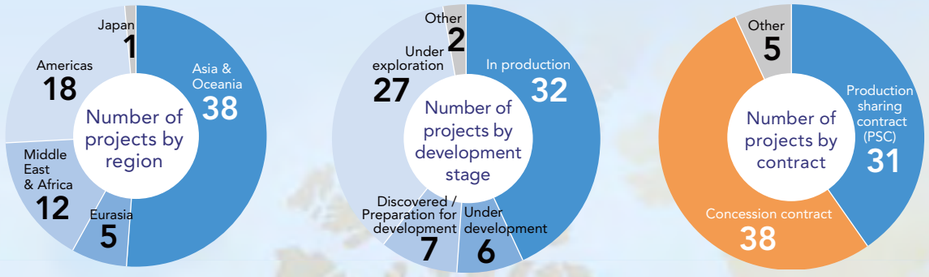
Project Overview

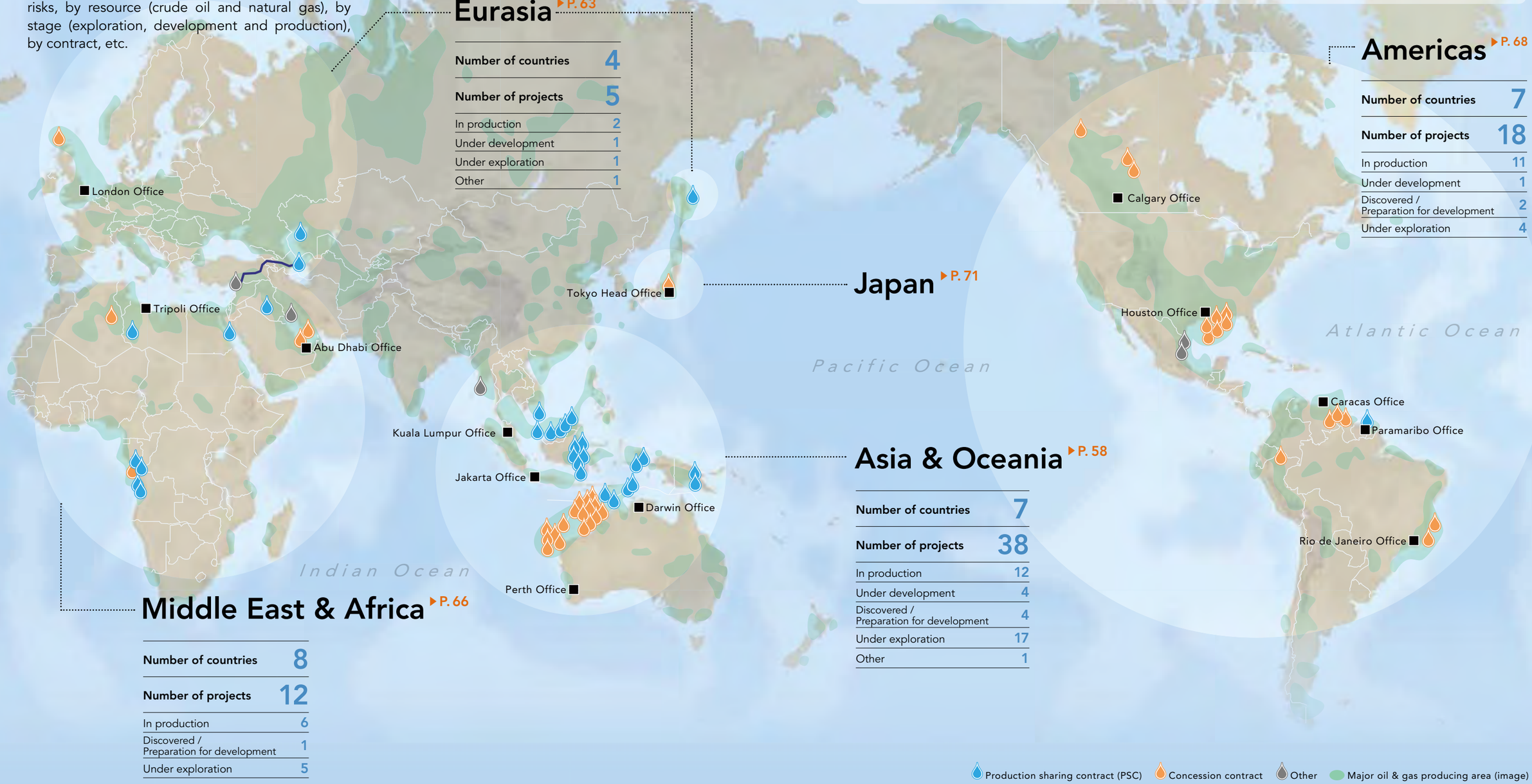
27 Countries 74 Projects

(As of June 30, 2012)

We seek to achieve a well-balanced portfolio through a combination of different projects with dispersed risks, by resource (crude oil and natural gas), by stage (exploration, development and production), by contract, etc.

INPEX Project Portfolio





Eurasia ▶ P. 63

Number of countries	**4**
Number of projects	**5**
In production	2
Under development	1
Under exploration	1
Other	1

Americas ▶ P. 68

Number of countries	**7**
Number of projects	**18**
In production	11
Under development	1
Discovered / Preparation for development	2
Under exploration	4

Japan ▶ P. 71

Asia & Oceania ▶ P. 58

Number of countries	**7**
Number of projects	**38**
In production	12
Under development	4
Discovered / Preparation for development	4
Under exploration	17
Other	1

Middle East & Africa ▶ P. 66

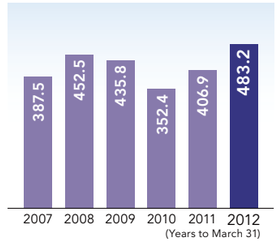
Number of countries	**8**
Number of projects	**12**
In production	6
Discovered / Preparation for development	1
Under exploration	5

Production sharing contract (PSC) / Concession contract / Other / Major oil & gas producing area (image)

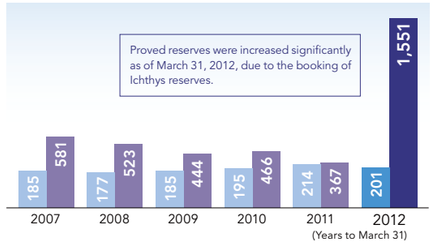
Asia & Oceania

Regarding the performance in Asia and Oceania for the year ended March 31, 2012, net sales increased 18.8% to ¥483.2 billion and operating income increased 27.0% to ¥299.6 billion due to increases in sales prices of crude oil and gas despite a decrease in sales volume and yen appreciation. Net production was 201 Mboed, while proved reserves reached 1,551 MMboe due to the booking of the Ichthys reserves.

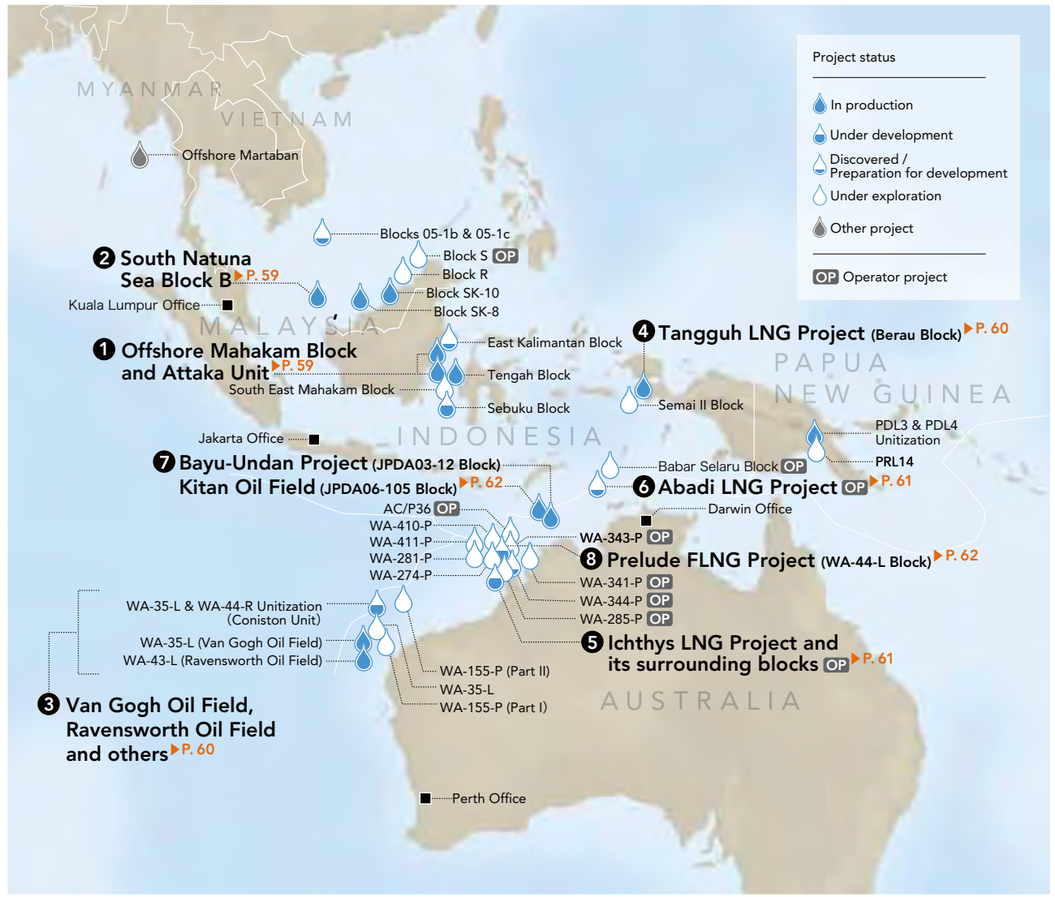
■■Net sales by region (¥ billion)



■■Net production by region (Mboed)
■■Proved reserves by region (MMboe)



Number of countries	7
Number of projects	38
In production	12
Under development	4
Discovered/ Preparation for development	4
Under exploration	17
Other	1




Offshore Mahakam Block (production facility)


Offshore Mahakam Block (shipping terminal)

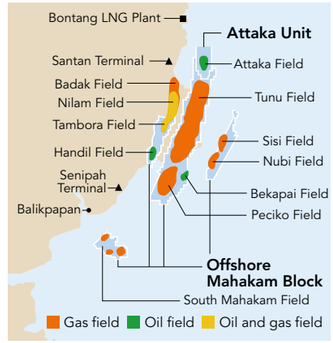

South Natuna Sea Block B (FPSO)

1. Offshore Mahakam Block and Attaka Unit

Contract area (block)	Project status (production on the basis of all fields and average rate of FY2011)	Venture company (established)	Interest owned (*Operator)
Offshore Mahakam	In production (Crude oil: 67 Mbbld; Natural gas: 2,150 MMcf/d; LPG: 0.5 Mbbld)	INPEX CORPORATION (February 21, 1966)	INPEX 50% TOTAL* 50%
Attaka Unit			INPEX 50% Chevron* 50%

INPEX entered into a production sharing contract (PSC) with the Indonesian Government in October 1966, at that time acquiring a 100% participating interest in the Offshore Mahakam Block. The Attaka Unit was established in April 1970 through the unitization of part of the adjacent blocks owned by INPEX and Unocal (now Chevron), with each company taking a 50% interest. Production of crude oil and natural gas began in 1972. INPEX farmed out a 50% participating interest in the Offshore Mahakam Block to CFP (now TOTAL) in July 1970. This venture subsequently made a series of discoveries in the Bekapai (oil), Handil (oil), Tambora (oil and gas), Tunu (gas), Peciko (gas), Sisi and Nubi (gas) fields, each of which has continued to produce crude oil and natural gas. The crude oil and condensate produced from these fields are shipped mainly to oil refineries and power companies in Japan by tanker from the Santan and Senipah terminals. Most of the natural gas is supplied to the Bontang LNG Plant, then shipped as LNG to Japan and elsewhere.

The Offshore Mahakam Block will continue to be a key profit center for INPEX. In addition, together with TOTAL (the operator), we have been engaged in negotiations with the Indonesian authorities to secure a contract extension beyond 2018 with respect to the Offshore Mahakam Block.

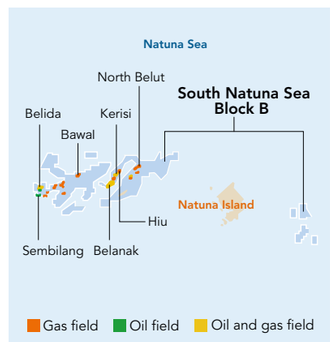


2. South Natuna Sea Block B

Contract area (block)	Project status (production on the basis of all fields and average rate of FY2011)	Venture company (established)	Interest owned (*Operator)
South Natuna Sea B	In production (Crude oil: 52 Mbbld; Natural gas: 365 MMcf/d; LPG: 5 Mbbld)	INPEX Natuna, Ltd. (September 1, 1978)	INPEX Natuna 35% ConocoPhillips* 40% Chevron 25%

In July 1977, INPEX acquired a 17.5% participating interest in the South Natuna Sea Block B. Later, in January 1994, INPEX increased its total participating interest in the block to 35% with the purchase of an additional 17.5% interest. Crude oil production began in 1979, and supplies of natural gas to Singapore via Indonesia's first international pipeline commenced in 2001. Additional deliveries of natural gas from this pipeline to Malaysia started in 2002. These supply milestones contributed to the extension of the PSC covering the block until 2028.

Production operations in the Belanak oil and gas field, which is part of South Natuna, utilize a world-class floating production, storage and offloading (FPSO) system. Production of crude oil and condensate began in December 2004, with LPG production commencing in April 2007. The Hiu and Kerisi fields came onstream in 2006 and 2007, respectively. Gas production commenced at the North Belut Field in November 2009 and at the Bawal Gas Field in July 2012.



Tangguh (shipping terminal)

Ichthys LNG Project (CPF) (image)

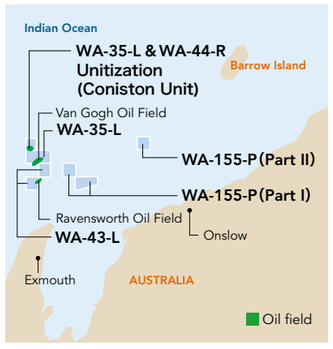
Ichthys LNG Project (onshore facility at Darwin) (image)

3. Van Gogh Oil Field, Ravensworth Oil Field and others

Contract area (block)	**Project status** (production on the basis of all fields and average rate of FY2011)	**Venture company** (established)	**Interest owned** (*Operator **Australian government approval in process) (As of June 30, 2012)
WA-35-L (Van Gogh Oil Field)	In production (Crude oil: 20 Mbbld)	INPEX Alpha, Ltd. (February 17, 1989)	INPEX Alpha 47.499% Apache* 52.501%
WA-43-L (Ravensworth Oil Field)	In production (Crude oil: 30 Mbbld)		INPEX Alpha 28.5% BHPBP* 39.999% Apache 31.501%
WA-35-L, WA-44-R Unitization area (Coniston Unit)	Under development		INPEX Alpha 47.499%** Apache* 52.501%**
WA-35-L (excluding Van Gogh Oil Field)	Under exploration		INPEX Alpha 47.499% Apache* 52.501%
WA-155-P (Part II)			INPEX Alpha 18.67% Apache* 81.33%
WA-155-P (Part I)			INPEX Alpha 28.5% BHPBP* 39.999% Apache 31.501%

INPEX acquired participating interests in WA-155-P (Part I) in July 1999, after which the Van Gogh and Ravensworth oil fields were discovered. The Australian Government granted production licenses (WA-35-L and WA-43-L) for those two blocks, in which oil production commenced in February and August of 2010, respectively.

The decision to develop the Coniston Unit, which saddles WA-35-L and WA-44-R, was made in December 2011, and work targeting the commencement of production in the fourth quarter of the year ending March 2013 is under way. Average crude oil production for the first year of operation of the Coniston Unit is expected to be 21.5 Mbbld.

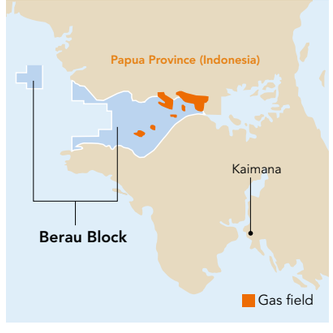


4. Tangguh LNG Project (Berau Block)

Contract area (block)	**Project status** (production on the basis of all fields and average rate of FY2011)	**Venture company** (established)	**Interest owned** (*Operator)
Berau	In production (Crude oil: 6 Mbbld, Natural gas: 945 MMcf/d)	MI Berau B.V. (August 14, 2001)	MI Berau 22.856% BP* 48.0% Nippon Oil Exploration (Berau) 17.144% KG Berau 12.0%
Tangguh Unit			MI Berau 16.3% BP* 37.16% CNOOC 13.9% Nippon Oil Exploration (Berau) 12.23% KG Berau, KG Wiriagar 10.0% LNG Japan 7.35% Talisman 3.06%

MI Berau B.V., a joint venture established by INPEX (44%) and Mitsubishi Corporation (56%), acquired in October 2001 an interest of around 22.9% in the Berau Block. MI Berau owns a 16.3% participating interest (including an interest held by INPEX of about 7.17%) in the Tangguh LNG Project, which has been set among the parties of the Berau Block and the adjoining Wiriagar and Muturi blocks. MI Berau Japan Ltd., a joint venture between INPEX (44%) and Mitsubishi Corporation (56%), also acquired approximately 16.5% of the issued and outstanding shares of KG Berau Petroleum Ltd. in October 2007, bringing INPEX's total interest in the project up to approximately 7.79%.

In March 2005, the Indonesian Government approved a development plan for the Tangguh LNG Project and an extension of the PSC until 2035. Development was then conducted, leading to shipments of LNG in July 2009.



Ichthys LNG Project (offshore drilling rig)

Ichthys LNG Project (study at Darwin)

Abadi LNG Project (exploration well)

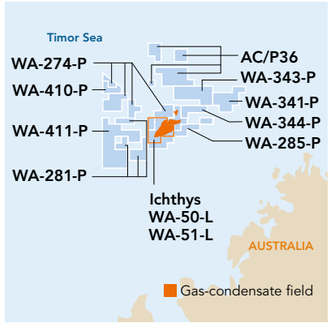
5. Ichthys LNG Project and its surrounding blocks

See pp. 46–53.

Contract area (block)	**Project status**	**Venture company** (established)	**Interest owned** (*Operator, **Of the 30%, 6% is subject to the approval of the Australian government, *** Subject to the approval of the Australian Government) (As of July 31, 2012)
WA-50-L	Under development	INPEX Ichthys Pty Ltd (April 5, 2011)	INPEX Browse* 66.070% TOTAL 30.000%** Tokyo Gas 1.575% Osaka Gas 1.200% Chubu Electric Power 0.735%*** Toho Gas 0.420%
WA-51-L		INPEX Browse, Ltd. (September 1, 1998)	
WA-285-P	Under exploration		INPEX Browse 20% Chevron 50% Santos* 30%
WA-274-P			INPEX Browse 20.0000% Santos* 47.8306% Chevron 24.8300% Beach 7.3394%
WA-281-P			
WA-341-P			INPEX Browse* 60% TOTAL 40%
WA-343-P			
WA-344-P	Discovered		
WA-410-P	Under exploration		INPEX Browse 20% Santos* 30% Chevron 50%
WA-411-P			INPEX Browse 26.6064% Santos* 63.6299% Beach 9.7637%
AC/P36			INPEX Browse* 50%*** Murphy 50%

INPEX acquired a participating interest in WA-285-P offshore Western Australia through an open bid in August 1998. In 2000, after conducting exploration activities as an operator, INPEX discovered the high-potential Ichthys gas-condensate field. Eight exploratory wells drilled by INPEX confirmed the presence of sufficient reserves for a large-scale LNG project. Later, in September 2008, a site in Darwin was selected for construction of an onshore LNG plant. FEED work on this plant began in January 2009, after which in April of the same year FEED work also commenced on offshore production facilities. Having made the FID on the Ichthys LNG Project in January 2012, development is now under way, with commencement of production planned by the end of 2016.

INPEX also retains interests in nine blocks surrounding the Ichthys gas-condensate field. Exploration activities are ongoing. Any discoveries of major oil or gas reserves in these blocks could considerably increase the potential of the Ichthys field benefiting from synergistic effects.



6. Abadi LNG Project

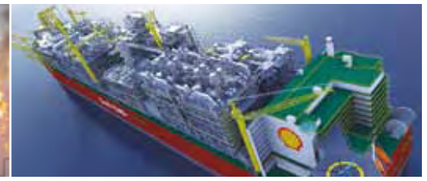
See p. 54.

Contract area (block)	**Project status**	**Venture company** (established)	**Interest owned** (*Operator)
Masela	Preparation for development	INPEX Masela, Ltd. (December 2, 1998)	INPEX Masela* 60% Shell 30% PT Energi Mega Persada 10%

INPEX acquired a 100% participating interest in the Masela Block in November 1998 through an open bid conducted by the Indonesian Government. INPEX proceeded with exploratory activity as the operator, and an exploratory well drilled in 2000 discovered the Abadi Gas Field. Subsequently, six appraisal wells were drilled (two in 2002 and four in 2007–2008), all of which confirmed the presence of gas and condensate column. The Indonesian Government granted its approval to the plan of development for Stage-I (POD-1) for a "floating LNG" with a capacity of 2.5 million tons per year of LNG in December 2010. INPEX is currently conducting preparations for FEED with a view to starting it in the latter half of 2012. We are studying the possibilities for further development exploiting its reserves and plan to begin drilling two or three appraisal wells and one exploration well in the second quarter of 2013.

Bayu-Undan Project (Darwin LNG)

Kitan Oil Field (production test)



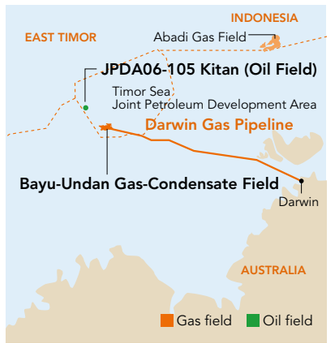
Prelude FLNG Project (FLNG vessel)

7. Bayu-Undan Project (JPDA03-12 Block) and Kitan Oil Field (JPDA06-105 Block)

Contract area (block)	Project status (production on the basis of all fields and average rate of FY2011)	Venture company (established)	Interest owned (*Operator)
JPDA03-12	In production (Crude oil: 56 Mbbld / Natural gas: 530 MMcf/d / LPG: 33 Mbbld)	INPEX Sahul, Ltd. (March 30, 1993)	INPEX Sahul 19.2458049% ConocoPhillips* 61.3114766% Santos 19.4427185%
Bayu-Undan Unit			INPEX Sahul 11.378120% ConocoPhillips* 56.943372% Eni 10.985973% Santos 11.494535% Tokyo Timor Sea Resources (TEPCO/Tokyo Gas) 9.198000%
JPDA06-105 (Kitan Oil Field)	In production (Crude oil: 19 Mbbld)	INPEX Timor Sea, Ltd. (November 25, 1991)	INPEX Timor Sea 35% Eni* 40% Talisman 25%

In April 1993, INPEX acquired a participating interest in JPDA03-12, a contract area located in the Timor Sea JPDA. Exploration within this contract area resulted in the discovery of oil and gas fields. Of these, studies revealed that the Undan structure and the Bayu structure in the adjacent JPDA03-13 contract area were a single structure. The interest holders unitized both contract areas in 1999, allowing joint development of the Bayu-Undan Gas-Condensate Field to proceed. The commercial production and shipment of condensate and LPG started in 2004, and LNG in February 2006.

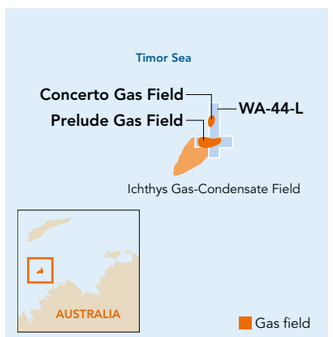
The presence of oil was confirmed through exploration drilling of the Kitan-1 and Kitan-2 wells in March 2008 in the JPDA06-105 contract area, which INPEX acquired in January 1992. Thereafter, we obtained approval for the final development plan from the Timor Sea JPDA authorities in April 2010. After development works, the production at the Kitan Oil Field commenced in October 2011.



8. Prelude FLNG Project (WA-44-L Block)

Contract area (block)	Project status	Venture company (established)	Interest owned (*Operator)
WA-44-L	Under development	INPEX Oil & Gas Australia Pty Ltd (February 28, 2012)	INPEX Oil & Gas Australia Pty Ltd 17.5% Shell* 72.5% KOGAS 10.0%

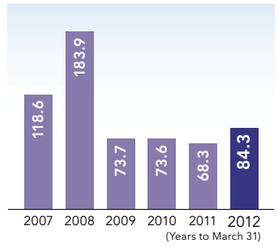
In June 2012, we acquired from Shell a 17.5% participating interest in the Prelude FLNG Project, which is under development in offshore Western Australia. The Prelude FLNG Project consists of the Prelude and Concerto gas fields and will produce 3.6 million tons per year of LNG, 400 thousand tons per year of LPG at peak and approximately 36 Mbbld of condensate at peak. Shell made the FID on the Prelude FLNG Project, which will be the world's first FLNG project, in May 2011. Development of the Prelude FLNG Project is currently under way, with the start of production targeted at around 10 years from when the Prelude Gas Field was first discovered in early 2007.



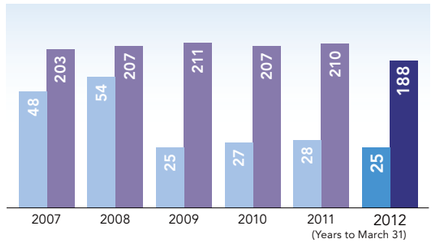
Eurasia

Regarding the performance in Eurasia for the year ended March 31, 2012, net sales increased 23.4% to ¥84.3 billion and operating income increased 29.1% to ¥47.1 billion due to the increase in the crude oil price despite yen appreciation. Net production was 25 Mboed, whereas proved reserves were 188 MMboe.

■■ Net sales by region (¥ billion)



■■ Net production by region (Mboed)
■■ Proved reserves by region (MMboe)



Number of countries	4
Number of projects	5
In production	2
Under development	1
Under exploration	1
Other	1

Kashagan Oil Field (artificial island)

Kashagan Oil Field (onshore facility)

Kashagan Oil Field (offshore facility)

1. Offshore North Caspian Sea Contract Area (Kashagan Oil Field and others)

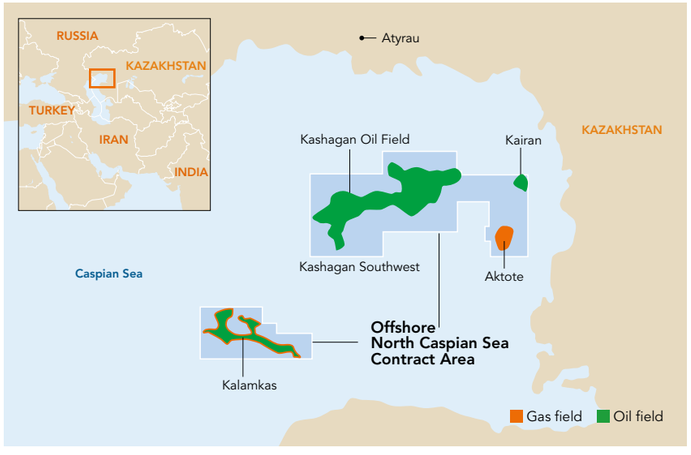
Contract area (block)	**Project status**	**Venture company** (established)	**Interest owned**
Offshore North Caspian Sea	Under development	INPEX North Caspian Sea, Ltd. (August 6, 1998)	INPEX North Caspian Sea 7.56% Eni 16.81% ExxonMobil 16.81% KMG 16.81% Shell 16.81% TOTAL 16.81% ConocoPhillips 8.40%

The Offshore North Caspian Sea Contract Area consists of two blocks, the eastern block (around 4,300 km²) and the western block (around 1,275 km²), with a combined total area of around 5,575 km². Of these, the Kashagan Oil Field lies in the eastern block, approximately 75 km southeast of the city of Atyrau in Kazakhstan, at 3–5 meters deep in the Caspian Sea. In September 1998, INPEX acquired a participating interest in the Offshore North Caspian Sea Contract Area in Kazakhstan's territorial waters and now holds a 7.56% interest.

The Kashagan Oil Field was discovered during the first exploratory drillings in the block in September 1999. The presence of oil was confirmed in 2000, and a commercial discovery declaration was made in 2002. The Kashagan Oil Field was the first ever discovered in the Caspian off of Kazakhstan and constitutes a prominent, major field discovery in the annals of oil exploration. Phased development of this field is planned, with the Phase 1 experimental program currently under way until production begins by the end of 2012.

The joint venture partners agreed in October 2008 with the Kazakhstan authorities to develop the Kashagan field, upon which a new joint operating company, North Caspian Operating Company, was established and assumed the role of the former operator, Agip KCO, in January 2009.

Besides the Kashagan field, hydrocarbon reserves were also confirmed in four other structures: Kalamkas, Kashagan Southwest, Aktote and Kairan. Appraisal of these structures is continuing in parallel with the development of the main Kashagan field with a view to expanding the total production of the contract area.



ACG Oil Field (production facility)

BTC Pipeline Project (Terminal)

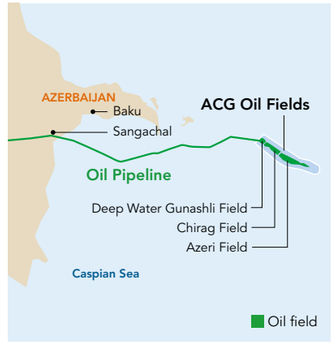
2. ACG Oil Fields

Contract area (block)	**Project status** (production on the basis of all fields and average rate of FY2011)	**Venture company** (established)	**Interest owned** (*Operator)
ACG (Azeri, Chirag, Gunashli)	In production (Crude oil: 699 Mbbld)	INPEX Southwest Caspian Sea, Ltd. (January 29, 1999)	INPEX Southwest Caspian Sea 10.96% BP* 37.43% Chevron 11.27% SOCAR 10.00% Statoil 8.56% ExxonMobil 8.00% TPAO 6.75% Itochu 4.30% Hess 2.72%

INPEX acquired a 10% participating interest of the Azeri-Chirag-Gunashli (ACG) Oil Fields in a region of the south Caspian Sea in Azerbaijan in April 2003. In August 2010, INPEX purchased an additional interest (0.9644%) that increased its participating interest to 10.9644%.

Oil production started in the Chirag Field and has since expanded to include the Central Azeri Field (February 2005), the West Azeri Field (December 2005) and the East Azeri Field (October 2006). The Deep Water Gunashli Field came on stream in April 2008. In March 2010, the development at the Chirag and deepwater portion of the Gunashli Field was sanctioned as an investment in the Chirag Oil Project. Development is now under way with commencement of production planned by December 2013.

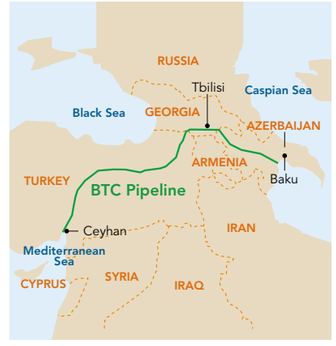
Most of the crude oil produced at the ACG Oil Fields is transported from Baku, Azerbaijan, to Ceyhan, Turkey, via Georgia for shipment from the Mediterranean coast through the BTC pipeline.



3. BTC Pipeline Project

Contract area (block)	**Venture company** (established)	**Interest owned** (*Operator)
BTC Pipeline	INPEX BTC Pipeline, Ltd. (October 16, 2002)	INPEX BTC Pipeline 2.5% BP* 30.1% SOCAR 25% Chevron 8.9% Statoil 8.71% TPAO 6.53% Eni 5% TOTAL 5% Itochu 3.4% ConocoPhillips 2.5% Hess 2.36%

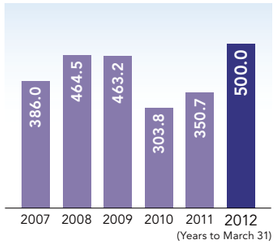
INPEX acquired a 2.5% interest in the BTC Pipeline Project in October 2002. The 1,770-km BTC pipeline stretches from Baku in Azerbaijan to Ceyhan on Turkey's Mediterranean coast through Tbilisi, Georgia. Full-scale operation commenced in June 2006. Although the pipeline was originally built to transport crude oil produced in the ACG Oil Fields in Azerbaijan, its capacity was expanded to 1.2 MMbbld so that it can also accommodate future oil output from the Kashagan Oil Field in Kazakhstan and so on.



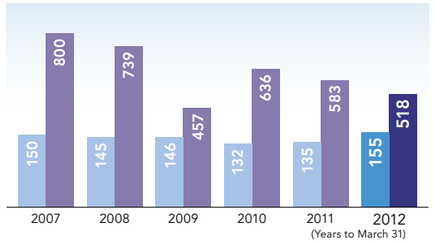
Middle East & Africa

Regarding the performance in Middle East and Africa for the year ended March 31, 2012, net sales increased 42.6% to ¥500.0 billion and operating income rose 45.7% to ¥354.1 billion due to increases in sales volume and the sales price of crude oil, despite yen appreciation. Net production was 155 Mboed, whereas proved reserves were 518 MMboe.

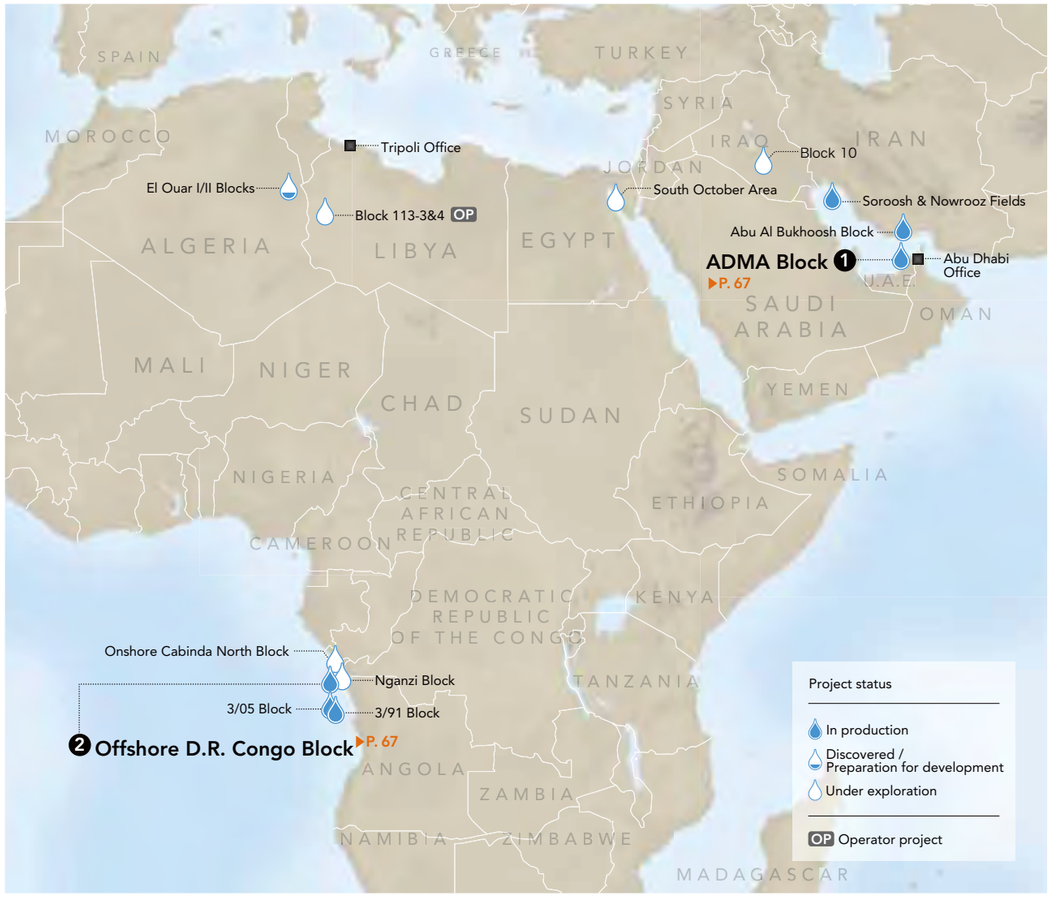
■■Net sales by region (¥ billion)



■■Net production by region (Mboed)
■■Proved reserves by region (MMboe)



Number of countries	8
Number of projects	12
In production	6
Discovered/ Preparation for development	1
Under exploration	5




ADMA Block (Zirku Island, UAE)


ADMA Block (Upper Zakum Oil Field)

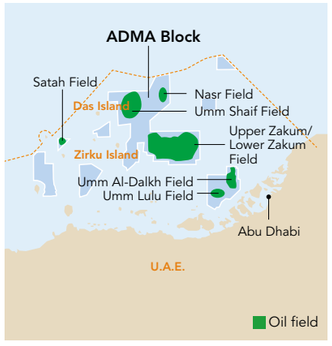

Offshore D.R. Congo Block (production facility)

1. ADMA Block

Contract area (block)	**Project status**	**Venture company** (established)	**Interest owned**
Umm Shaif, Lower Zakum Field	In production	Japan Oil Development Co., Ltd. (JODCO) (February 22, 1973)	JODCO 12% ADNOC 60% BP 14.67% TOTAL 13.33%
Upper Zakum Field			JODCO 12% ADNOC 60% ExxonMobil 28%
Umm Al-Dalkh Field			JODCO 12% ADNOC 88%
Satah Field			JODCO 40% ADNOC 60%
Nasr Field	Preparation for development		JODCO 12% ADNOC 60% BP 14.67% TOTAL 13.33%
Umm Lulu Field			

In May 2004, INPEX made Japan Oil Development Co., Ltd. (JODCO), a wholly owned subsidiary by acquiring all of the JODCO shares held by Japan National Oil Corporation through a share exchange. JODCO owns an interest in the ADMA Block located offshore Abu Dhabi in the United Arab Emirates. Oil production currently spans five fields in the block. Production started from the Upper Zakum Oil Field (the largest in the block) in 1982, followed by the Umm Al-Dalkh Oil Field in 1985 and the Satah Oil Field in 1987, and production has been steady since. The Umm Shaif and the Lower Zakum oil fields have also been producing crude oil steadily since 1962 and 1967, respectively. The oil produced from these fields is transported by subsea pipelines to the islands of Das and Zirku for shipment.

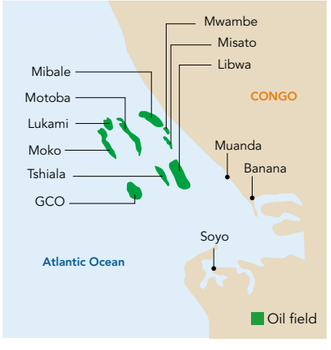
A number of development projects are currently under way to maintain and expand oil output, such as redevelopment preparation for the Upper Zakum Field involving the use of artificial islands, as well as preparation for development of the Umm Lulu and Nasr fields.



2. Offshore D.R. Congo Block

Contract area (block)	**Project status** (production on the basis of all fields and average rate of FY2011)	**Venture company** (established)	**Interest owned** (*Operator)
Offshore D.R. Congo Block	In production (Crude oil: 14 Mbbld)	Teikoku Oil (D.R. Congo) Co., Ltd. (August 1, 1970)	Teikoku Oil (D.R. Congo) 32.28% Perenco* 50% Chevron 17.72%

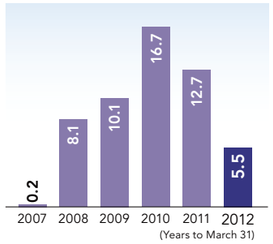
INPEX has participated in oil exploration and development projects offshore the Democratic Republic of the Congo (DRC) since July 1970. Oil production commenced in 1975 from the GCO Oil Field, which was discovered in 1971. Including GCO, 11 oil fields have been discovered. The contract covering this block was extended until 2023 in May 1995, and production levels from existing fields remain stable.



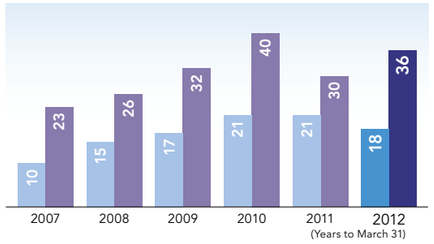
Americas

Regarding the performance in Americas for the year ended March 31, 2012, net sales decreased 56.4% to ¥5.5 billion due to a decrease in the sales volume of crude oil and operating loss of ¥5.5 billion was posted (81.8% higher than the previous year) due to the higher exploration expenses. Net production was 18 Mboed, whereas proved reserves were 36 MMboe.

■■Net sales by region (¥ billion)

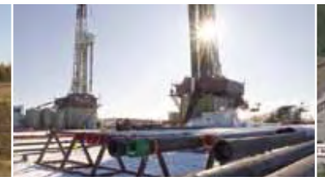


■■Net production by region (Mboed)
■■Proved reserves by region (MMboe)



Number of countries	7
Number of projects	18
In production	11
Under development	1
Discovered/ Preparation for development	2
Under exploration	4


Joslyn (Lease Block)


Shale Gas Project (drilling)

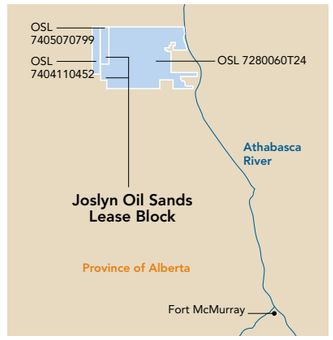

Shale Gas Project (fracking operations)

1. Joslyn Oil Sands Project

Contract area (block)	**Project status**	**Venture company** (established)	**Interest owned** (*Operator)
OSL 7280060T24 OSL 7405070799 OSL 7404110452	Discovered / Preparation for development	INPEX Canada, Ltd. (November 28, 2006)	INPEX Canada 10% TOTAL* 38.25% Suncor 36.75% Occidental 15%

In November 2007, INPEX acquired a 10% interest in the Joslyn Oil Sands Upstream Project in Alberta, Canada. The Joslyn project plans to conduct a multiphase mining development, with a production plan of 100 Mbbld by the late 2010s as Stage I development. We are conducting preparation work on making a development plan toward a decision to develop.

In regard to the oil sand upgrader (synthetic crude oil manufacturing) project in which we are participating, alternatives to the plant planned by TOTAL in Edmonton are under consideration.

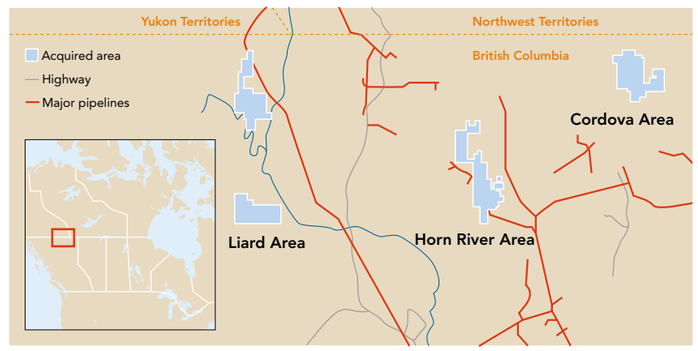


2. Shale Gas Project in Canada

Contract area (block)	**Project status**	**Venture company** (established)	**Interest owned** (*Operator)
Horn River, Cordova and Liard areas	Under development (partly in production)	INPEX Gas British Columbia Ltd. (November 28, 2011)	INPEX Gas British Columbia 40% NEXEN* 60%

In November 2011, INPEX agreed in principle to acquire a 40% participating interest in the shale gas projects in the Horn River, Cordova and Liard basins from Nexen Inc. These are INPEX's first shale gas development and production projects.

The shale gas projects in the Horn River, Cordova and Liard basins contain discovered and undeveloped shale gas, with a total block area for all three of approximately 1,200 km^2. We will proceed with full-scale development and are aiming for combined production at the Horn River and Cordova projects of a maximum of 1,250 MMcf/d (approximately 200 Mboed).



Cuervito, Mexico

Copa Macoya Block (gas plant)

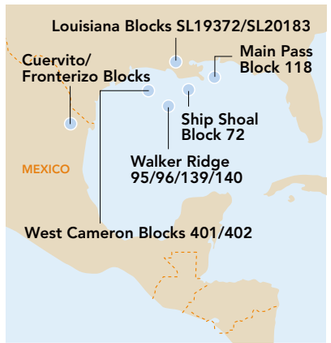
Copa Macoya Block (gas plant)

3. Gulf of Mexico and surrounding blocks (U.S. and Mexico)

Contract area (block)	**Project status** (production on the basis of all fields and average rate of FY2011)	**Venture company** (established)	**Interest owned** (*Operator)
Ship Shoal Block 72	In production (Crude oil: 1 Mbbld, Natural gas: 15 MMcf/d)	Teikoku Oil (North America) Co., Ltd. (May 30, 2003)	Teikoku Oil (North America) 25% PetroQuest* 42.5% Other 32.5%
West Cameron Blocks 401/402			Teikoku Oil (North America) 25% PetroQuest* 38% Other 37%
Main Pass Block 118			Teikoku Oil (North America) 16.66667% Dynamic Offshore* 50% Other 33.33333%
Louisiana Block SL19372			Teikoku Oil (North America) 17.5% PetroQuest* 38.5% Other 44%
Louisiana Block SL20183			Teikoku Oil (North America) 25% PetroQuest* 55% Other 20%
Walker Ridge 95/96/139/140	Under exploration	INPEX Gulf of Mexico Co., Ltd. (April 28, 2010)	INPEX Gulf of Mexico 15% Shell* 70% Other 15%

INPEX has participated in oil and gas development projects in the shallow waters of the U.S. Gulf of Mexico since April 2006. Following production startup from Ship Shoal Block 72 in July 2006, the Main Pass 118, West Cameron 401/402 and Louisiana SL19372/SL20183 blocks started production. We participated in the deepwater exploration blocks of Walker Ridge 95/96/139/140 in the Gulf of Mexico in February 2011.

INPEX's affiliate, Teikoku Oil de Burgos S.A. de C.V. (TOB), has participated in gas development and production operations in the Cuervito and Fronterizo blocks located in the Burgos basin of Mexico since 2004. This project has been conducted under a multiple service contract with PEMEX, and TOB holds 40% of the participating interest of this project.



4. Copa Macoya and Guarico Oriental Blocks

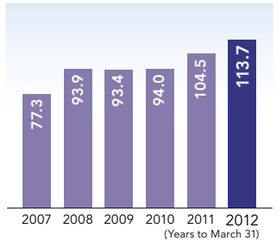
Contract area (block)	**Project status** (production on the basis of all fields and average rate of FY2011)	**Venture company** (established)	**Interest owned** (*Operator)
Copa Macoya	In production (Crude oil: 1 Mbbld, Natural gas: 70 MMcf/d)	Teikoku Oil and Gas Venezuela, C.A. (June 7, 2006)	Teikoku Oil and Gas Venezuela* 70% PDVSA 30%
Guarico Oriental			Teikoku Oil and Gas Venezuela 30% PDVSA 70%

INPEX was awarded a 100% participating interest in a central onshore area, the East Guarico Block in Venezuela, in July 1992. INPEX participated in oil and natural gas field rehabilitation and exploration and development activities as an operator. The existing operational service agreements were changed to joint venture agreements in 2006 after a change of policy by the Venezuelan Government. Based on the new policy, INPEX established gas and crude oil venture companies jointly with Petroleos de Venezuela, S.A. (PDVSA), the Venezuelan national petroleum company, and from April 1, 2006, continued the gas business in the Copa Macoya Block and the crude oil business in the Guarico Oriental Block. The new joint venture agreement also features contract extensions until 2026 for both blocks.

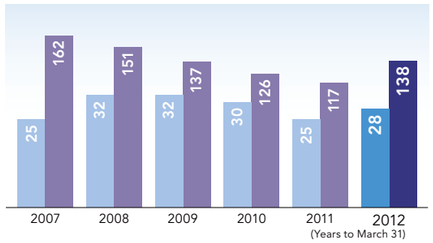
Japan

Regarding the performance in Japan for the year ended March 31, 2012, net sales increased 8.7% to ¥113.7 billion due to the higher sales volume and a rise in the sales price of natural gas. Operating income fell 5.2% to ¥24.6 billion due to the higher net purchases of natural gas. Net production was 28 Mboed, whereas proved reserves were 138 MMboe.

■■Net sales by region (¥ billion)

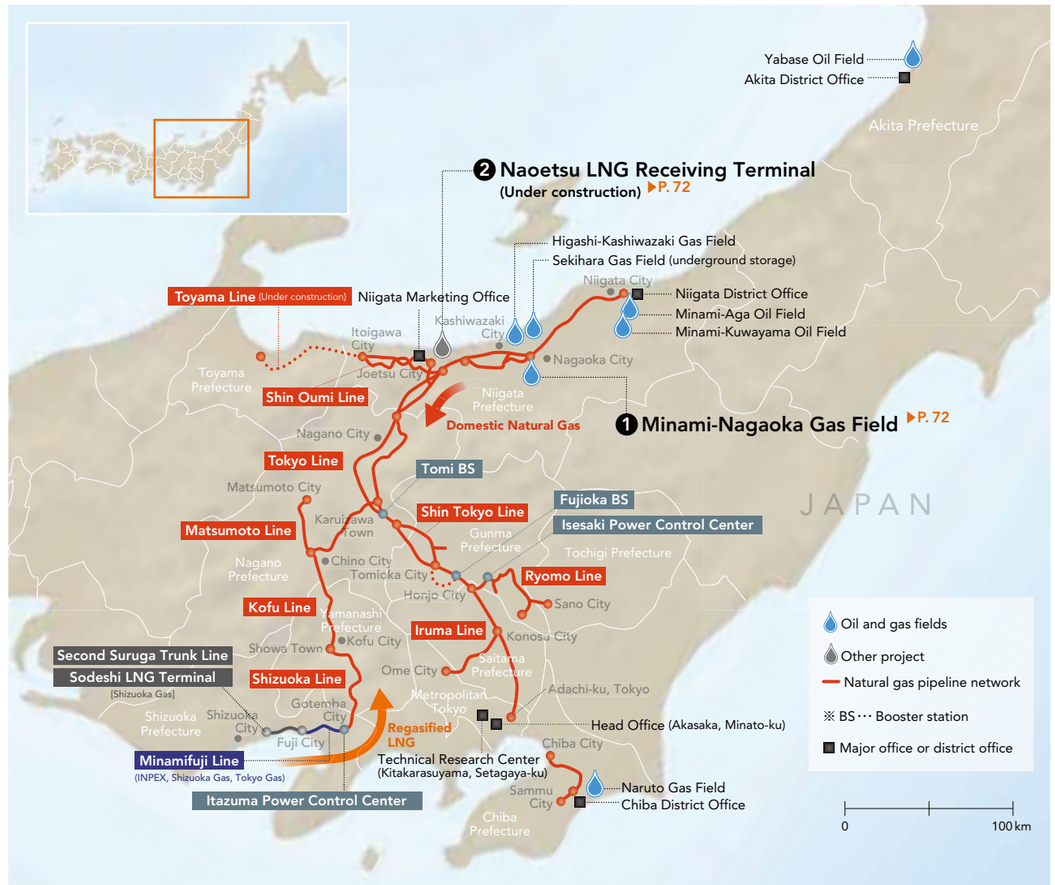


■■Net production by region (Mboed)
■■Proved reserves by region (MMboe)



Oil and gas fields in Japan (in operation)

- Yabase Oil Field (Akita Prefecture)
- Matsuzaki Gas Field (Niigata Prefecture)
- Minami-Aga Oil Field (Niigata Prefecture)
- Minami-Kuwayama Oil Field (Niigata Prefecture)
- Minami-Nagaoka Gas Field (Niigata Prefecture)
- Higashi-Kashiwazaki Gas Field (Niigata Prefecture)
- Sekihara Gas Field (underground storage) (Niigata Prefecture)
- Naruto Gas Field (Chiba Prefecture)




Oyazawa Plant (Nagaoka City, Niigata Prefecture)


Yabase Oil Field (Akita City, Akita Prefecture)


Natural gas pipeline


Naoetsu LNG Receiving Terminal

1. Minami-Nagaoka Gas Field and the domestic natural gas business

Production and Sales of Domestic Natural Gas	
Producing: Total oil and gas fields (FY2011 average)	Natural gas: Approx. 3.4 MM m³/d Crude oil and condensate: Approx. 4 Mbbld
Natural gas sales (FY2011)	Approx. 1.76 billion m³

Discovered in 1979 and in production since 1984, Minami-Nagaoka is one of the largest gas fields in Japan. After processing, the natural gas is transported through a 1,400-km trunk pipeline network stretching across the Kanto and Koshinetsu regions that surround the greater Tokyo metropolitan area and delivered to city gas companies and industrial customers along this network.

INPEX has experienced substantial sales growth in recent years due to sharp rises in the prices of competing fuels, as well as the highly environmentally friendly attributes of natural gas. The medium- to long-term projection is for annual sales demand of 2.5 billion m³ by the early 2020s and in the 3.0 billion m³ range over the long term, reflecting further capacity increases for our core Shin Tokyo Line and development of the Toyama Line (extending from Itoigawa City, Niigata Prefecture, to Toyama City, Toyama Prefecture), construction of which began in April 2012.

Supply capacity and reliability have been enhanced through the reinforcement of pipeline network expansion and the introduction of LNG from Shizuoka Gas Co., Ltd., in 2010. INPEX decided to build an LNG receiving terminal at Naoetsu, Joetsu City, in Niigata Prefecture, which is slated to start in the beginning of 2014.

INPEX also produces natural gas dissolved in water at the Naruto Gas Field in Chiba Prefecture. Natural gas dissolved in water is contained in underground "brine water." We pump up the brine water, extract natural gas and supply the gas to surrounding areas. The brine water also contains high levels of iodine. We export the iodine to Europe, the United States and elsewhere.

Minami-Nagaoka and nearby gas fields

2. Construction of the Naoetsu LNG Receiving Terminal

Naoetsu LNG Receiving Terminal Overview	
Location:	12 Yachiho, Joetsu City, Niigata Prefecture
Lot area:	Approx. 25 ha
Gas production capacity:	7.5 MM m³/d (LNG 240 tons/hour)
LNG tank:	180 thousand kl × 2 (upgrade possible)
LNG receiving capacity:	Approx. 1.5 million tons/year
Operational start target:	Beginning of 2014


Naoetsu LNG Receiving Terminal (artist's rendering)

We expect domestic demand for natural gas to rise steadily and continue to be firm due to factors such as the shift to natural gas from oil as consciousness about the environment and energy conservation increases, as well as rising oil prices. To ensure stable supply to the domestic natural gas market over the long term, INPEX has been engaged in constructing an LNG receiving terminal in Joetsu City (the port of Naoetsu) in Niigata Prefecture since 2009. The operational startup is planned for the beginning of 2014. Afterward, we plan to receive LNG from our overseas projects at the Naoetsu terminal, and by combining that supply with existing domestic supplies from Minami-Nagaoka and other fields we will be able to enhance the capacity and stability of our supply structure.

Gas Supply Chain

Constructing the Naoetsu LNG Receiving Terminal and expanding regional pipeline networks brings us closer to achieving the second growth target of the Medium- to Long-Term Vision, which is to strengthen the gas supply chain. To that end, we are also engaging in the global development of our gas business.

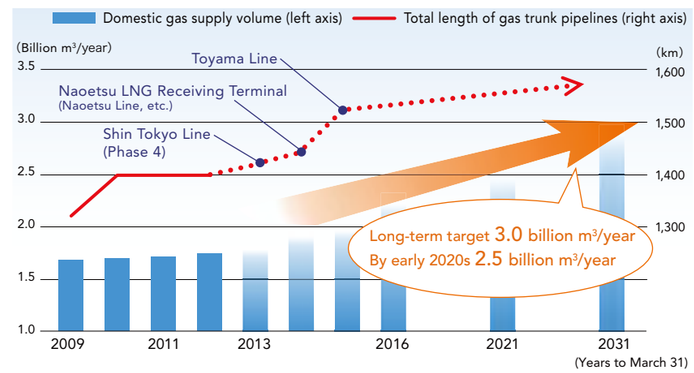
We will establish a gas supply chain by organically connecting the overseas LNG with the domestic natural gas infrastructure to meet the natural gas demand in Japan, which is expected to continue to be firm. What this means is that we will receive supplies of LNG from overseas sources, such as Ichthys and Abadi, at our Naoetsu LNG Receiving Terminal, and employ the pipeline network to supply natural gas to all of our customers. This will enable us to flexibly combine three supply sources–

1) domestic natural gas,
2) regasified LNG from Shizuoka Gas Co., Ltd., and
3) regasified LNG received at Naoetsu.

We believe that this will result in improved supply capacity and enhanced supply stability, allowing us to meet future demand increases.

Until now, there had been no company in Japan equipped with a complete natural gas infrastructure, from development and production through liquefaction, transport and regasification, and supply. Building a total gas supply chain covering upstream and downstream processes is one of the benefits of business integration, and it will be our base of support in strengthening emergency backup measures for gas supply by enhancing cooperation with gas and electric power companies and expanding the pipeline network, as well as building the global LNG portfolio. Through these activities, we will work toward developing an energy business suitable to the coming era of natural gas use.

Long-term outlook for the annual gas supply volume in Japan



Geothermal Power

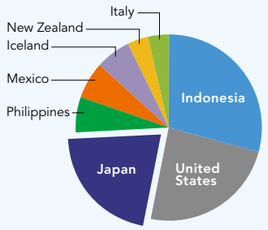
With the goal of becoming an integrated energy company that contributes to the global community, INPEX promotes efforts to commercialize renewable energies and reinforce R&D activities for the next generation. We are particularly engaged in researching the commercialization of geothermal power generation.

Geothermal power generation involves using the heat energy of volcanic magma to create steam for use in generating power. Japan ranks third in the world in potential geothermal power resources, and this makes geothermal a precious renewable energy source for Japan, which has scarce energy resources. Geothermal is also gaining attention as a green energy source because its low carbon emissions are easy on the planet.

From June 2011, INPEX, together with Idemitsu Kosan Co., Ltd., has been conducting geothermal studies in Hokkaido (Sapporo, Amemasudake region) and Akita Prefecture (Yuzawa City, Oyasu). Underground temperatures of 200°C and above had already been confirmed at both locations, and more in-depth studies are to be conducted in 2012 by, for example, drilling exploration wells at each location. Geothermal development activities use the same well-drilling technologies as those for oil and gas development, and we will put our technical skills to use in conducting further geothermal studies in both regions, with an eye toward commercialization.

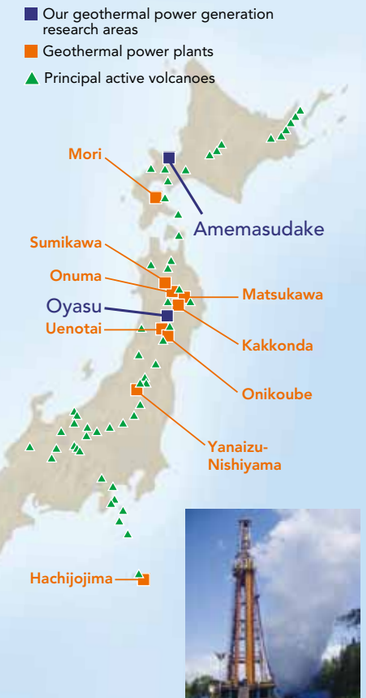
Major Global Sources of Geothermal Energy (Top 8 countries)

Being a land of volcanoes, Japan has the world's third-largest source of geothermal energy, following Indonesia and the United States (equivalent to approximately 20 million kilowatts as of 2008).



Source: National Institute of Advanced Industrial Science and Technology

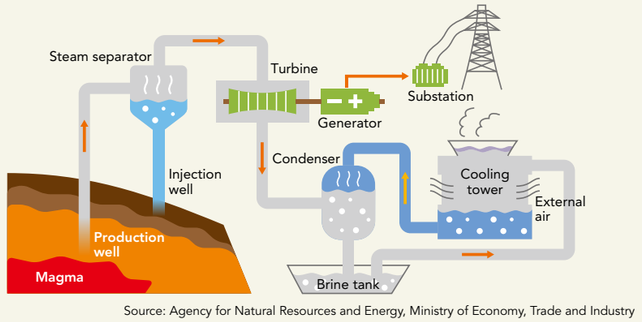
Current Situation of Geothermal Power Generation in Japan



Fumarolic testing at a geothermal well (Teiseki Drilling Co., Ltd.)

Mechanism of Geothermal Power Generation

Current geothermal power plants in Japan adopt the flash steam system, which withdraws rainwater and other groundwater heated with geothermal energy in underground reservoirs, separates steam from this geothermal fluid and uses the steam only for driving turbines while returning the fluid underground.



Source: Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry