

## Financial results for the year ended March 31, 2014

### Appendix

May 12, 2014

## Subsidiaries and Affiliates

### 66 consolidated subsidiaries

| Major subsidiaries                | Country/region                             | Ownership | Stage                     | Accounting term                           |
|-----------------------------------|--|-----------|---------------------------|---|
| Japan Oil Development             | UAE  | 100%      | Production                | March (provisional settlement of account) |
| INPEX Natuna                      | Indonesia                                  | 100%      | Production                | March                                     |
| INPEX Sahul                       | Timor Sea Joint Petroleum Development Area | 100%      | Production                | December                                  |
| INPEX Ichthys Pty Ltd             | Australia                                  | 100%      | Development               | March (provisional settlement of account) |
| INPEX Southwest Caspian Sea       | Azerbaijan                                 | 51%       | Production                | March (provisional settlement of account) |
| INPEX North Caspian Sea           | Kazakhstan                                 | 45%       | (production suspended)    | March (provisional settlement of account) |
| INPEX Oil & Gas Australia Pty Ltd | Australia                                  | 100%      | Development               | December                                  |
| INPEX Gas British Columbia Ltd.   | Canada                                     | 45.09%    | Production/<br>Evaluation | December                                  |

### 19 equity method affiliates

| Major affiliates            | Country/region | Ownership | Stage                      | Accounting term                           |
|-----------------------------|----------------|-----------|----------------------------|---|
| MI Berau B.V.               | Indonesia      | 44%       | Production                 | December                                  |
| Angola Block 14 B.V.        | Angola         | 49.99%    | Production/<br>Development | December                                  |
| INPEX Offshore North Campos | Brazil         | 37.5%     | Production                 | December                                  |
| Ichthys LNG Pty Ltd         | Australia      | 66.07%    | Development                | March (provisional settlement of account) |

# Segment information



For the year ended March 31, 2014 (April 1, 2013 through March 31, 2014)

(Millions of yen)

|                        | Japan   | Asia/<br>Oceania | Eurasia<br>(Europe/<br>NIS) | Middle<br>East/Africa | Americas | Total     | Adjustments *1 | Consolidated *2 |
|------------------------|---------|------------------|-----------------------------|-----------------------|----------|-----------|----------------|-----------------|
| Sales to third parties | 120,268 | 485,068          | 96,341                      | 621,512               | 11,435   | 1,334,625 | -              | 1,334,625       |
| Segment income (loss)  | 22,770  | 264,849          | 42,600                      | 421,183               | (7,645)  | 743,758   | (10,148)       | 733,610         |
| Segment assets         | 286,414 | 1,038,264        | 535,046                     | 288,600               | 265,347  | 2,413,673 | 1,624,465      | 4,038,139       |

Note:

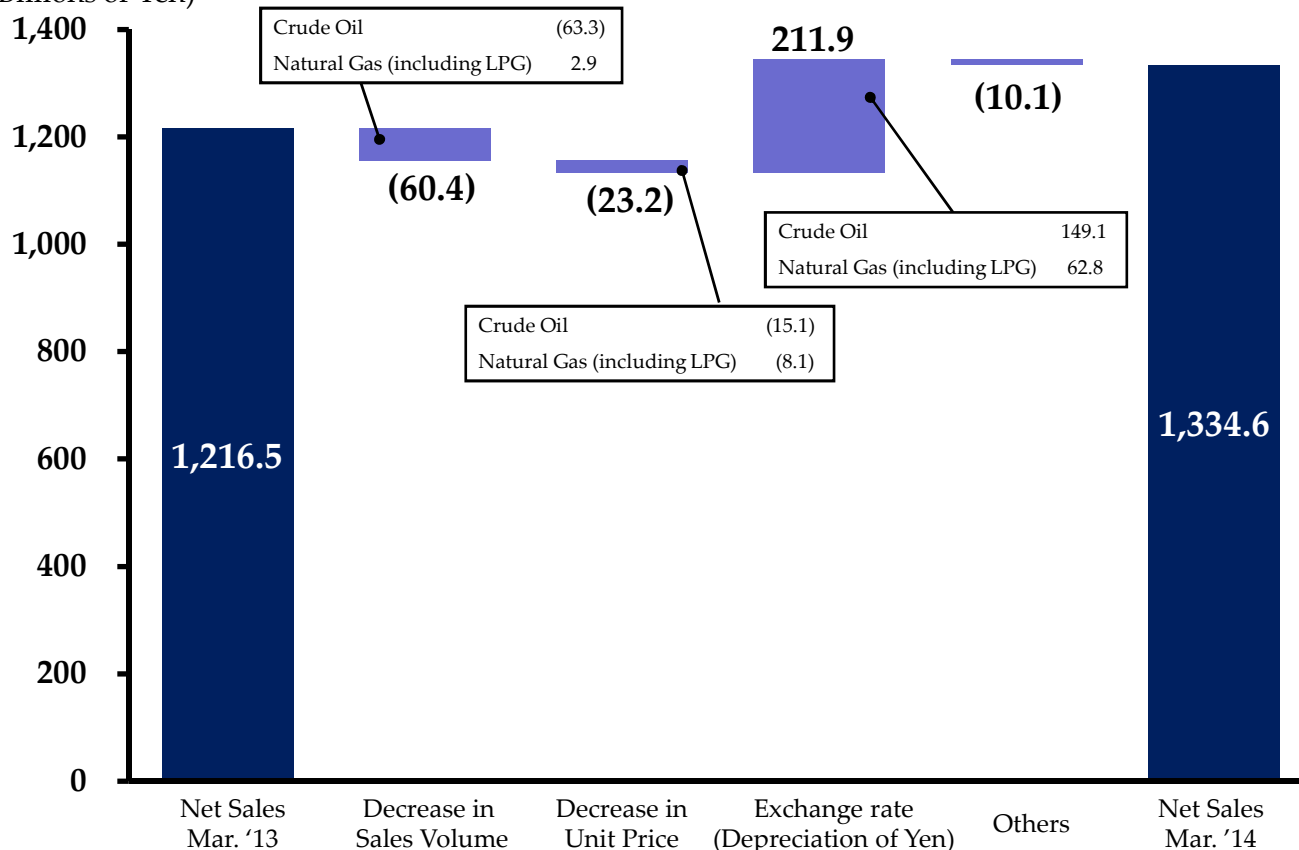
- (1) Adjustments of segment income of ¥(10,148) million include elimination of intersegment transactions of ¥222 million and corporate expenses of ¥(10,370) million. Corporate expenses are mainly amortization of goodwill not attributable to a reportable segment and general administrative expenses.
  - (2) Adjustments of segment assets of ¥1,624,465 million include elimination of intersegment transactions of ¥(2,357) million and corporate assets of ¥1,626,823 million. Corporate assets are mainly goodwill, cash and deposit, marketable securities and investment securities concerned with the administrative divisions.
2. Segment income was reconciled with consolidated operating income.

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## Analysis of Net Sales Increase



(Billions of Yen)



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# LPG Sales

|  | Mar. '13                   | Mar. '14               | Change                       | %Change                |
|--|----------------------------|------------------------|------------------------------|------------------------|
| Net Sales (Billions of yen)                        | 27.2                       | 24.2                   | (3.0)                        | (11.1%)                |
| Sales volume (thousand bbl)                        | 3,807                      | 2,944                  | (863)                        | (22.7%)                |
| Average unit price of overseas production (\$/bbl) | 85.12                      | 82.37                  | (2.75)                       | (3.2%)                 |
| Average unit price of domestic production(¥/ kg)   | 116                        | 103                    | (13)                         | (11.2%)                |
| Average exchange rate (¥/\$)                       | 82.20                      | 99.84                  | 17.63Yen depreciation        | 21.4% Yen depreciation |
| Sales volume by region (thousand bbl)              | Mar. '13                   | Mar. '14               | Change                       | %Change                |
| Japan  | 148<br>(14.1 thousand ton) | 8<br>(0.7thousand ton) | (141)<br>(-13.4thousand ton) | (94.9%)                |
| Asia/Oceania                                       | 3,659                      | 2,937                  | (722)                        | (19.7%)                |
| Eurasia (Europe/NIS )                              | -                          | -                      | -                            | -                      |
| Middle East/Africa                                 | -                          | -                      | -                            | -                      |
| Americas   | -                          | -                      | -                            | -                      |
| Total  | 3,807                      | 2,944                  | (863)                        | (22.7%)                |

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# EBIDAX

| (Millions of yen)   | Mar. '13       | Mar. '14       | Change        |  |
|---|----------------|----------------|---------------|--|
| Net income  | 182,961        | 183,690        | 729           | P/L  |
| Minority interests  | 5,909          | 3,250          | (2,659)       | P/L  |
| Depreciation equivalent amount  | 112,761        | 124,749        | 11,988        |  |
| Depreciation and amortization   | 51,915         | 50,916         | (999)         | C/F Depreciation under concession agreements and G&A |
| Amortization of goodwill  | 6,760          | 6,760          | -             | C/F  |
| Recovery of recoverable accounts (capital expenditure)                    | 54,086         | 67,073         | 12,987        | C/F Depreciation under PS contracts                  |
| Exploration cost equivalent amount  | 47,707         | 37,398         | (10,309)      |  |
| Exploration expenses  | 20,124         | 28,205         | 8,081         | P/L Exploration expense under concession agreements  |
| Provision for allowance for recoverable accounts under production sharing | 15,131         | 8,028          | (7,103)       | P/L Exploration expense under PS contracts           |
| Provision for exploration projects  | 12,452         | 1,165          | (11,287)      | P/L Exploration expense under PS contracts           |
| Material non-cash items   | 6,397          | 63,226         | 56,829        |  |
| Deferred income taxes   | (9,932)        | 49,121         | 59,053        | P/L  |
| Foreign exchange loss   | 16,329         | 14,105         | (2,224)       | C/F  |
| Net interest expense after tax  | (4,835)        | (10,135)       | (5,300)       | P/L After-tax interest expense minus interest income |
| <b>EBIDAX</b>   | <b>350,900</b> | <b>402,178</b> | <b>51,278</b> |  |

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# Analysis of Recoverable Accounts under Production Sharing

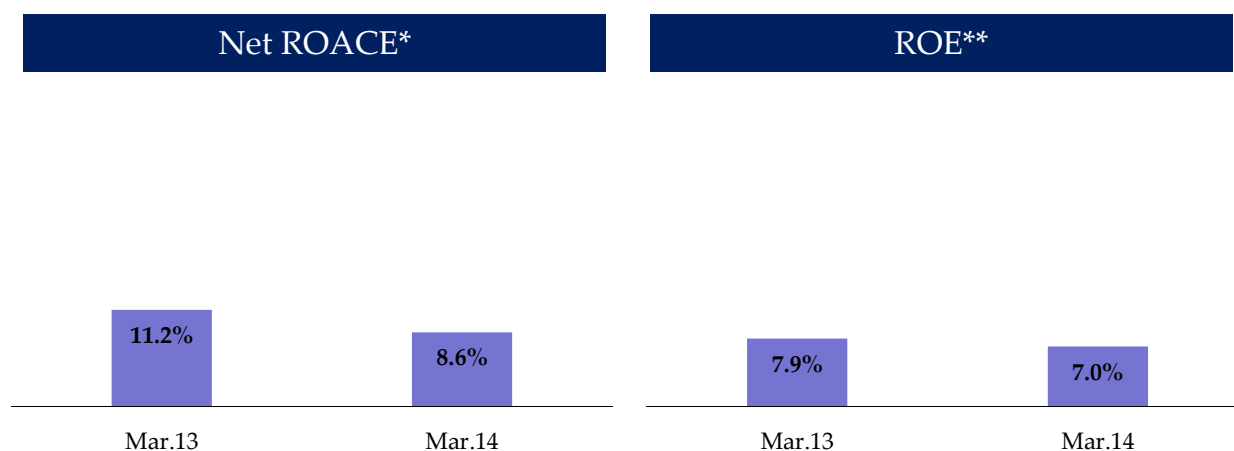
**INPEX**

| (Millions of yen)  | Mar. '12 | Mar. '13 | Mar. '14 |
|--|----------|----------|----------|
| Balance at beginning of period   | 534,330  | 568,318  | 590,565  |
| Add:   |          |          |          |
| Exploration costs  | 25,320   | 22,043   | 42,085   |
| Development costs  | 123,762  | 130,997  | 172,233  |
| Operating expenses   | 50,054   | 53,919   | 73,179   |
| Other  | 4,501    | 5,101    | 9,386    |
| Less:  |          |          |          |
| Cost recovery (CAPEX)  | 53,543   | 54,086   | 67,073   |
| Cost recovery (non-CAPEX)  | 98,869   | 107,937  | 129,671  |
| Other  | 17,237   | 27,790   | 4,716    |
| Balance at end of period   | 568,318  | 590,565  | 685,990  |
| Allowance for recoverable accounts under production sharing at end of period | 100,671  | 112,870  | 123,483  |

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# Profitability Indices

**INPEX**



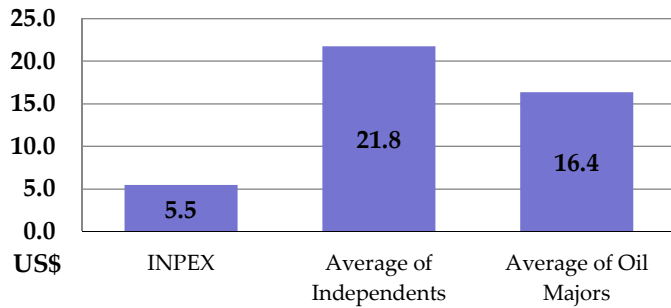
\* Net ROACE=(Net income+Minority interests+(Interest expense-Interest income) × (1-Tax rate)) / (Average of sum of Net assets and Net debt at the beginning and end of the fiscal year).

\*\* ROE=Net income/Average of Net assets excluding Minority interests at the beginning and end of the fiscal year.

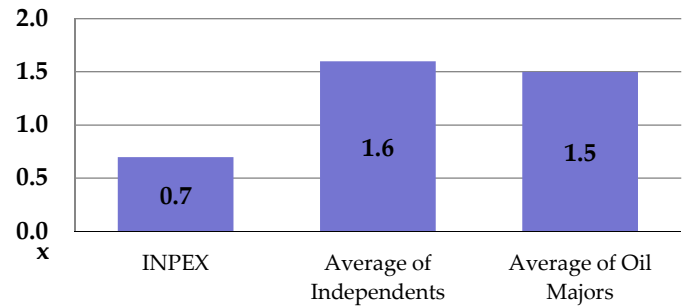
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# Valuation Indices

### EV/Proved Reserves\*



### PBR\*\*

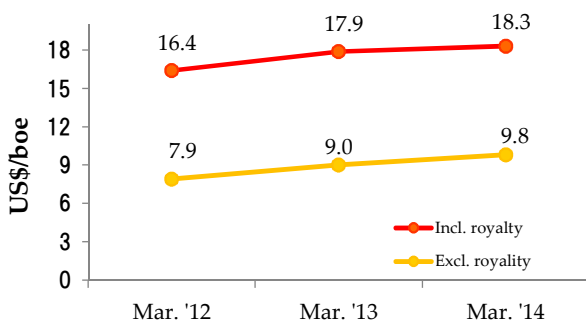


\* EV (Enterprise Value) / Proved Reserves = (Total market value + Total debt - Cash and cash equivalent + Minority interest) / Proved Reserves. Total market value as of 31/03/2014. Financial data and Proved Reserves for INPEX as of 31/03/2014. Financial data and Proved Reserves for Independents and Oil Majors as of 31/12/2013. Sources based on public data.

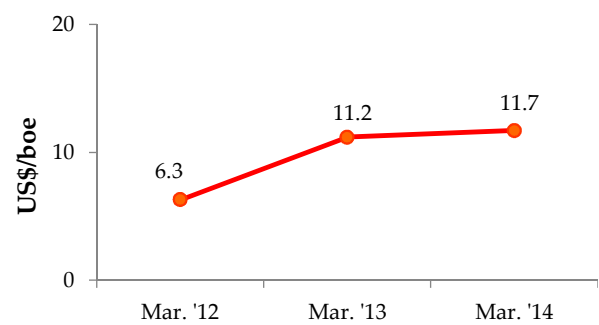
\*\* PBR = Stock price / Net asset per share. Total market value as of 31/03/2014. Financial data for INPEX as of 31/03/2014. Financial data for Independents and Oil Majors as of 31/12/2013. Sources based on public data.

# Reserves/Production Indices

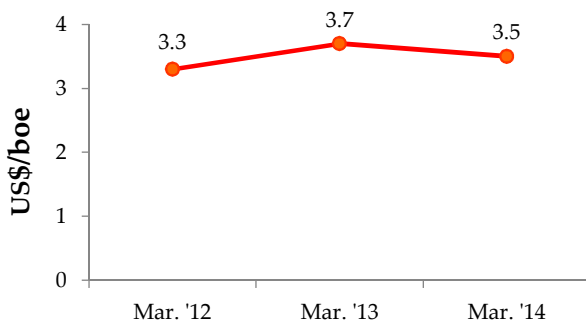
### Production Cost per BOE Produced



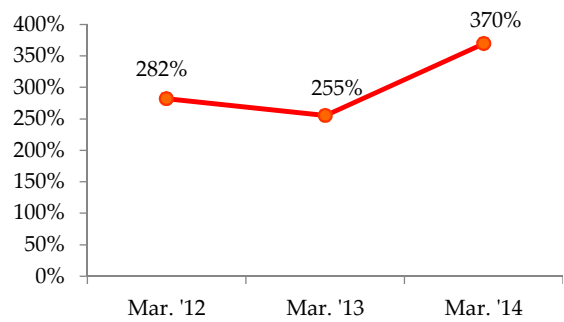
### Finding & Development Cost per BOE (3-year average)



### SG&A Cost per BOE Produced

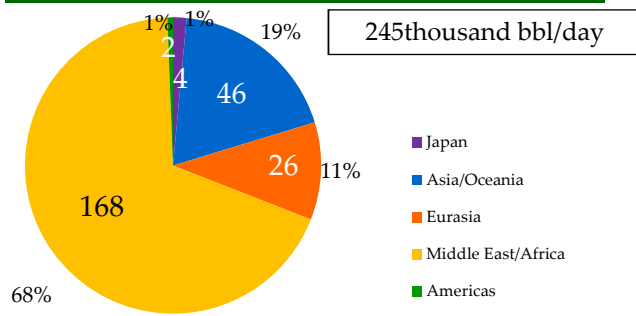


### Reserve Replacement Ratio (3-year average)

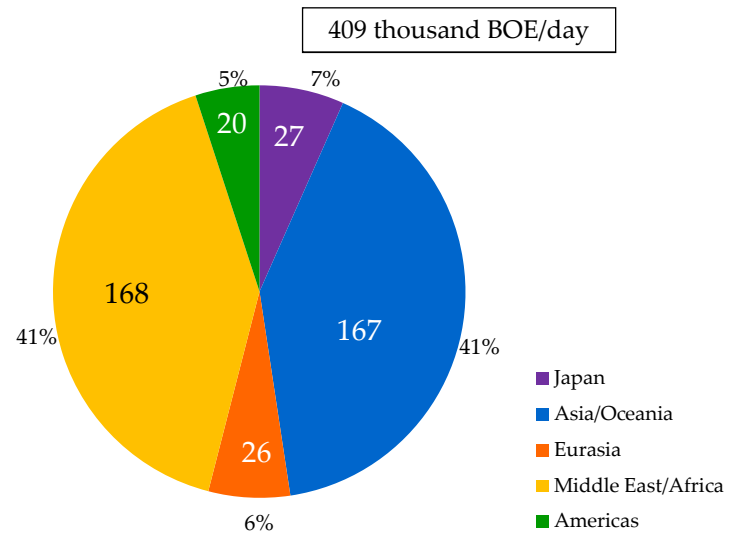


# Net Production\* (Apr. 2013 – Mar. 2014) **INPEX**

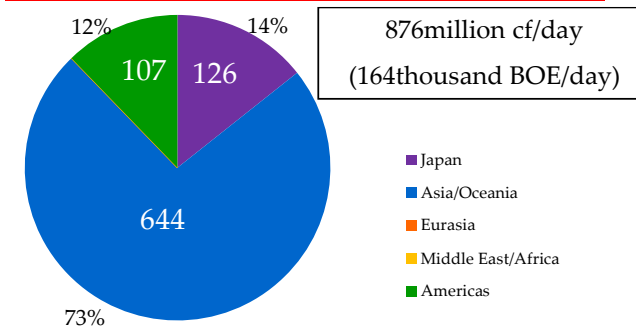
## Oil/Condensate/LPG



## Total



## Natural Gas

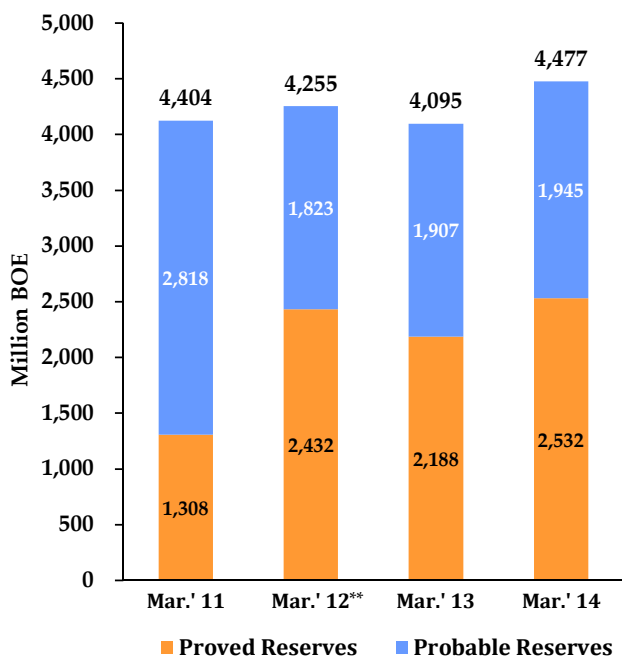


10 \* The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of INPEX Group.

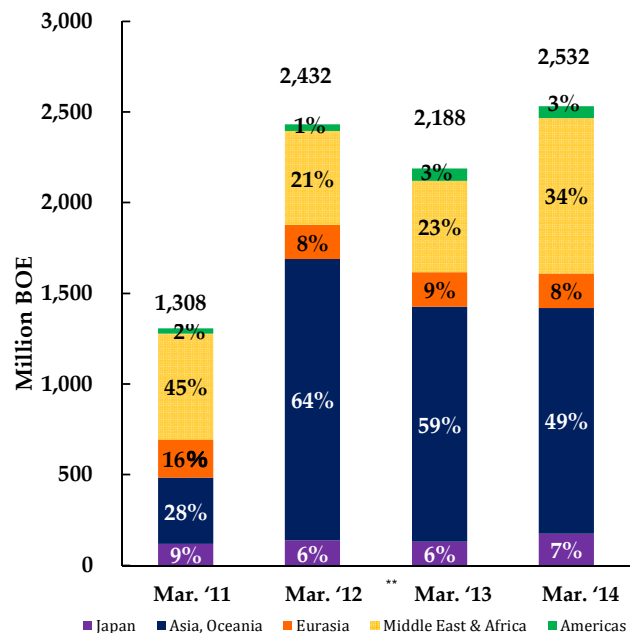
# Proved + Probable Reserves and Proved Reserves by Region \*



## Proved + Probable Reserves



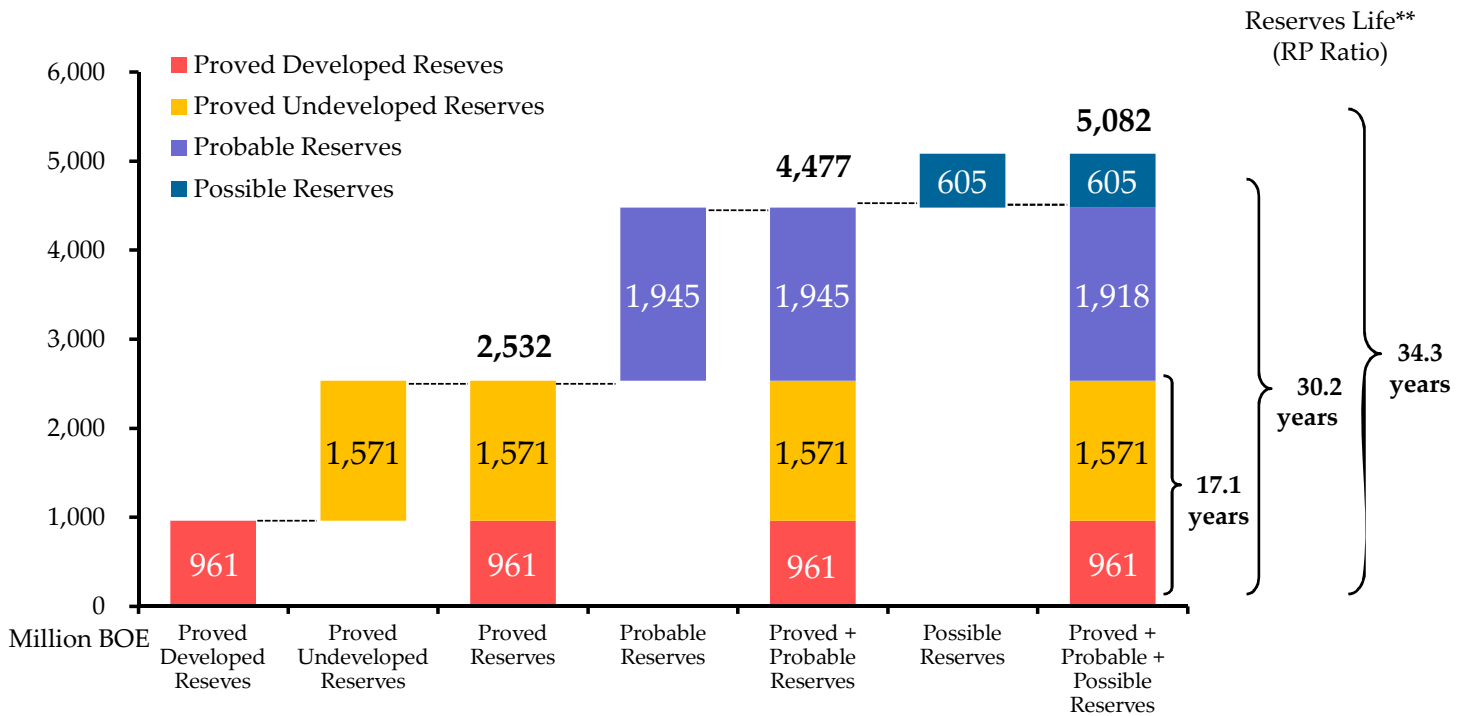
## Proved Reserves by Region



\* The reserves cover most of INPEX Group projects including equity method affiliates. Where the reserves of the projects accompanied by a large amount of investment and affecting the company's future result materially is expected, such reserves are evaluated by DeGolyer & MacNaughton, and the others are evaluated internally. The proved reserves are evaluated in accordance with SEC regulations. The probable reserve are evaluated in accordance with SPE/WPC/AAPG/SPEE guideline (SPE-PRMS) approved in March 2007.

\*\* The way of the calculation for conversion factor from gas to oil equivalent was altered from the year ended March 31, 2012.

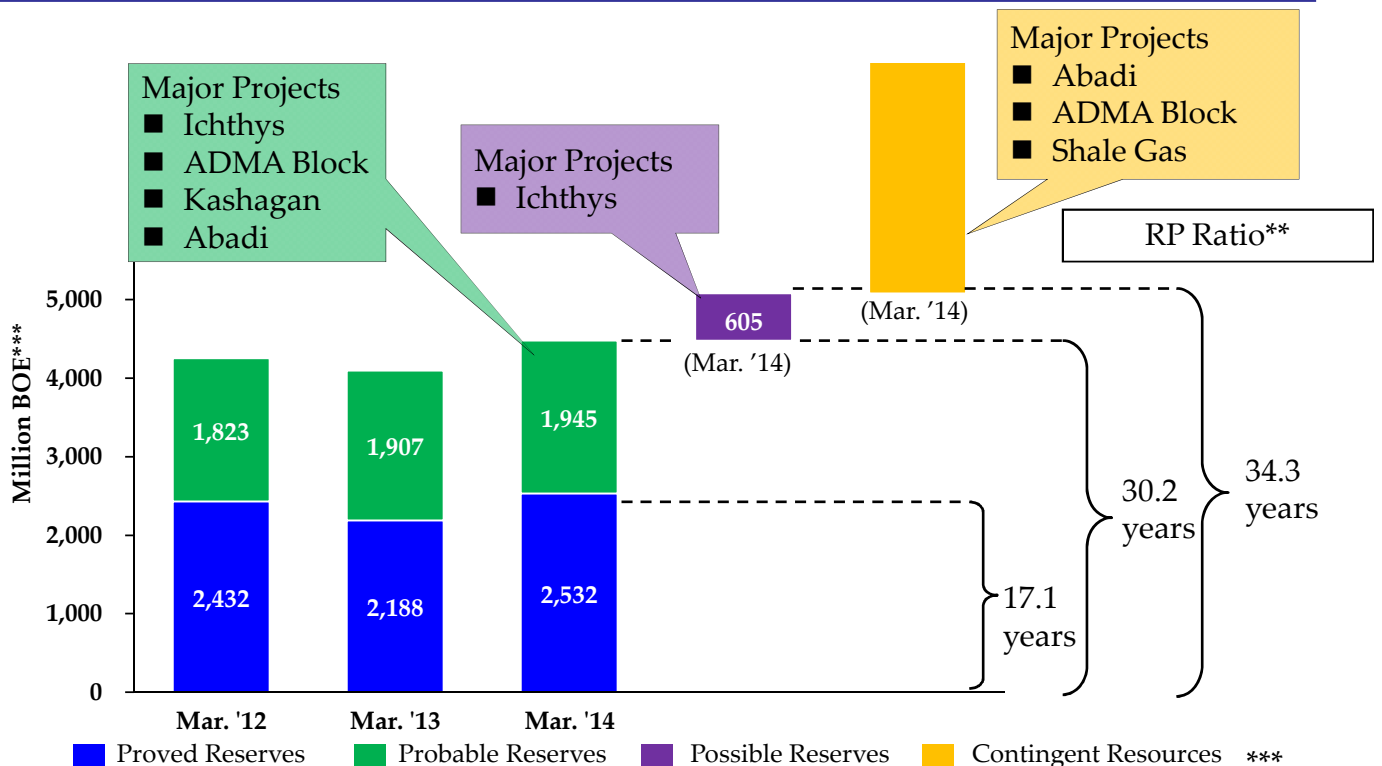
# Upside Potential from Proved + Probable + Possible Reserves\*



\* 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. The proved reserves are evaluated in accordance with SEC regulations. The probable and possible reserves are evaluated in accordance with SPE/WPC/AAPG/SPEE guideline (SPE-PRMS) approved in March 2007.

\*\* Reserves Life = Reserves as of March 31, 2014 / Production for the year ended March 31, 2014 (RP Ratio: Reserves Production Ratio)

# Historical Trend of Reserves\* (Proved, Probable, Possible and Contingent)



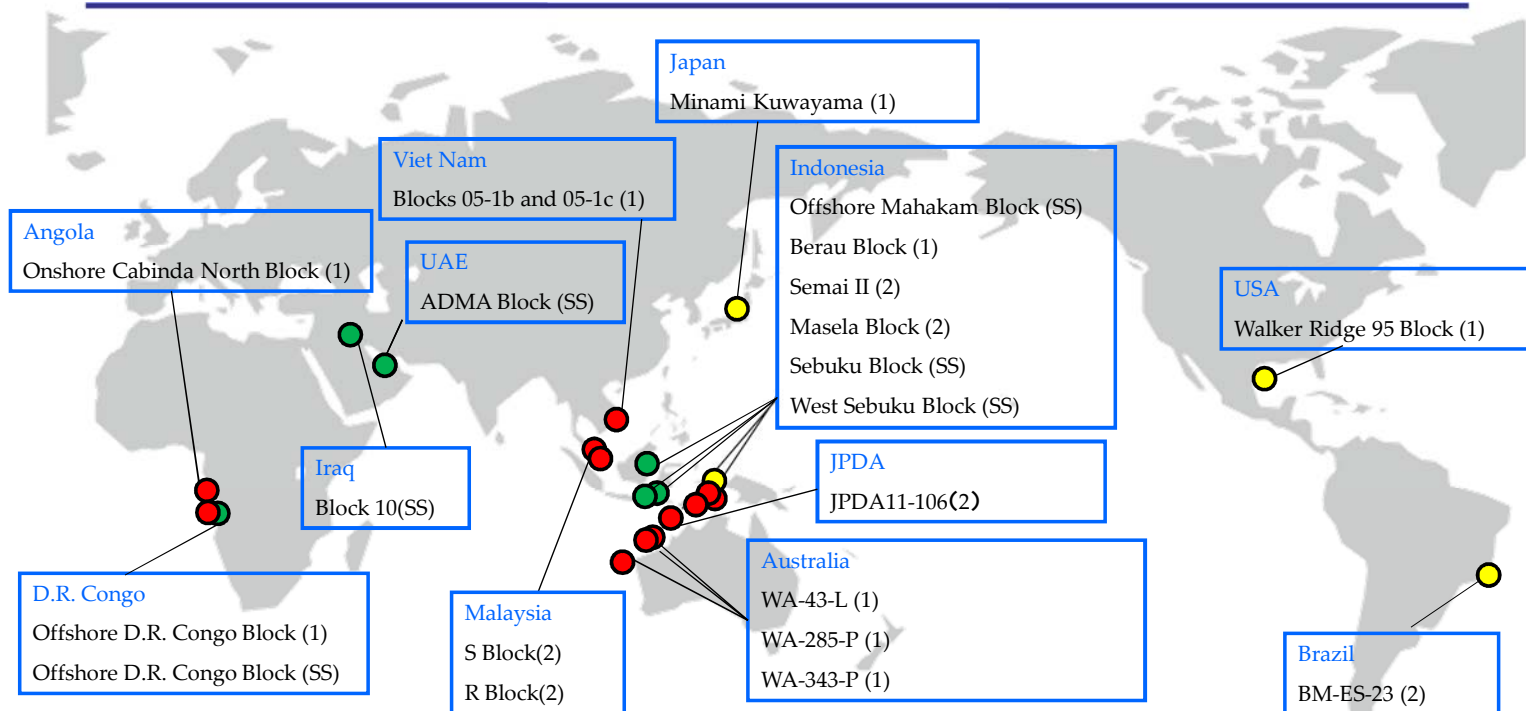
\* The reserves cover most of INPEX group projects including equity method affiliates. The reserves of the projects which are expected to be invested a large amount and affect the company' future result materially are evaluated by DeGolyer & MacNaughton, and the others are done internally. The proved reserves are evaluated in accordance with SEC regulations. The probable and possible reserves are evaluated in accordance with SPE/WPC/AAPG/SPEE guideline (SPE-PRMS) approved in March 2007.

\*\* Reserves Life = Reserves as of March 31, 2014 / Production for the year ended March 31, 2014 (RP Ratio: Reserves Production Ratio)

\*\*\* Contingent Resources are estimated by INPEX. Under the SPE-PRMS standard, contingent resources are those quantities of hydrocarbons which are estimated to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable due to one or more contingencies.

# Project Summary

## FY 2015/03 Exploration Work Programs\* **INPEX**



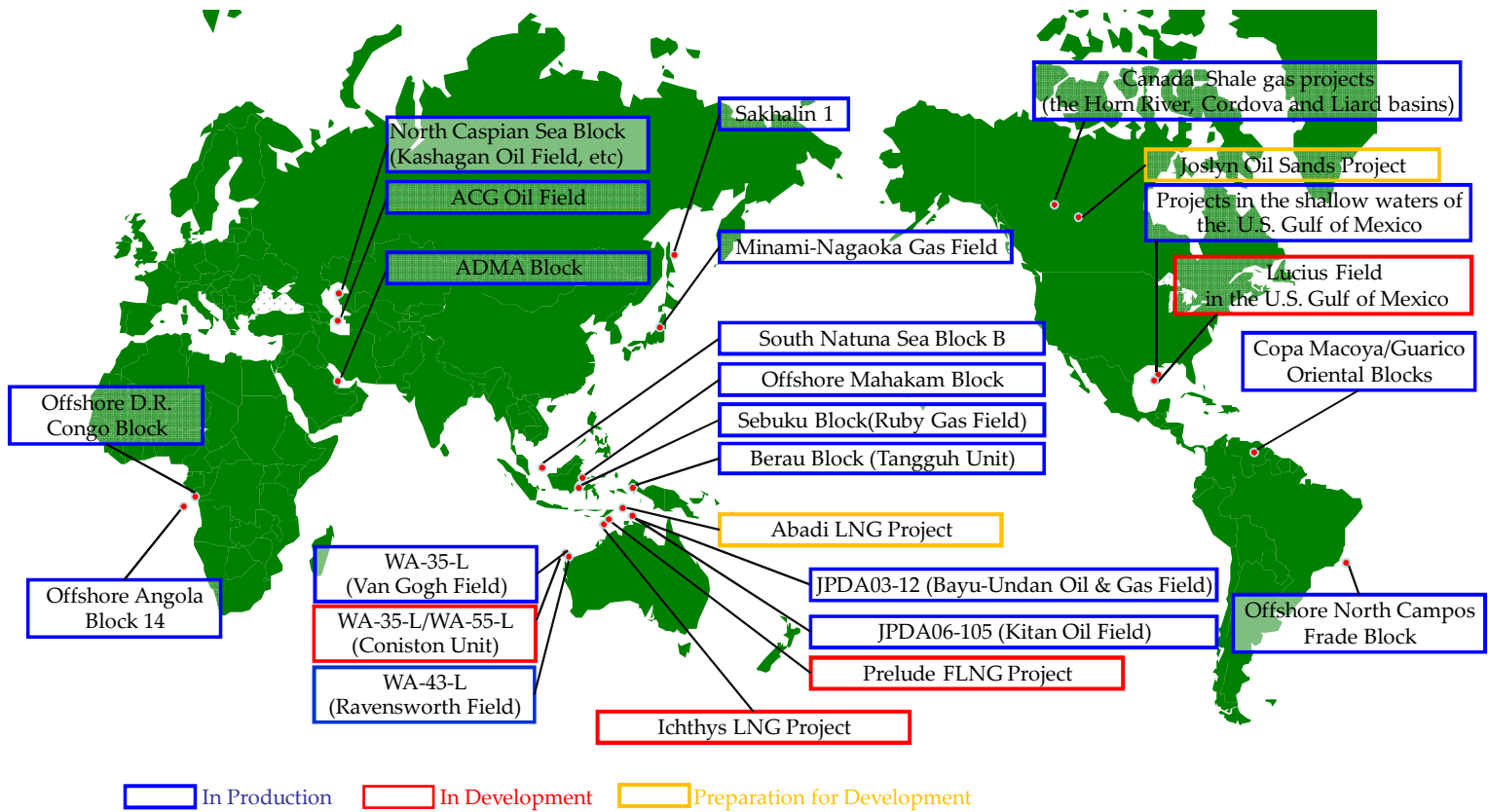
\* Number in ( ) is the number of drilling wells

- Exploration Well
- Appraisal Well
- Seismic Survey (SS)

|              | Exploration Expenditure (Billions of Yen) | Exploratory Well (well) | Appraisal Well (well) | Seismic Survey 2D (km) | Seismic Survey 3D (km <sup>2</sup> ) |
|--------------|---|-------------------------|-----------------------|------------------------|--------------------------------------|
| Mar. '14     | 71.0                                      | 8                       | 7                     | 5,102                  | 8,786                                |
| Mar. '15 (E) | 105.0                                     | 16                      | 5                     | 5,550                  | 3,795                                |



# Major Assets in Production & Development **INPEX**



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## Production Start-up Schedule (1/2) **INPEX**

| Production Start-up                      | Project/Oil & Gas Field                                    | Country    | Operator       | Peak Production / Production Capacity           | INPEX Share <sup>*1</sup>   |
|--|--|------------|----------------|---|-----------------------------|
| Fiscal 2014<br>(April 2014 - March 2015) | Umm LuLu Oil Field, Nasr Oil Field                         | UAE        | ADMA-OPCO      | - <sup>*2</sup>                                 | 12.0%                       |
|  | Coniston Unit  | Australia  | Apache         | Approx. 20Mbb/d                                 | 47.499%                     |
|  | Lucius Field (Oil)   | U.S.       | Anadarko       | Approx. 80 Mbb/d                                | 7.2%                        |
|  | South Belut Gas Field(South Natuna Sea Block B)            | Indonesia  | ConocoPhillips | Approx. 450 MMscf/d<br>- <sup>*2</sup>          | 35%                         |
| Fiscal 2015<br>(April 2015 - March 2016) | Lianzi Oil Field   | Angola     | Chevron        | Approx. 20Mbb/d                                 | 9.99% <sup>*3</sup>         |
| After April 2016                         | Shale Gas Project (Cordova)                                | Canada     | Nexen          | Approx. 1,250 MMscf/d <sup>*4</sup><br>8.4MMt/y | 40%<br>66.07% <sup>*5</sup> |
|  | Ichthys LNG Project (LNG)<br>(LPG)<br>(Condensate)         | Australia  | INPEX          |   |                             |
|  | Prelude FLNG Project (LNG)<br>(LPG)<br>(Condensate)        | Australia  | Shell          | Approx. 100Mbb/d<br>3.6MM t/y                   | 17.5%                       |
|  | Abadi LNG Project (Stage1) (LNG)<br>(Condensate)           | Indonesia  | INPEX          | Approx. 0.4 MM t/y<br>Approx. 36 Mbb/d          | 65%                         |
|  | Joslyn Oil Sands Project (Mining)                          | Canada     | TOTAL          | Approx. 157Mbb/d                                | 10%                         |
| Discovered/Production start-up (TBD)     | Kalamkas, Aktote, Kairan and Southwest Kashagan structures | Kazakhstan | NCOC           | TBD   | 7.56%                       |
|  | Shale Gas Project (Liard)                                  | Canada     | Nexen          | TBD   | 40%                         |
|  | Lucapa, Malange Oil Fields                                 | Angola     | Chevron        | TBD   | 9.99% <sup>*3</sup>         |

\*1 INPEX share is a participating interest. In the case of an equity method affiliate, multiplying the participating interest by INPEX controlling share.

\*2 Nondisclosure because of confidentiality agreement with project partners

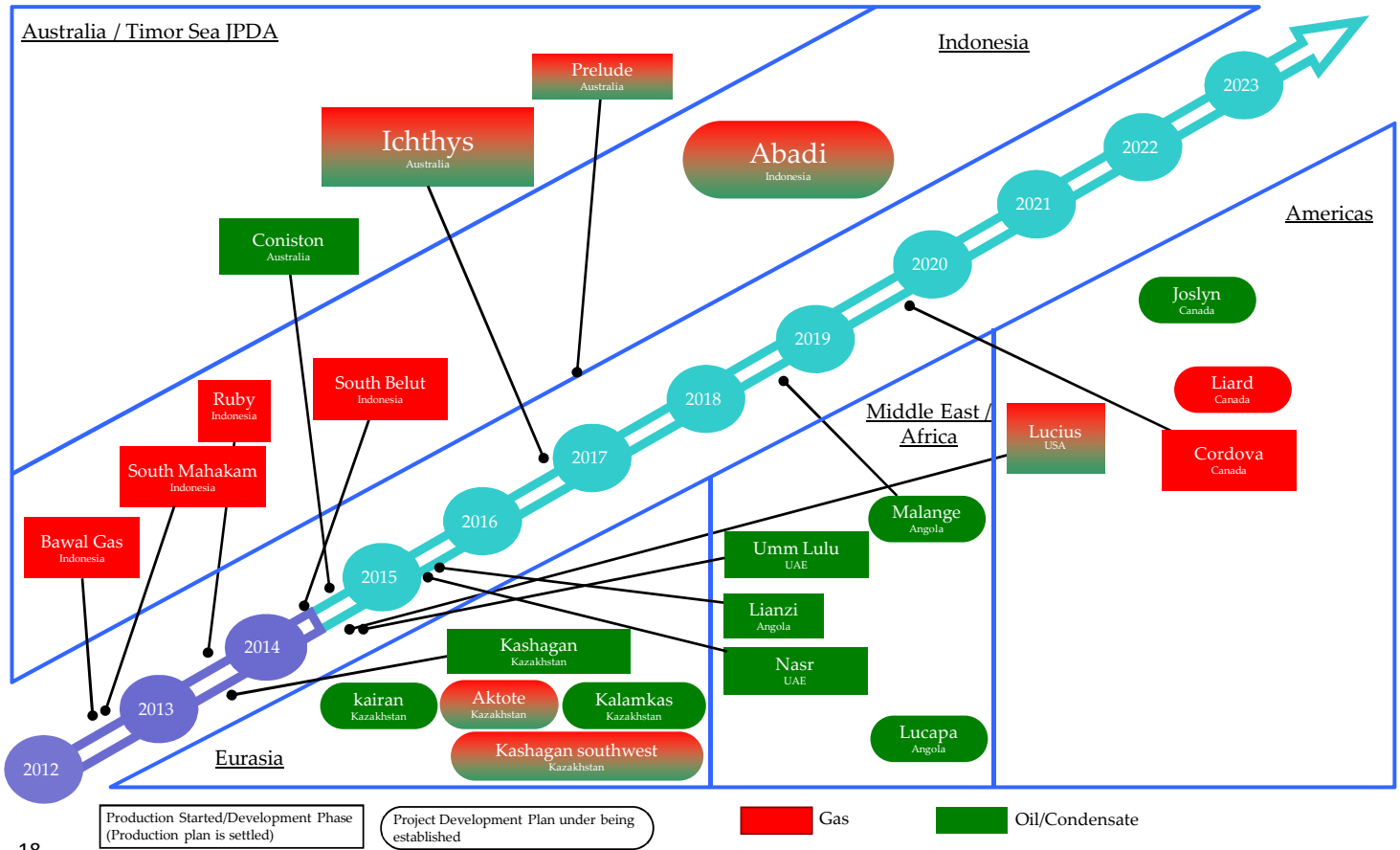
\*3 INPEX share for the Lianzi Field is one-half of the mentioned share in this table since it belongs to the unitized area between Angola and R.O. Congo.

\*4 Peak Production combined from both Horn River and Cordova Areas

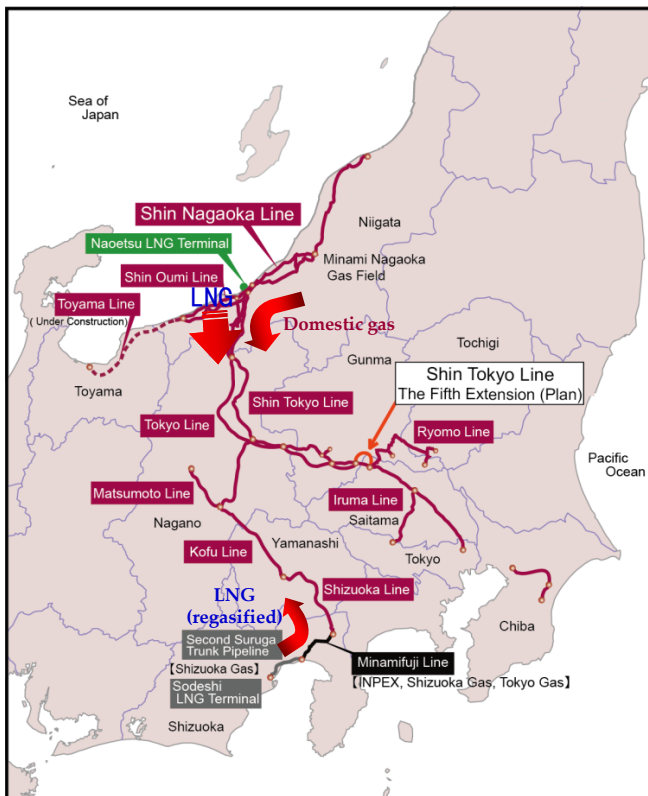
\*5 Including 2.625% equity interest in the process of transfer to CPC

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# Production Start-up Schedule (2/2)



# Natural Gas Business in Japan INPEX CORPORATION



**-Production\* :**

- Natural gas : approx. 3.4 million m<sup>3</sup>/d (126 million cf/d)\*\*
- Crude oil and condensate : approx. 4,000 bbl/d

**-Natural Gas Sales**

- FY 2014/03 : approx. 1,790 million m<sup>3</sup>\*\*
- FY 2015/03(e) : approx. 1,810 million m<sup>3</sup>\*\*
- Expect more than 2,500 million m<sup>3</sup> in the first half of 2020s, 3,000 million m<sup>3</sup> in the long-term

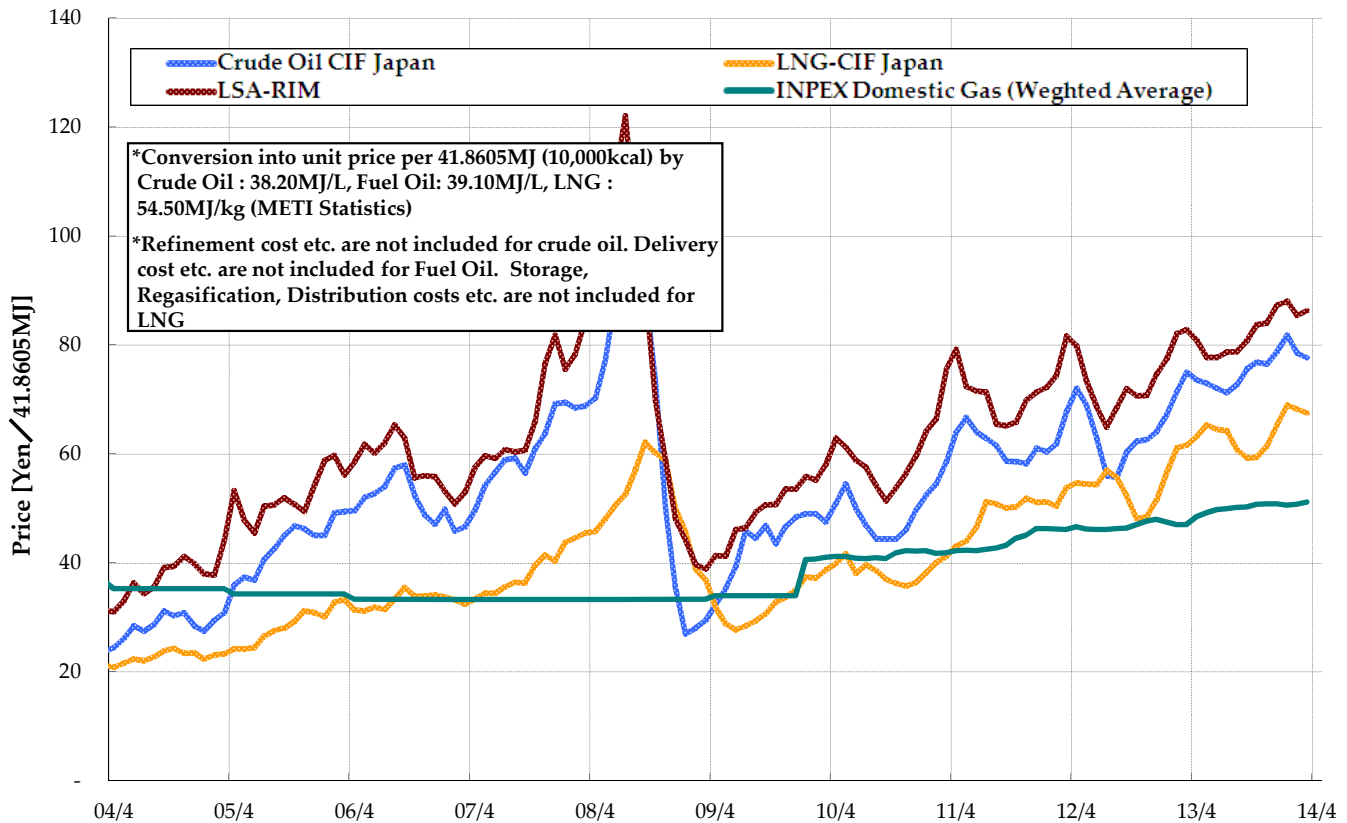
**-Gas Supply Chain**

- FID on Toyama Line in May 2011 (to start its operation in 2016)
- Commencement of commercial operation for the Naoetsu LNG Terminal in December 2013
- Started feasibility study on the extension of "Shin Tokyo Line" in February 2014

\*sum of domestic crude oil and gas fields : average daily volume (FY2014/03)  
 \*\*1m<sup>3</sup> = 41,8605MJ

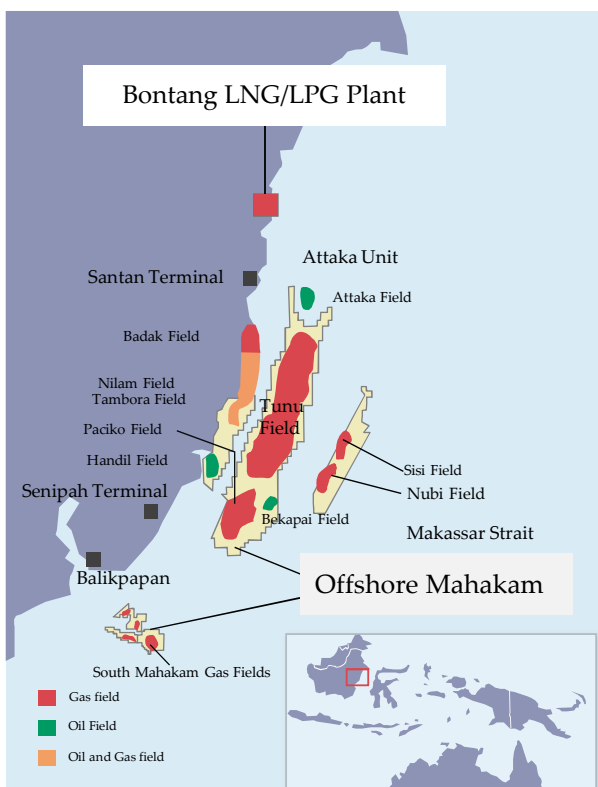
# Gas Prices in Japan

Price Comparison per Unit



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## Offshore Mahakam INPEX CORPORATION



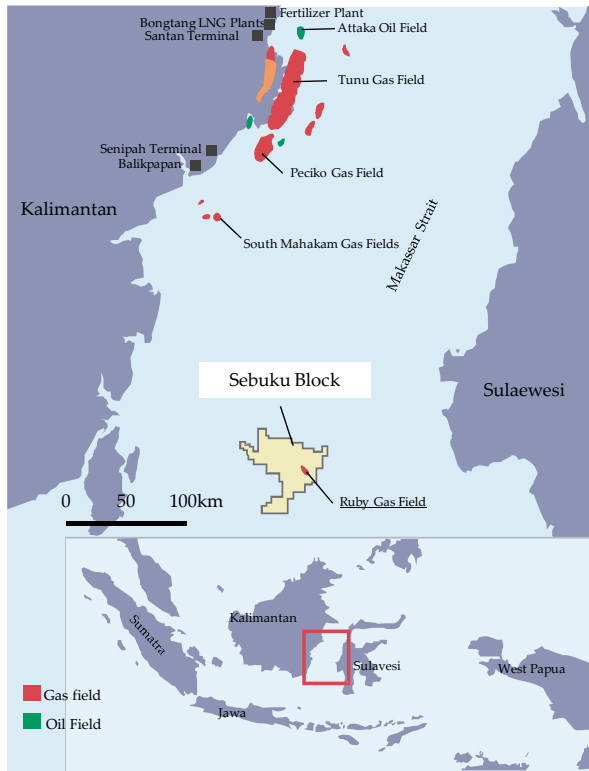
- Participating Interest: 50% (Operator: TOTAL)
- Production\*
  - Crude Oil and Condensate: Approximately 71,000 bbl/d
  - LPG: Approximately 6,000 bbl/d
  - Natural Gas\*\*: Approximately 1,491 million cf/d
- PSC: Until 2017
- Development activities in mainly Tunu, Peciko, Sisi, Nubi and South Mahakam gas fields continue to keep stable gas supply to Bontang LNG plant
- LNG supply to the Indonesia's first LNG receiving terminal (FSRU: Floating Storage and Regasification Unit) in West Java started in April 2012.
- Production at South Mahakam gas field started in the end of October 2012.
- Negotiation continues on PS contract renewal with Indonesian governmental authorities in cooperation with TOTAL.

\* on the basis of all fields and average rate of Mar. 2014

\*\* Volume not at wellheads but corresponding to the sales to buyers

# Sebuku Block (Ruby Gas Field)

## INPEX South Makassar



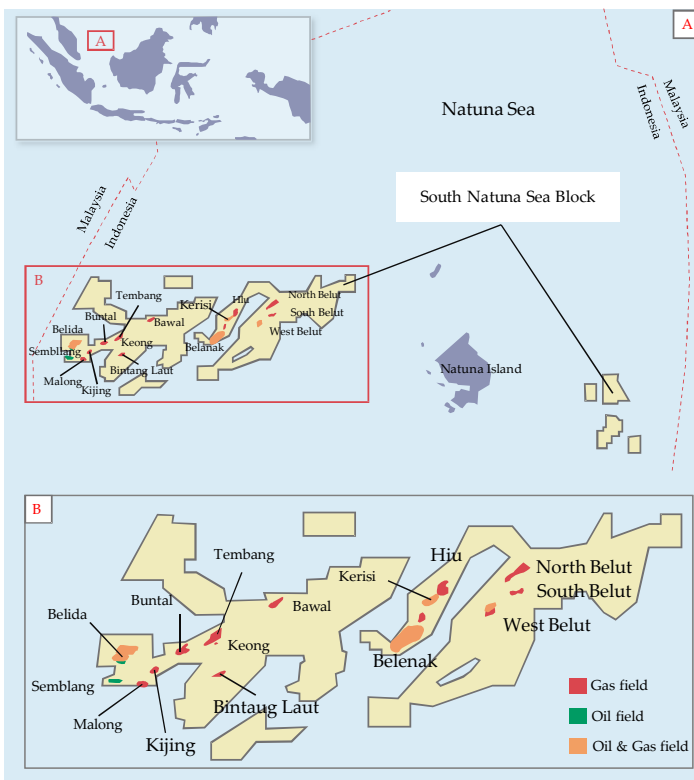
- Participating Interest: 15%  
(Operator : PEARLOIL (Mubadala))
- Production\*:
  - Natural Gas:\*\* Approximately 70 million cf/d
- PSC: Until 2027
- FOA (Farm Out Agreement) with Pearl Energy was approved by Indonesian Government in August 2010 (INPEX acquired a 15% interest).
- FID (Final Investment Decision) in June 2011
- Offshore facilities tied-in to the onshore facilities of Offshore Mahakam Block by subsea pipeline.
- Produced gas is mainly supplied to domestic fertilizer plant in Indonesia.
- Production commenced in October 2013.

\* on the basis of all fields and average rate of Mar. 2014

\*\* Volume not at wellheads but corresponding to the sales to buyers

# South Natuna Sea Block B

## INPEX NATUNA LTD.



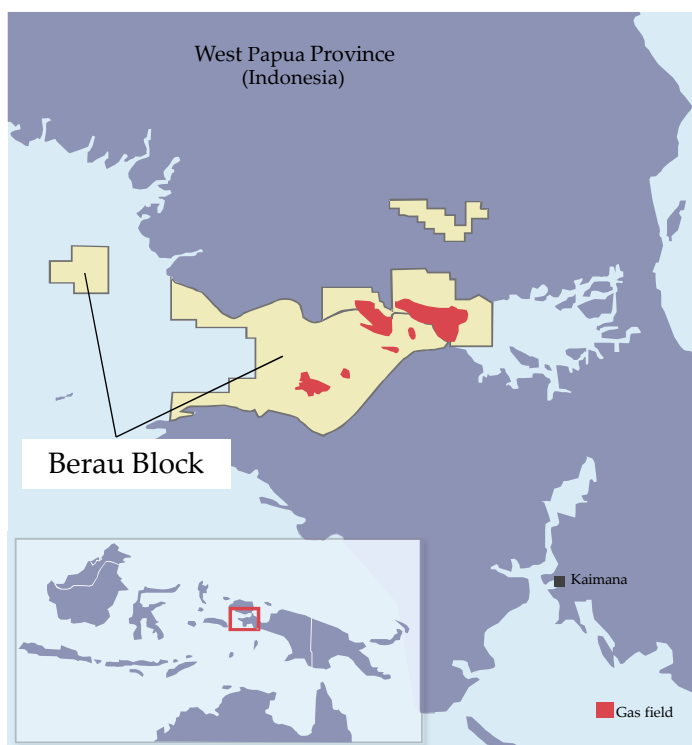
- Participating Interest: 35.0%  
(Operator : ConocoPhillips)
- Production\*:
  - Crude Oil: Approximately 30,000 bbl/d
  - LPG : Approximately 13,000 bbl/d
  - Natural Gas:\*\*: Approximately 370million cf/d
- PSC: Until 2028
- Signed a gas sales contract for 22 years from 2001 with SembCorp (Singapore) and for 20 years from 2002 with Petronas (Malaysia)
- Production at the Bawal gas field started in July 2012
- Production at the South Belut gas field is commenced in April 2014.

\* on the basis of all fields and average rate of Mar. 2014

\*\* Volume not at wellheads but corresponding to the sales to buyers

# Berau (Tangguh LNG Project)

## MI BERAU B.V. / MI BERAU JAPAN LTD. **INPEX**



- MI Berau B.V./MI Berau Japan Ltd.\* : Joint venture with Mitsubishi Corporation (INPEX 44%, Mitsubishi 56%) \*MI Berau Japan owns approximately 16.5% share of KG Berau Petroleum Ltd.
- Participating Interest in the Berau PSC:
  - MI Berau : 16.3% Tangguh Unit
  - KG Berau Petroleum : 8.56% Tangguh Unit
  - Operator : BP
- Production\*:
  - Condensate: Approximately 6,000 bbl/d
  - Natural Gas\*\*: Approximately 1,060 million cf/d
- PSC: Until 2035
- LNG production capacity: 7.6 million tons per year
- LNG sales started in July 2009

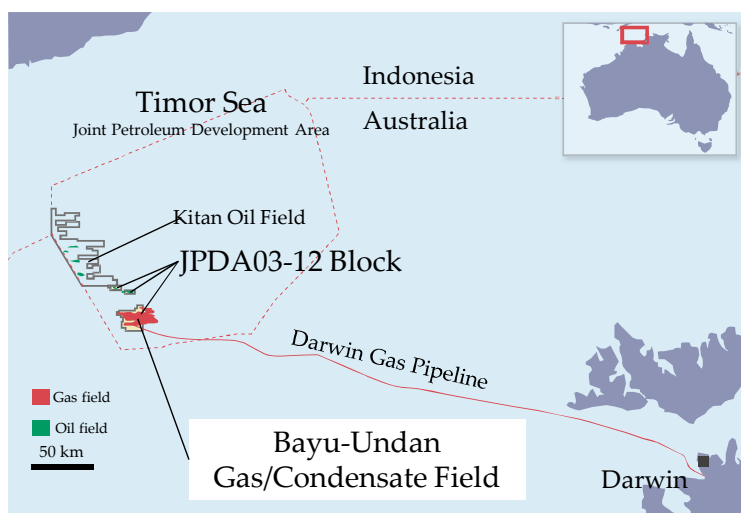
\* on the basis of all fields and average rate of Mar. 2014

\*\* Volume not at wellheads but corresponding to the sales to buyers

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# JPDA03-12 (Bayu-Undan)

## INPEX SAHUL, LTD. **INPEX**



- Participating Interest: 11.378120% (Operator: ConocoPhillips)
- Production\*:
  - Condensate: Approximately 31,000 bbl/d
  - LPG: Approximately 19,000 bbl/d
  - Natural Gas\*\*: Approximately 540 million cf/d
- PSC: Until 2022
- Sales of condensate and LPG started in February 2004
- Entered into LNG Sales Contract with TEPCO and Tokyo Gas in August 2005 (3 million t/y for 17 years from 2006)
- LNG sales started in February 2006

\* on the basis of all fields and average rate of Mar. 2014

\*\* Volume not at wellheads but corresponding to the sales to buyers

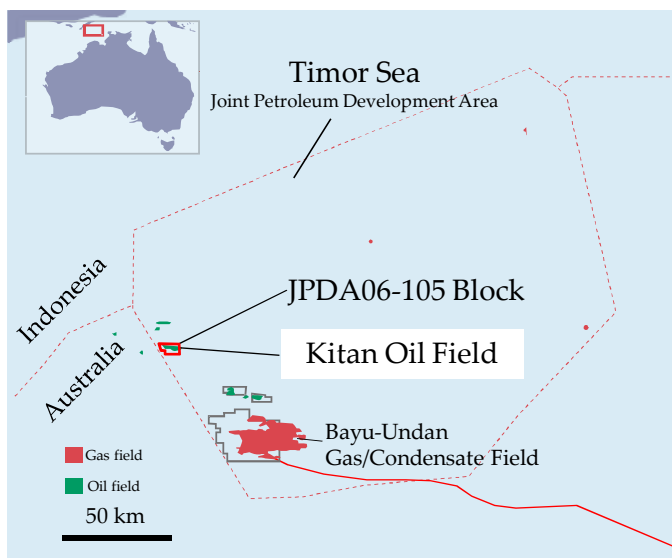
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# JPDA06-105 (Kitan Oil Field)

INPEX TIMOR SEA, LTD.

**INPEX**



- Participating Interest: 35% (Operator: Eni)
- Production\*:
  - Crude Oil: Approximately 8,000bbl/d
- PSC: Until April 2035 (Kitan Oil Field)
- Declaration of commercial discovery of the Kitan Oil Field in May 2008
- National Petroleum Authority approved the Final Development Plan for the Kitan Oil Field in April 2010
- Production started in October 2011

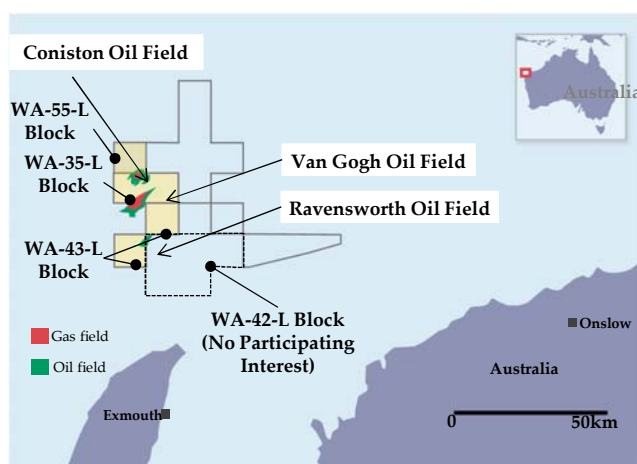
\* on the basis of all fields and average rate of Mar. 2014

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# Van Gogh, Coniston and Ravensworth Oil Fields

INPEX ALPHA, LTD.

**INPEX**



## Van Gogh / Coniston Oil Fields (WA-35-L/WA-55-L)

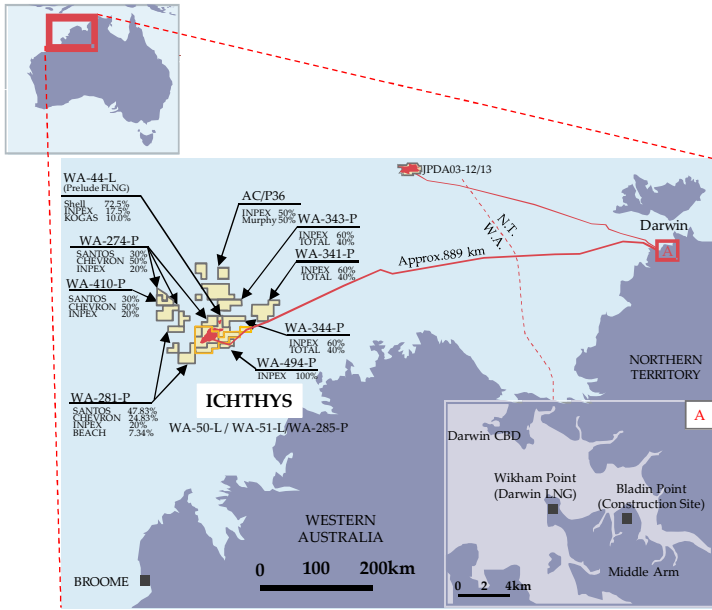
- Participating Interest: 47.499% (Operator: Apache)
- Concession Agreement: Production License was granted in October 2008
- Van Gogh Oil Field
  - Production Start : February 2010
- Coniston Oil Field:
  - Production Start: in the latter half of 2014 (planned), the average rate during the first year is projected to be approximately 14,400 bbl/d.

## Ravensworth Oil Field (WA-43-L)

- Participating Interest: 28.5% (Operator :BHPBP)
- Production\*:
  - Crude Oil: Approximately 10,000bbl/d
- Concession Agreement: Production License was granted in November 2009
- Tie-in development to the Production Facilities in WA-42-L
- Production started in August 2010

\* on the basis of all fields and average rate of Mar. 2014

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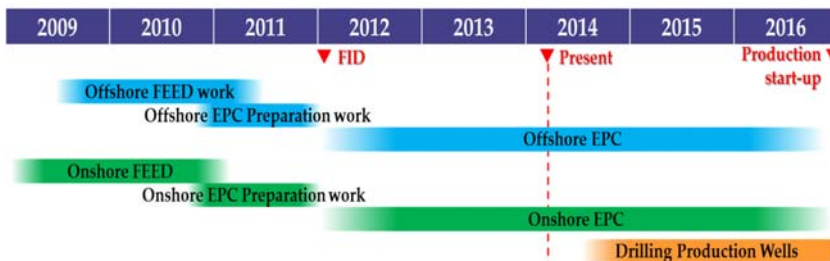


- January 13, 2012, Announced FID
- Production start target : by the end of 2016
- Production rate : LNG : 8.4 million t/y (equivalent to approx. 10% of Japan's current LNG annual import volume) , LPG : approx. 1.6 million t/y , Condensate : approx. 100,000 barrels per day(at peak)
- Reserves : 40-year project life. LNG production of 8.4 Million t/y for approx. 20 years (then gradually decline) . Substantial LPG and Condensate production. Approx. 1,030 million BOE of proved reserves as of Mar. 2014 (Based on INPEX's Participating interest of 66.07%\*)
- Participating Interest: INPEX 66.07%\*, TOTAL 30.0%, Tokyo Gas 1.575%, Osaka Gas 1.200%, Chubu Electric Power 0.735%, Toho Gas 0.420%

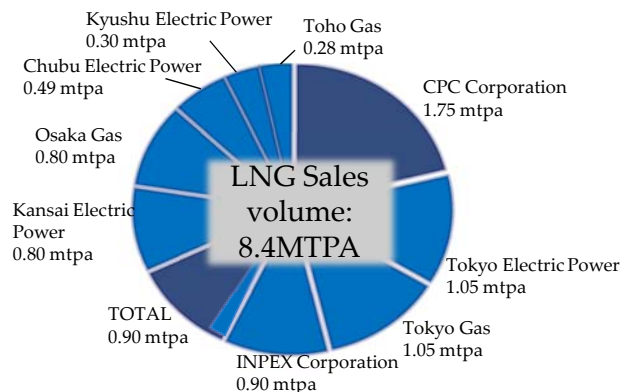
\*Including 2.625% equity interest in the process of transfer to CPC

- Marketing: LNG SPAs secured for the entire LNG production (8.4 million t/y)
- Major Government approvals: Environmental approval, Pipeline licenses, Production Licenses all obtained
- CAPEX : US\$34.0 billion (100% project basis)
- Financing the Project: Arrangement for US\$ 20 billion of project financing with ECAs and major commercial banks were completed in December, 2012.
- EPC Works : Major EPC Contracts were awarded.
- Upstream : CPF: Samsung Heavy Industries, FPSO: Daewoo Shipbuilding & Marine Engineering, Subsea Production System (SPS): GE Oil & Gas, Umbilical, Riser and Flowline (URF): McDermott
- Downstream : Onshore LNG Plant : JGC, Chiyoda and KBR, Gas Export, Pipeline(GEP) : Saipem S.p.A, Mitsui Corporation, Sumitomo Corporation and Metal One Corporation, Dredging in Darwin Harbor: Van Oord, Instrumentation and Control System: Yokogawa Electric (including upstream facilities)

Schedule:

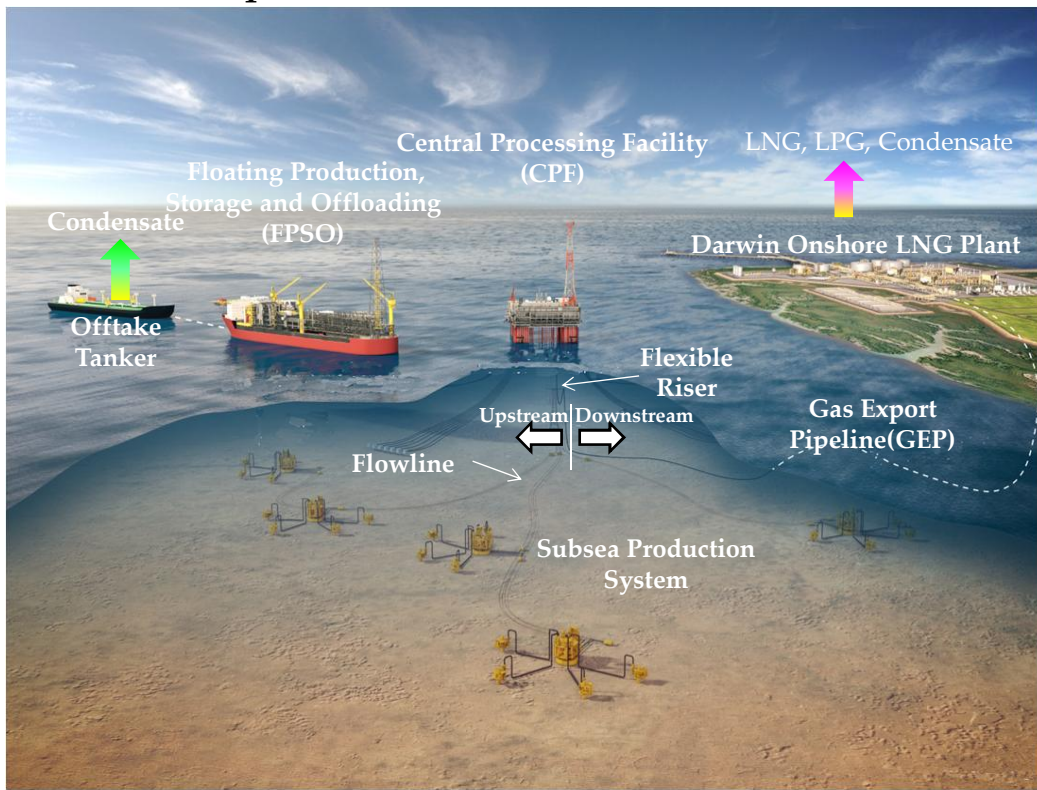


LNG Sales Volume: 8.4 million t/y

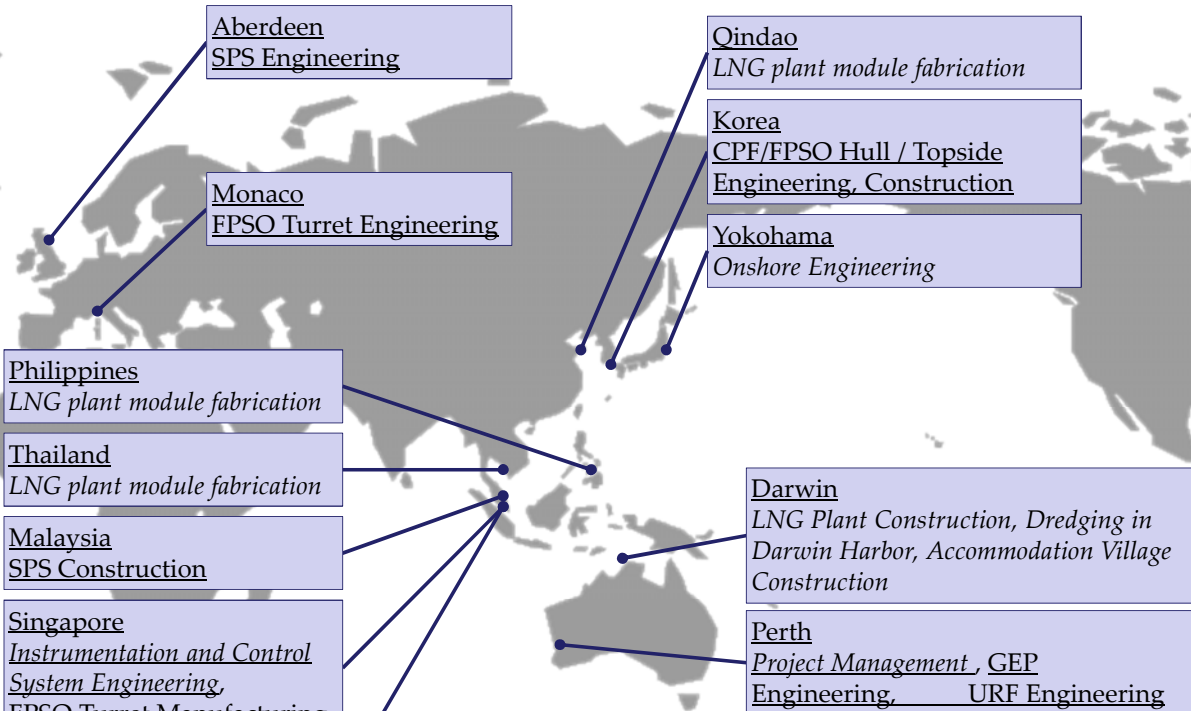


Approximately 70% of the LNG to be delivered to Japan

Development Concept



Key Locations of EPC Works



**Underline: Offshore, *Italic*: Onshore**  
**Underline & Italic: Offshore & Onshore**



LNG storage tank in Onshore LNG plant  
(Apr. 2014, in Darwin)



Fabrication of module for onshore LNG plant  
(Jan. 2014 in China)



Module offloading facility of module for  
onshore LNG plant (Feb. 2014, in Darwin)




Accommodation Village in onshore  
LNG plant(Jan. 2014, in Darwin)



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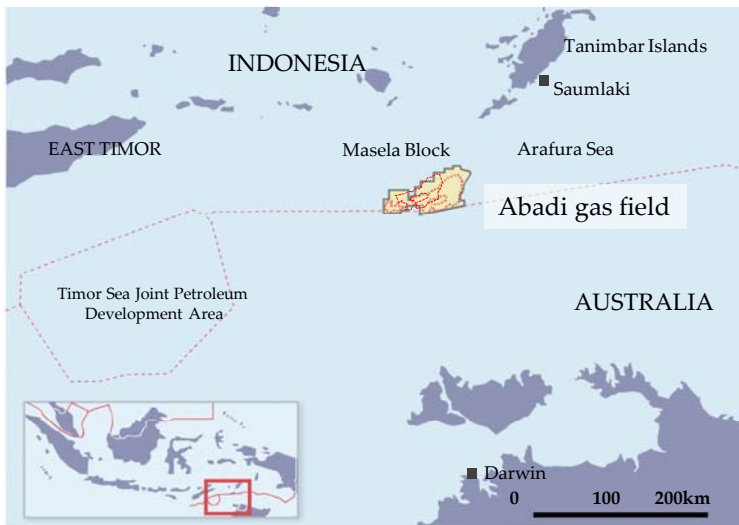
## Characteristics / Strengths of the Project

- Wet gas with rich Condensate and LPG
- Good coordination and relationship with TOTAL
- Sufficient period of FEED prior to FID
  - Thorough review on engineering works to minimize scope change
  - More accurate cost estimation
- Major/reliable EPC contractors involved
- High degree of lump-sum for EPC contracts (approx. 75% of the price)
- LNG SPAs with major/reliable buyers
- Large-scale project finance secured
- Insurance arrangements for project facilities during the construction period

- 
- **Readiness for cost overrun risk to secure stable economics**
  - **Readiness for risk management to control project schedule**
  - **Fully prepared for steady progress**



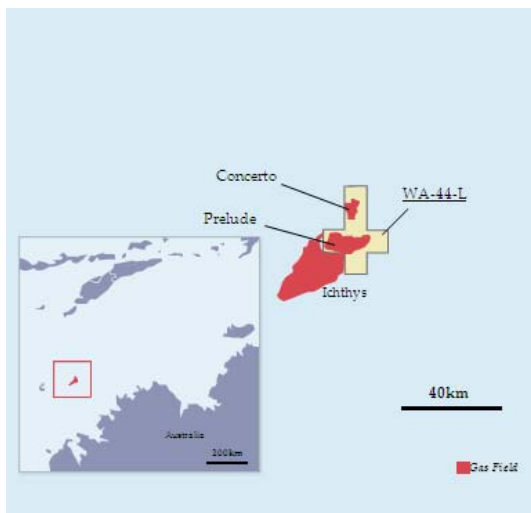
# Abadi LNG Project



- SURF (Subsea Production Facilities) FEED (Front End Engineering Design) work commenced in November 2012 and completed in January 2014.
- FLNG FEED work commenced in January 2013 is ongoing.
- AMDAL (Environmental & Social Impact Assessment Process)
  - Submitted the AMDAL report and an application of environmental approval to the Ministry of Environment in December 2013.
- Strategic alliance with Shell
  - Shell provides technical services and assigns secondees
- PS Contract requires to transfer a 10% participating interest to an Indonesian participant to be designated by the Indonesian Government.
- PSC: Until 2028
- Further approach for future subsequent development utilizing the gas reserves
  - 3 delineation wells drilled and currently 1 exploratory well drilling is ongoing from June 2013

# Prelude FLNG Project

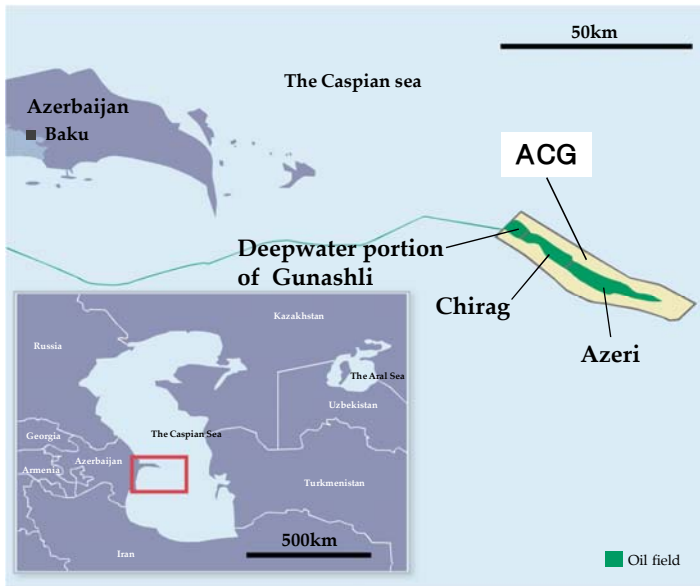
INPEX Oil & Gas Australia Proprietary Limited **INPEX**



- Participating Interest: 17.5% (Operator: Shell)
- Reserves : approximately 3 trillion cubic feet of gas (Prelude and Concerto gas fields)
- Production : 3.6 million t/y of LNG, along with 0.4 million t/y of LPG and approx. 36,000 bbl/d of condensate at peak
- FID in May 2011
- Targeting its production start-up around 10 years from when the Prelude gas field was first discovered in early 2007



FLNG (image)

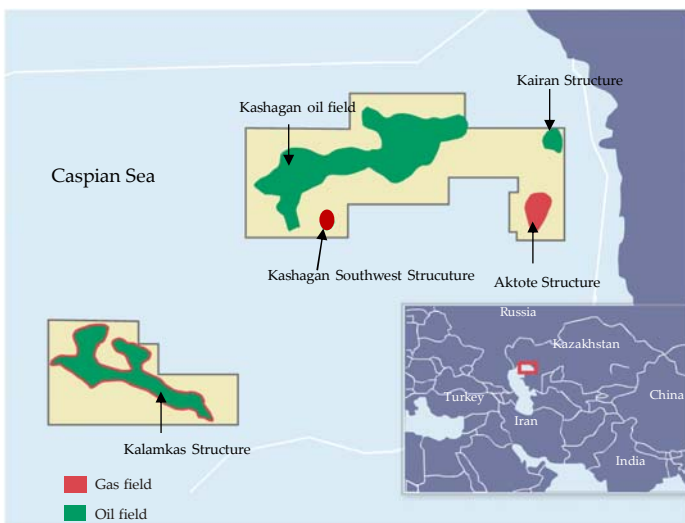


- Participating Interest: 10.9644% (Operator: BP)
- Production\*
  - Crude Oil: Approximately 649,000 bbl/d
- PSC: Until 2024
- Phase 1 : Starting oil production in the Central Azeri area in February 2005
- Phase 2 : Starting oil production in the West Azeri area in December 2005 and in the East Azeri area in October 2006
- Phase 3 : Starting oil production in the Deepwater portion of the Gunashli area in April 2008
- West Chirag (Chirag Oil Project): Starting oil production in January 2014

\* on the basis of all fields and average rate of Mar. 2014

# Kashagan, etc.

## INPEX North Caspian Sea, Ltd.



- Participating Interest: 7.56% (Operator: NCOC (North Caspian Operating Company))
- PSC: Kashagan – Until the end of 2021\*
- Kalamkas, Aktote, Kairan and Southwest Kashagan structures are under evaluation.

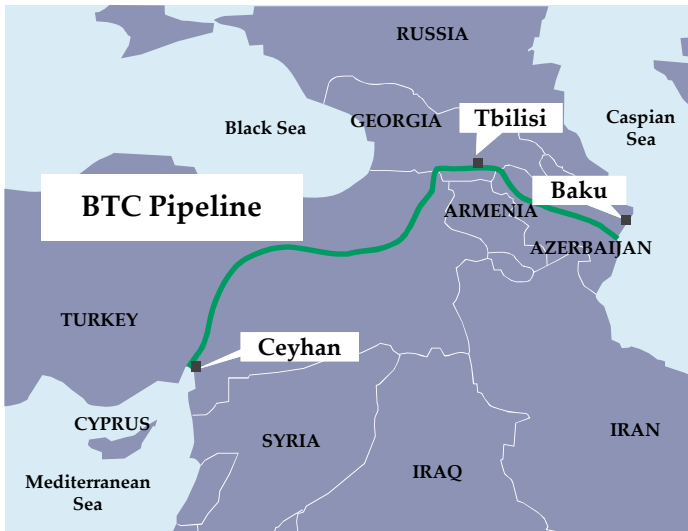
(Production started in September 2013 afterward was temporarily suspended since October 2013 due to gas leaks.)



# BTC(Baku-Tbilisi-Ceyhan) Pipeline Project

INPEX BTC Pipeline, Ltd.

**INPEX**



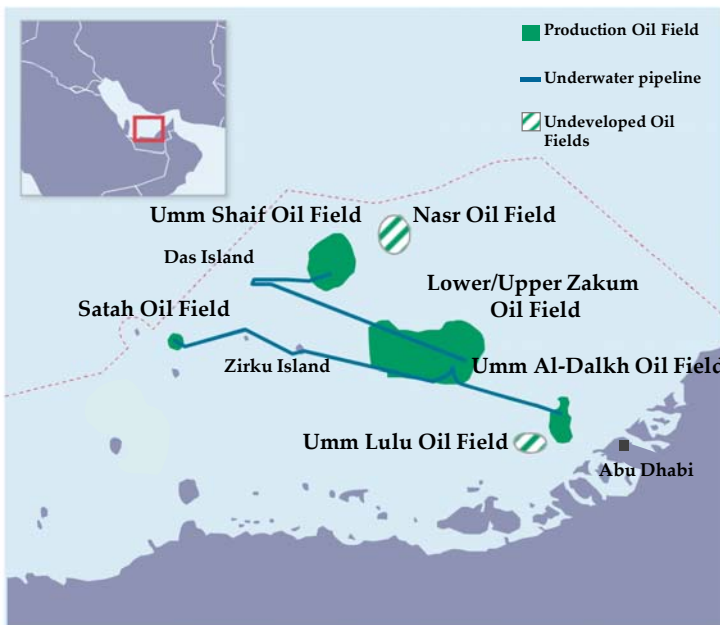
- Participating Interest: 2.5% (Operator : BP)
- Obtained stock of the operating company (BTC Co.) through INPEX BTC Pipeline, Ltd. in October 2002
- Commenced crude oil export in June 2006 from Ceyhan terminal
- Complete commissioning work 1.2 million bbl/d capacity expansion in March 2009
- Cumulative export volume reached 1,000 million bbls on September 13, 2010

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## ADMA

Japan Oil Development Co., Ltd. (JODCO)

**INPEX**

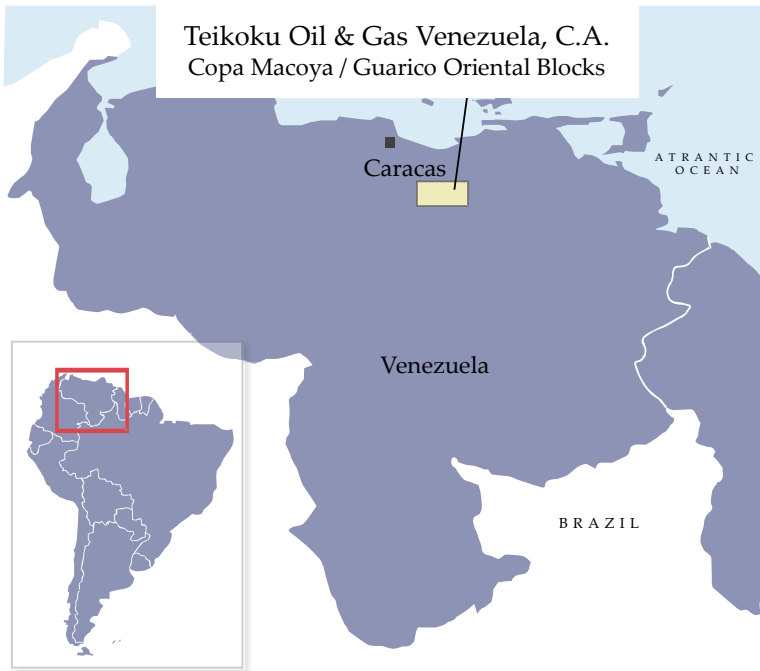


- Umm Shaif / Lower Zakum
  - Participating Interest: 12.0% (Operator : ADMA-OPCO\*)
- Upper Zakum / Umm Al-Dalkh / Satah
  - Participating Interest:
    - Upper Zakum / Umm Al-Dalkh: 12.0%
    - Satah: 40.0% (Operator : ZADCO\*)
  - \*Operating company established by ADNOC and other companies including JODCO. JODCO has a 12% interest in each company.
- Concession Agreement: Until 2018 (Contract of Upper Zakum : Until 2041)
- Continuous development to keep and increase the production level
  - Umm Lulu /Nasr under development aiming for early production
  - Implementing a redevelopment plan using artificial islands for Upper Zakum

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# Venezuela Projects

## Teikoku Oil & Gas Venezuela, C.A., etc



### Copa Macoya / Guarico Oriental Blocks

- INPEX's Share
  - Gas JV : 70%      Oil JV : 30%
- Joint Venture Agreement: 2006-2026
- Production\*:
  - Crude Oil: Approximately 1,000 bbl/d
  - Natural Gas\*\*: Approximately 50 million cf/d

\* on the basis of all fields and average rate of Mar. 2014

\*\* Volume not at wellheads but corresponding to the sales to buyers

# Brazil Projects

## Frade Japão Petróleo Limitada (FJPL) etc



### Frade Japão Petróleo Limitada (FJPL)

- FJPL's Participating Interest\*: 18.3% (Operator : Chevron)
- \*FJPL is an equity method affiliate of INPEX. (INPEX owns 37.5% shares of FJPL through a subsidiary)
- Production\*\*:
  - Crude Oil: Approximately 28,000 bbl/d
- Concession Agreement: Until 2025

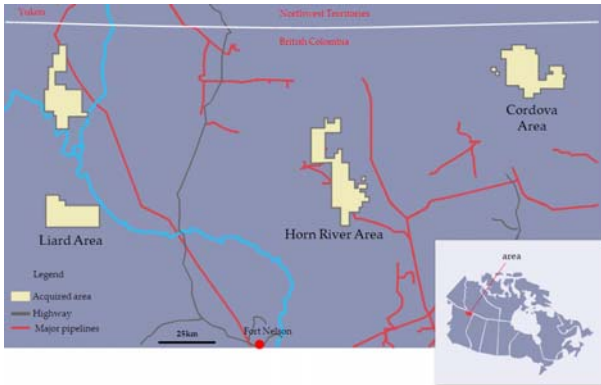
### BM-ES-23

- Participating Interest: 15%
- Under Exploration (Appraisal)

\*\* on the basis of all fields and average rate of Apr. 2014

# Canada Shale Gas Project

INPEX Gas British Columbia Ltd.



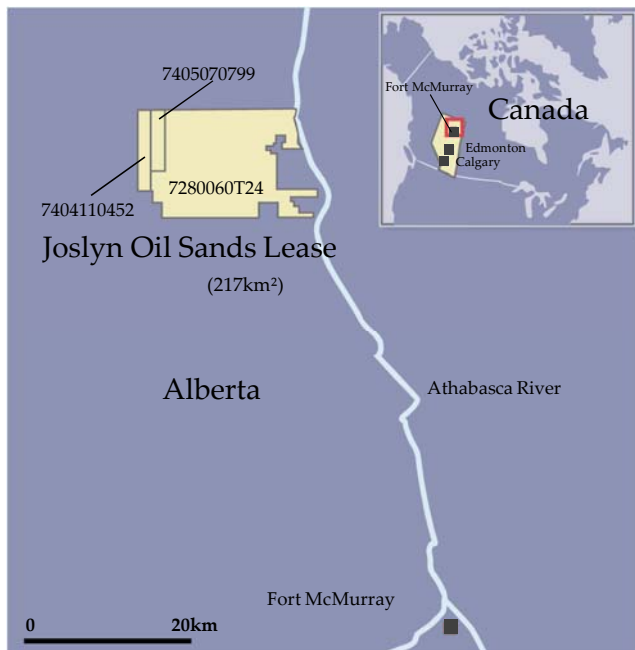
- Participating Interest: 40%\*(Operator : Nexen)
- \* INPEX Gas British Columbia Ltd. (INPEX 45.09%, JOGMEC 44.89%, Canadian Subsidiary of JGC Corporation 10.02%).
- Concession Agreement
  - Horn River : 366km<sup>2</sup>
  - Cordova : 333km<sup>2</sup>
  - Liard : 517km<sup>2</sup>
- 1,250 million cf/d (approximately 200 thousand boe/d) at Horn River and Cordova areas as full scale production expected
- Horn River area: Production started in 2010
- Cordova area: Production Start in 2019 (planned)



Hydraulic Fracturing site in the Horn River Area

# Joslyn Oil Sands Project

INPEX Canada, Ltd.

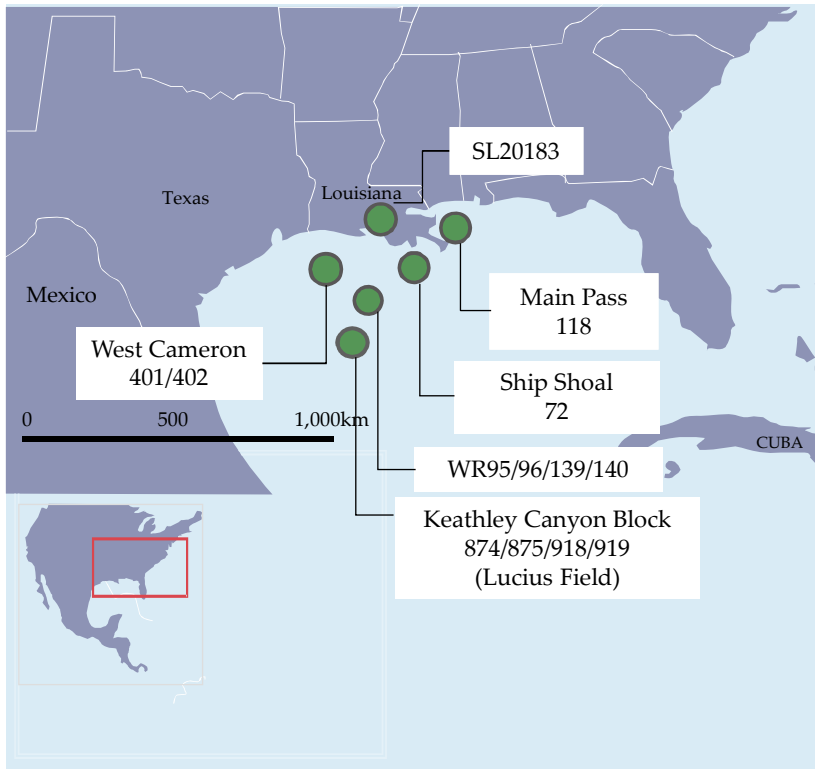


Joslyn Oil Sands Lease Location

- Participating Interest:
  - Upstream project: 10% (operator: TOTAL)
- Concession Agreement (Lease)
  - 7280060T24 : Indefinite
  - 7404110452 : 15 year primary lease from November 2004\*
  - 7405070799 : 15 year primary lease from July 2005\*
- \*Can be extended
- Oil Sands Upstream Project:
  - Mining project will commence operations in the end of 2020 and will reach a production rate of 157,000 barrels of bitumen per day, followed by additional ramped up volume of bitumen being projected as the second phase

# Gulf of Mexico (USA) Projects

Teikoku Oil (North America) Co., Ltd. / INPEX Gulf of Mexico Co., Ltd. **INPEX**



## Shallow Water Projects

(Teikoku Oil (North America) Co., Ltd. )

- Concession Agreement
- Participating Interest:
  - Ship Shoal 72: 25%, West Cameron 401/402: 25%, Main Pass 118: 16.67%, SL 20183: 25%
- Production volume\*
  - Natural Gas\*\*: Approximately 5 million cf/d

## Deep Water Project

(INPEX Gulf of Mexico Co., Ltd.)

- Concession Agreement
- Participating Interest:
  - Walker Ridge 95/96/139/140 : 15%

## Lucius Field

(Teikoku Oil(North America) Co., Ltd.)

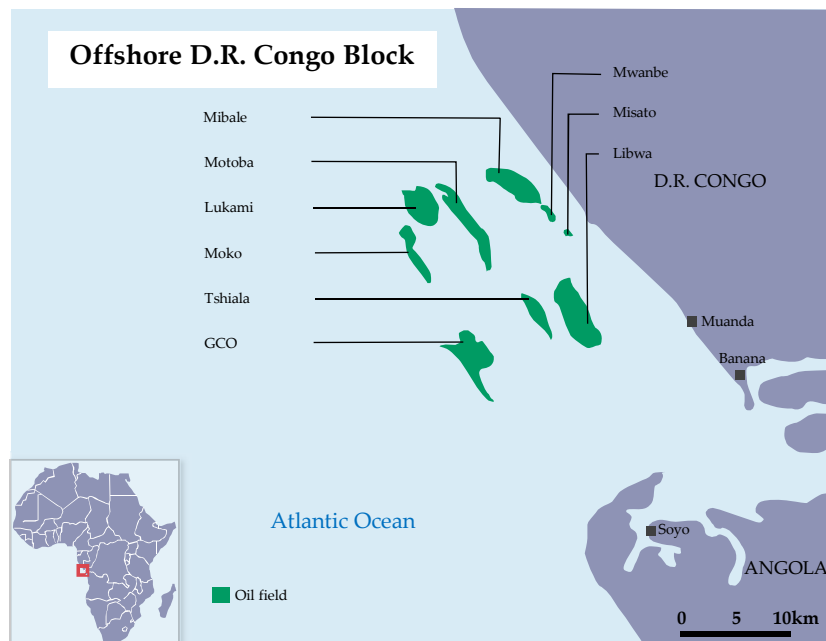
- Concession Agreement
- Participating Interest: 7.2%(Operator : Anadarko)
- FID : December 2011
- Production Start : latter half of 2014 (planned)
  - Crude Oil: Approximately 80,000 bbl/d(peak)

\* Ship Shoal 72, West Cameron 401/402, Main Pass 118, SL 20183 on the basis of all fields and average rate of Mar. 2014

\*\* Volume not at wellheads but corresponding to the sales to buyers

# Offshore D.R. Congo

Teikoku Oil (D.R. Congo) Co., Ltd. **INPEX**

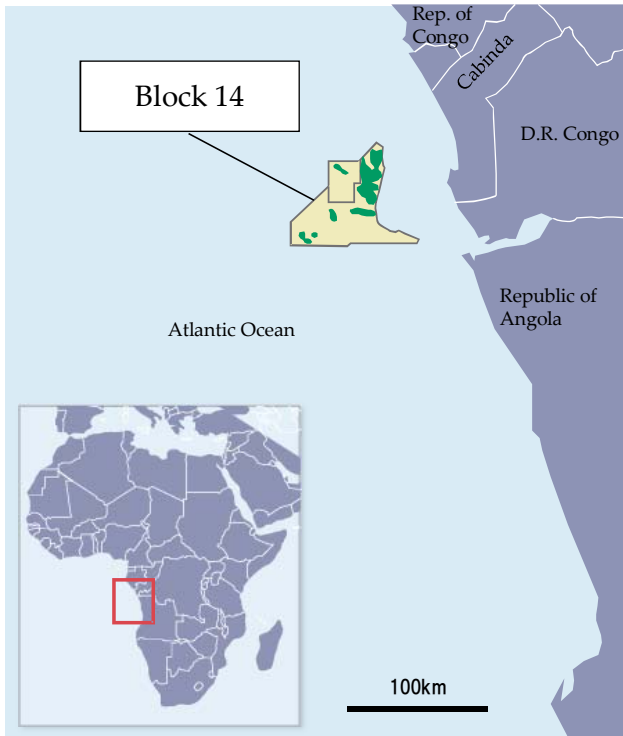


- Participating Interest: 32.28% (Operator: Perenco)
- Concession Agreement: 1969-2023
- Production Commencement: 1975
- Production\*
  - Crude Oil: Approximately 14,000 bbl/d

\* on the basis of all fields and average rate of Mar. 2014

# Block 14, Offshore Angola

## INPEX Angola Block 14 Ltd.

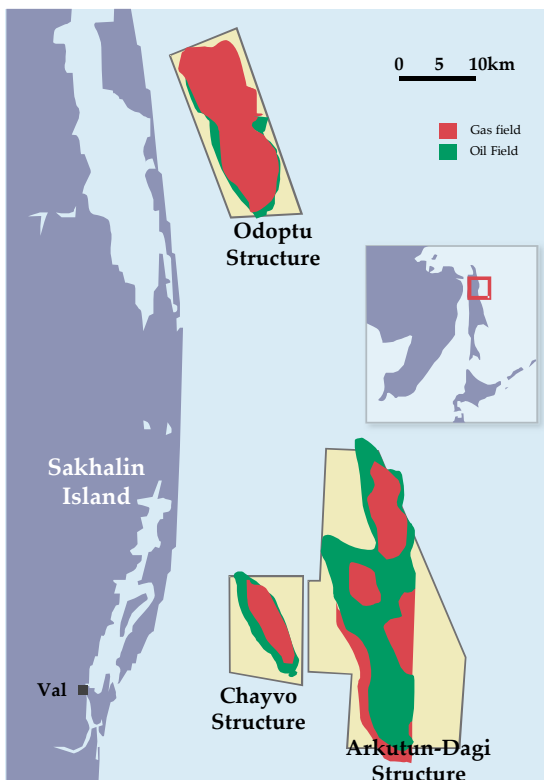


- Participating Interest: 9.99% (Operator: Chevron)
- Production\*
  - Crude Oil: Approximately 121,000 bbl/d
- PSC: Until 2035
- Plans to further expand exploration, development and production activities

\* on the basis of all fields and average rate of Mar. 2014

# Sakhalin I

## Sakhalin Oil and Gas Development Co.



- Sakhalin Oil and Gas Development Co. (SODECO): INPEX owns approximately 6.08% of the total share
- SODECO's Participating Interest: 30.0%
- Production\*:
  - Crude Oil : Approximately 170,000 bbl/d
  - Natural Gas\*\*: Approximately 285 million cf/d
- Operator: ExxonMobil
- PSC: In December 2001 the project proceeded to the development phase for 20 years
- Commenced production from Chayvo Structure in October 2005; commenced crude oil export in October 2006
- Commenced production from Odoptu Structure in September 2010
- Commenced natural gas supply to Russian domestic market, and natural gas supply to Chinese and other markets considered

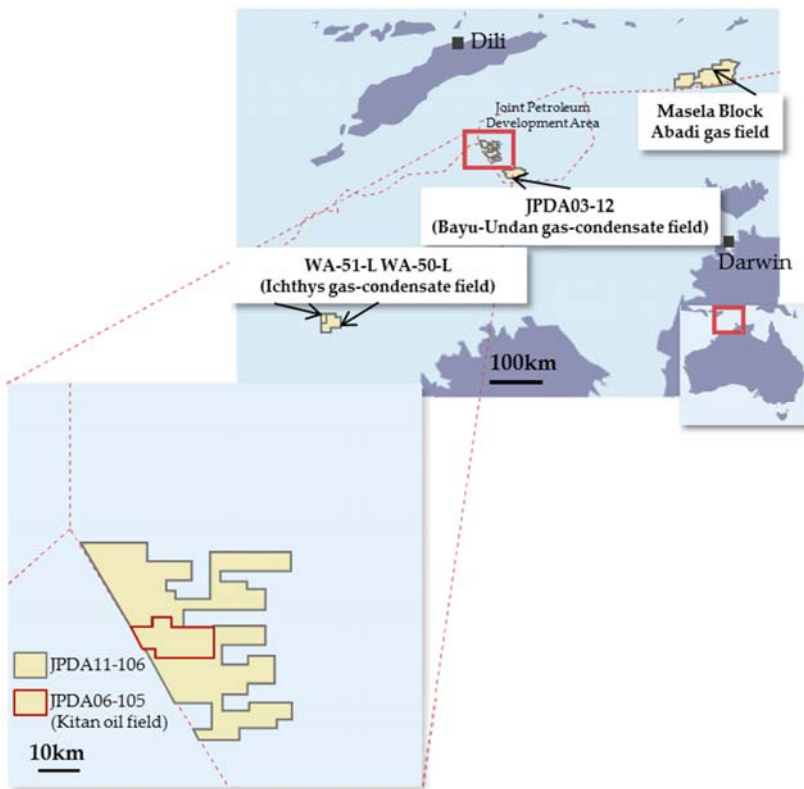
\* on the basis of all fields and average rate of Mar. 2014

\*\* Sales volume



# JPDA11-106 contract area

## INPEX Offshore Timor-Leste, Ltd.



- Participating Interest:35.47% (Operator : Eni)
- April 2013, signed the Production Sharing Contract (PSC) with Eni(40.53%) and TIMORGAP\*(24 %)
- Carrying out exploratory activities

\*National oil & gas company of Timor-Leste

# Area 15, Oriental Republic of Uruguay

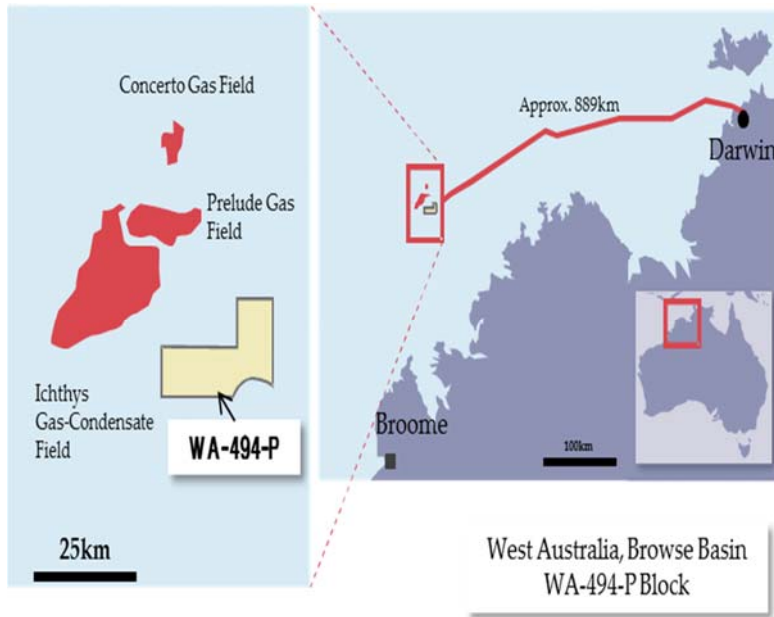
## INPEX Uruguay, Ltd.



- Participating Interest:30% (Operator : Tullow Oil)
- May 2013, signed to acquire the participating interest in exploration Area 15 (the Block) offshore Oriental Republic of Uruguay (Uruguay) from TULLOW URUGUAY LIMITED, a subsidiary of Tullow Oil (70%)
- Under Exploration

# WA-494-P, Offshore Western Australia

INPEX Browse Ltd.



- Participating Interest:100% (Operator : INPEX)
- June 2013, being granted 100% participating interest of the Permit WA-494-P (Exploratory Block) as the Operator
- Carrying out exploration activities

# Zapadno-Yaraktinsky block and Bolshetirsky block, Irkutsk, Russia

Japan South Sakha Oil Co., Ltd.

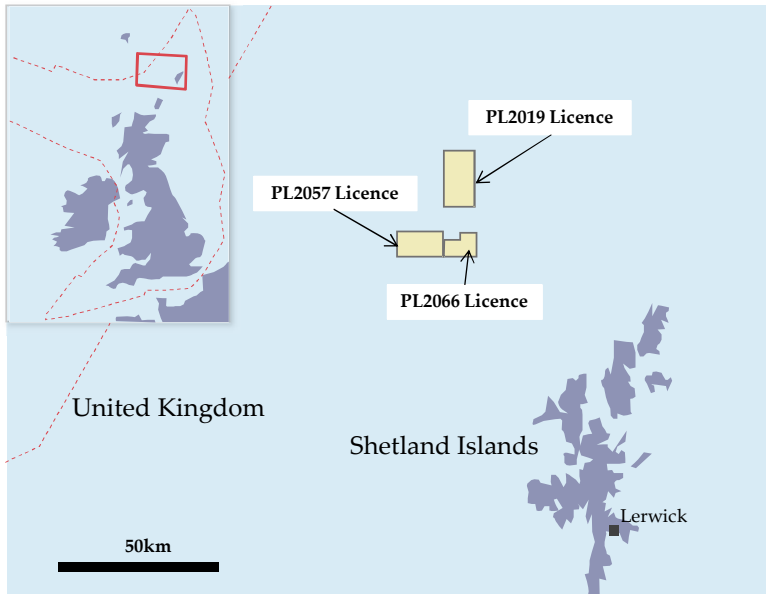


- September 2013, took over shares, 12.4% from Japan Oil, Gas and Metals National Corporation (JOGMEC) for the sale of part of its share (340 shares, 100%) in its wholly-owned subsidiary, Japan South Sakha Oil Co., Ltd., which has been conducting exploration works in the Zapadno-Yaraktinsky block and the Bolshetirsky block in Irkutsk Oblast, Russian Federation.
- Plans to carry out exploratory activities through INK-Zapad, which is a joint venture between JASSOC 49% and Irkutsk Oil Company (INK) 51%.

# P2019 Licence in the northwest of Shetland Island, UK

INPEX CORPORATION

**INPEX**



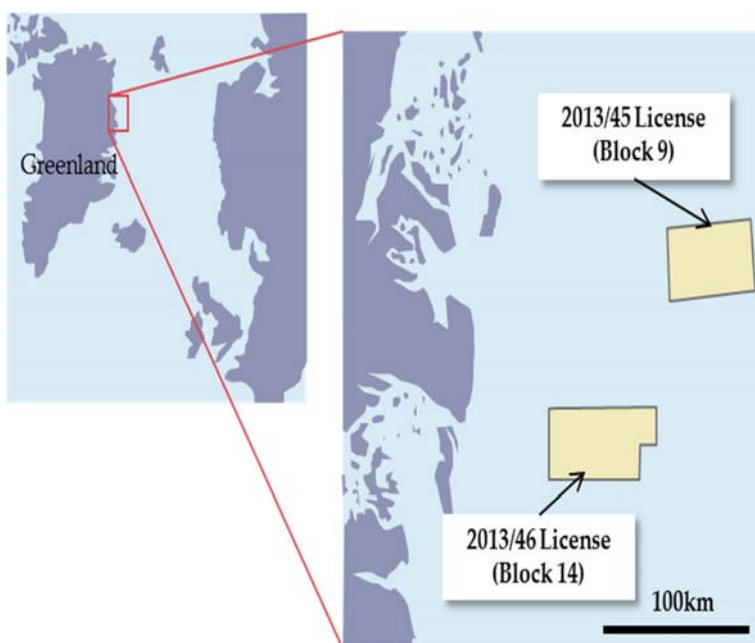
- Participating Interest:30% (Operator : Centrica)
- October 2013, being granted an offshore Exploration Licence P2019 in the northwest offshore of Shetland Islands, with Centrica(35%) and Statoil(35%)
- Plans to carry out exploratory activities along with Licence P2057 and Licence P2066

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# Block 9 and Block 14, in the Kanumas Area, Greenland

Greenland Petroleum Exploration Co., Ltd.

**INPEX**



- Participating Interest:29.1667% (Operator : Chevron)
- December 2013, acquired the two offshore exploration licenses, Block 9 and Block 14, in the Kanumas Area, northeastern part of offshore Greenland, with Chevron and (29.1667%) and Shell(29.1667%), Greenland national oil company, Nunaoil, holds a 12.5% participating interest
- Plans to carry out exploratory activities

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# Key Investments and Contracts I\*



| Company                             | Field / Project Name         | Country   | Contract Type | Ownership | Stage                       |
|-------------------------------------|------------------------------|-----------|---------------|-----------|-----------------------------|
| <b>Japan</b>                        |                              |           |               |           |                             |
| •INPEX CORPORATION                  | Minami-Nagaoka, etc. **      | Japan     | Concession    | -         | Producing                   |
| <b>Asia/Oceania</b>                 |                              |           |               |           |                             |
| •INPEX CORPORATION                  | Mahakam                      | Indonesia | PS            | -         | Producing                   |
| •INPEX South Makassar               | Sebuku Block(Ruby Gas Field) | Indonesia | PS            | 100%      | Producing                   |
| •INPEX Natuna                       | South Natuna Block 'B'       | Indonesia | PS            | 100%      | Producing                   |
| •MI Berau B.V.                      | Berau(Tangguh LNG Project)   | Indonesia | PS            | 44%       | Producing                   |
| •INPEX Masela                       | Masela(Abadi)**              | Indonesia | PS            | 51.9%     | Preparation for Development |
| •INPEX Sahul                        | Bayu-Undan                   | JPDA      | PS            | 100%      | Producing                   |
| •INPEX Browse                       | WA-285-P **                  | Australia | Concession    | 100%      | Exploration                 |
| •INPEX Ichthys Pty Ltd.             | WA-50-L(Ichthys) **          | Australia | Concession    | 100%      | Development                 |
| •Ichthys LNG Pty Ltd.               | Ichthys Downstream **        | Australia | -             | 66.07%    | Development                 |
| •INPEX Oil & Gas Australia Pty Ltd. | Prelude FLNG Project         | Australia | Concession    | 100%      | Development                 |
| •INPEX Timor Sea                    | JPDA 06-105(Kitan)           | JPDA      | PS            | 100%      | Producing                   |
| •INPEX Alpha                        | Van Gogh/Coniston            | Australia | Concession    | 100%      | Producing/Development       |
| •INPEX Alpha                        | Ravensworth                  | Australia | Concession    | 100%      | Producing                   |

Note:

\* As of the end of April 2014

\*\* Operator project

\*\*\* Including 2.625% equity interest in the process of transfer to CPC

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# Key Investments and Contracts II\*



| Company                        | Field / Project Name             | Country    | Contract Type | Ownership | Stage                       |
|--------------------------------|----------------------------------|------------|---------------|-----------|-----------------------------|
| <b>Eurasia (Europe – NIS)</b>  |                                  |            |               |           |                             |
| •INPEX Southwest Caspian Sea   | ACG                              | Azerbaijan | PS            | 51%       | Producing                   |
| •INPEX North Caspian Sea       | Kashagan                         | Kazakhstan | PS            | 45%       | Production suspended        |
| <b>The Middle East</b>         |                                  |            |               |           |                             |
| •JODCO                         | ADMA(Upper Zakum, etc.)          | UAE        | Concession    | 100%      | Producing                   |
| <b>Africa</b>                  |                                  |            |               |           |                             |
| •Teikoku Oil (D.R. Congo)      | Offshore D.R.Congo               | D.R.Congo  | Concession    | 100%      | Producing                   |
| •INPEX Angola Block 14         | Block 14, Offshore Angola        | Angola     | PS            | 100%      | Producing/Development       |
| <b>Americas</b>                |                                  |            |               |           |                             |
| •INPEX Canada                  | Joslyn Oilsands                  | Canada     | Concession    | 100%      | Preparation for Development |
| •INPEX Gas British Columbia    | Canada Shale Gas project         | Canada     | Concession    | 45.09%    | Producing/Evaluation        |
| •Teikoku Oil & Gas Venezuela   | Copa Macoya** / Guarico Oriental | Venezuela  | JV            | 100%      | Producing                   |
| •Teikoku Oil (North America)   | Ship Shoal 72etc./Lucius         | USA        | Concession    | 100%      | Producing/Development       |
| •Frade Japão Petróleo Limitada | Frade                            | Brazil     | Concession    | 37.5%***  | Producing                   |

Note:

\* As of the end of April 2014

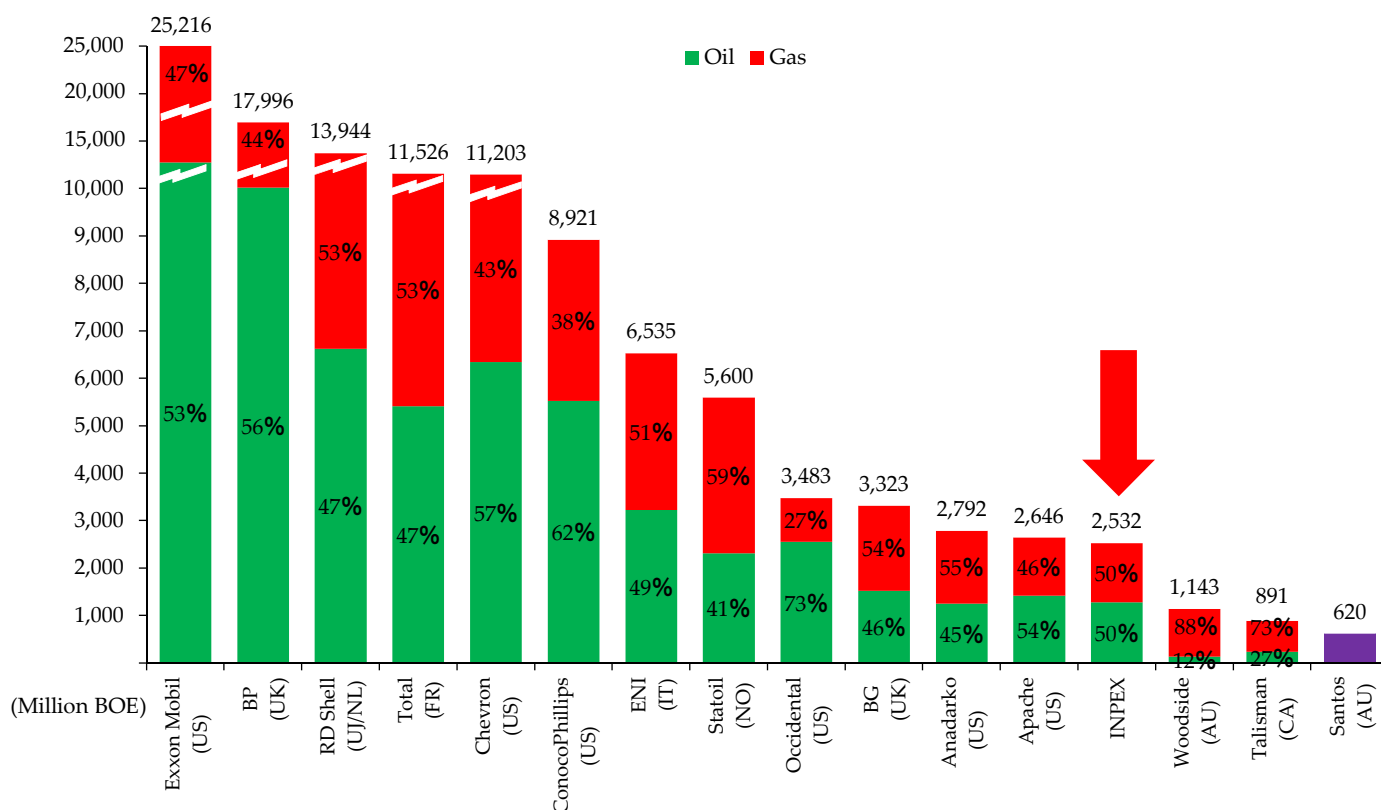
\*\* Operator project

\*\*\* Frade Japão Petróleo Limitada is subsidiary of INPEX Offshore North Campos (INPEX's equity method affiliate). 37.5% of ownership means indirect investment from INPEX through INPEX Offshore North Campos.

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# Others

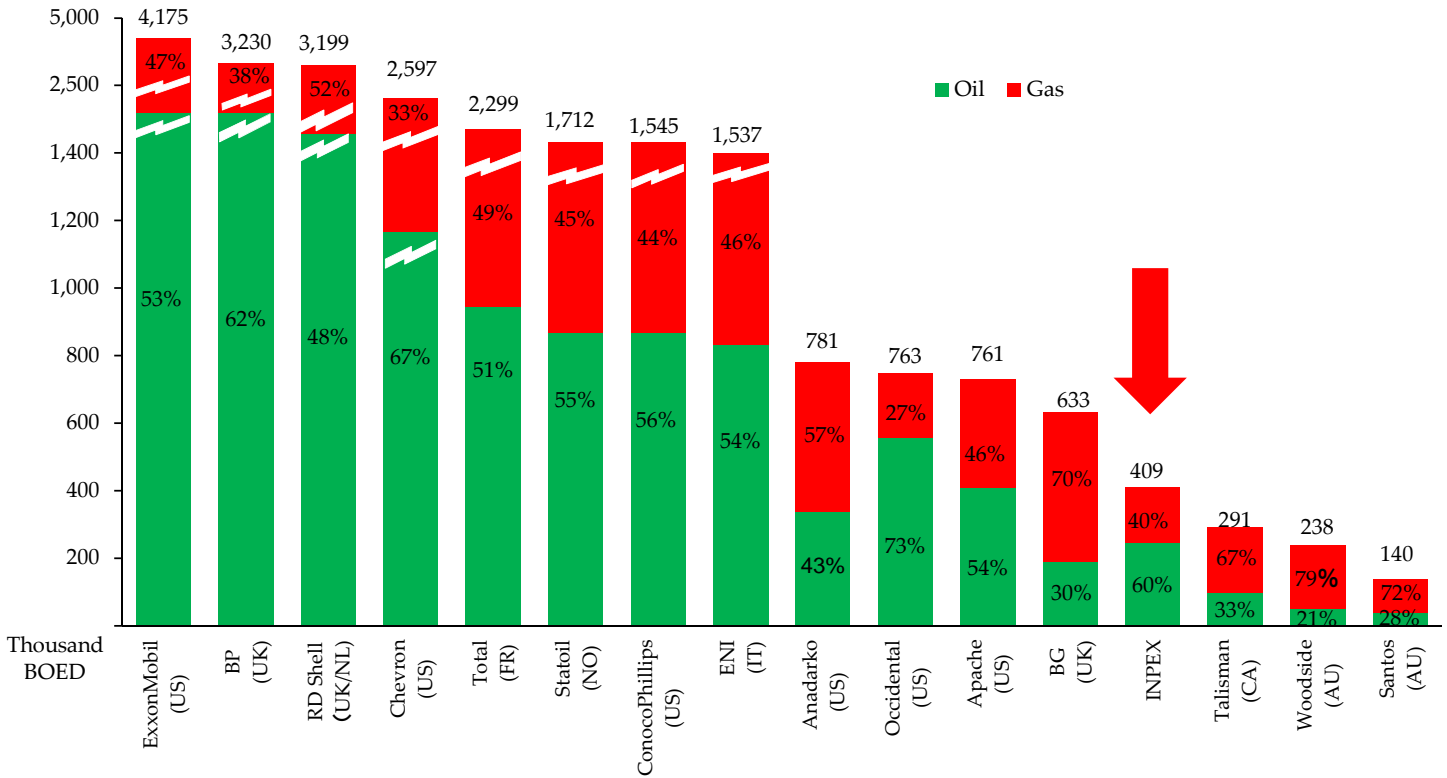
## Proved Reserves\* (compared to global E&P companies) **INPEX**



Source: Most recent publicly available information

Note : \* Reserves Data as of December 31, 2013, except for INPEX (as of March 31, 2014) in accordance with SEC regulations. The reserves cover most of INPEX group projects including equity method affiliates, and the numbers of the reserves are provisional at present. 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. Government-owned companies are not included. Oil reserves include bitumen and synthetic oil. Santos doesn't disclose the breakdown by product category.

# Production Volume\* (compared to global E&P companies) **INPEX**

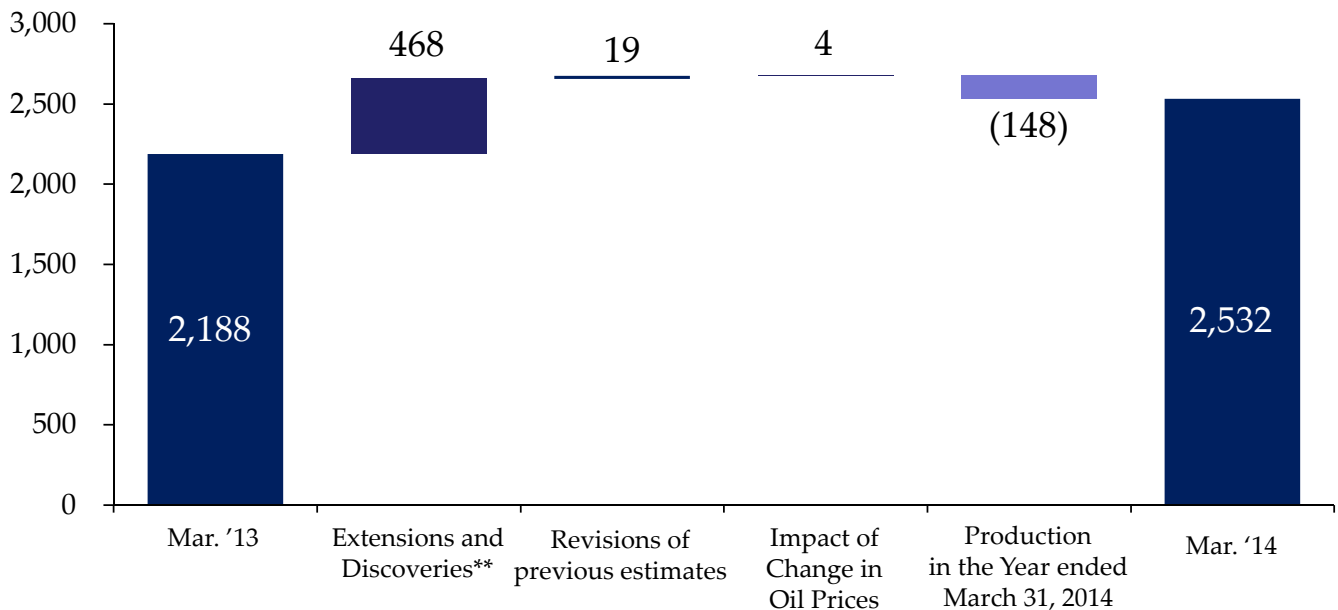


Source: Most recent publicly available information

\* Production data for the year ended December 31, 2013 except for INPEX (for the year ended March 31, 2014). Production figures are in accordance with SEC regulations. Amounts attributable to the equity method are included. Government-owned companies are not included. Oil production include bitumen and synthetic oil.

# Factor Analysis of Change in Proved Reserves\* **INPEX**

(Million BOE)

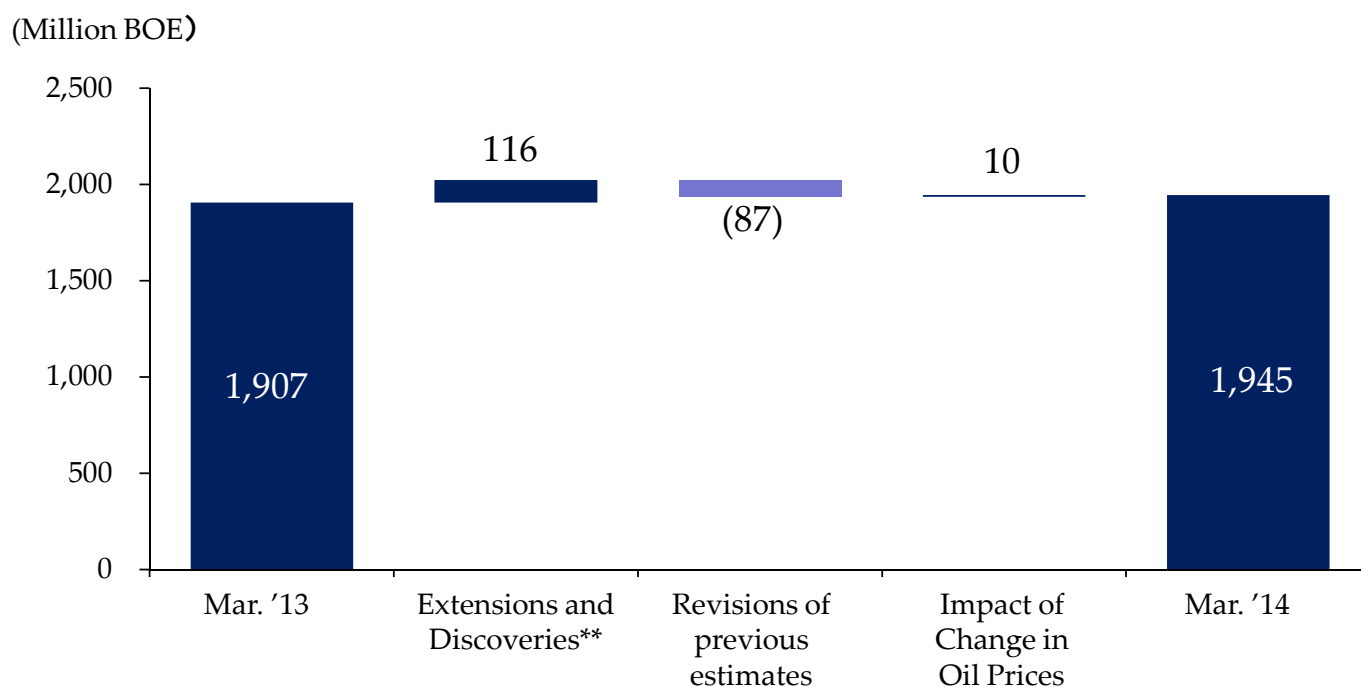


\* The reserves cover most of INPEX group projects including equity method affiliates. The reserves of the projects which are expected to be invested a large amount and affect the company's future result materially are evaluated by DeGolyer & MacNaughton, and the others are done internally. The proved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

\*\* Including acquisitions and sales



## Factor Analysis of Change in Probable Reserves\* **INPEX**



\* 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. The probable reserves are evaluated in accordance with SPE/WPC/AAPG/SPEE guideline (SPE-PRMS) approved in March 2007.

\*\* Including acquisitions and sales.

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## Definition of Proved Reserves **INPEX**

- Our definition of proved reserves is in accordance with the SEC Regulation S-X, Rule 4-10, which defines proved reserves as the estimated quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire
- To be classified as a proved reserve, the SEC rule requires the project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time . This definition is known to be conservative among the various definitions of reserves used in the oil and gas industry
- The SEC rule separates proved reserves into two categories; proved developed reserves which can be recovered by existing wells and infrastructure, and proved undeveloped reserves which require future development of wells and infrastructure to be recovered

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- Probable reserves, which term is defined by SPE/WPC/AAPG/SPEE, are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable
- In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves
- Possible Reserves, which term is defined by SPE/WPC/AAPG/SPEE, are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves
- In this context, when probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible reserves

## Medium- to Long-Term Vision

### Three Growth Targets and Key Initiatives for the First Five Years

1. Continuous Enhancement of E&P Activities  
→ Achieve a net production volume of 1 million boed by the early 2020s
2. Strengthening Gas Supply Chain  
→ Achieve a domestic gas supply volume of 2.5 billion m<sup>3</sup>/year in the early 2020s
3. Reinforcement of renewable Energy Initiatives  
→ Promote efforts to commercialize renewable energies and reinforce R&D activities for the next generation

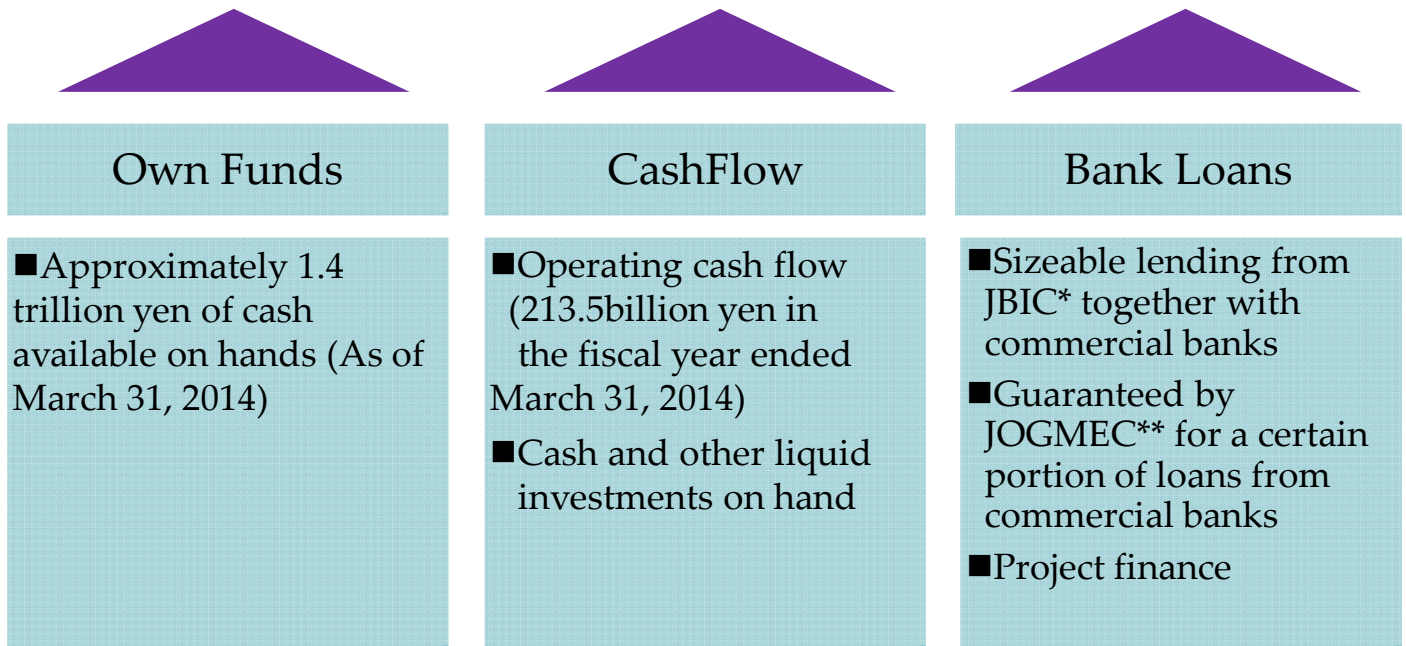
### Three Management Policies and Our Vision

1. Securing / Developing Human Resources and Building Efficient Organizational Structure
2. Investment for Growth and Return for Shareholders
3. Responsible Management as a Global Company



## Approximately 3.5 trillion yen

For Ichthys, Abadi and other E&P projects etc.  
5 years (from Fiscal 2013 to Fiscal 2017)



\* JBIC : Japan Bank for International Cooperation

\*\* JOGMEC : Japan Oil, Gas and Metals National Corporation

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## Core Finance Strategies **INPEX**

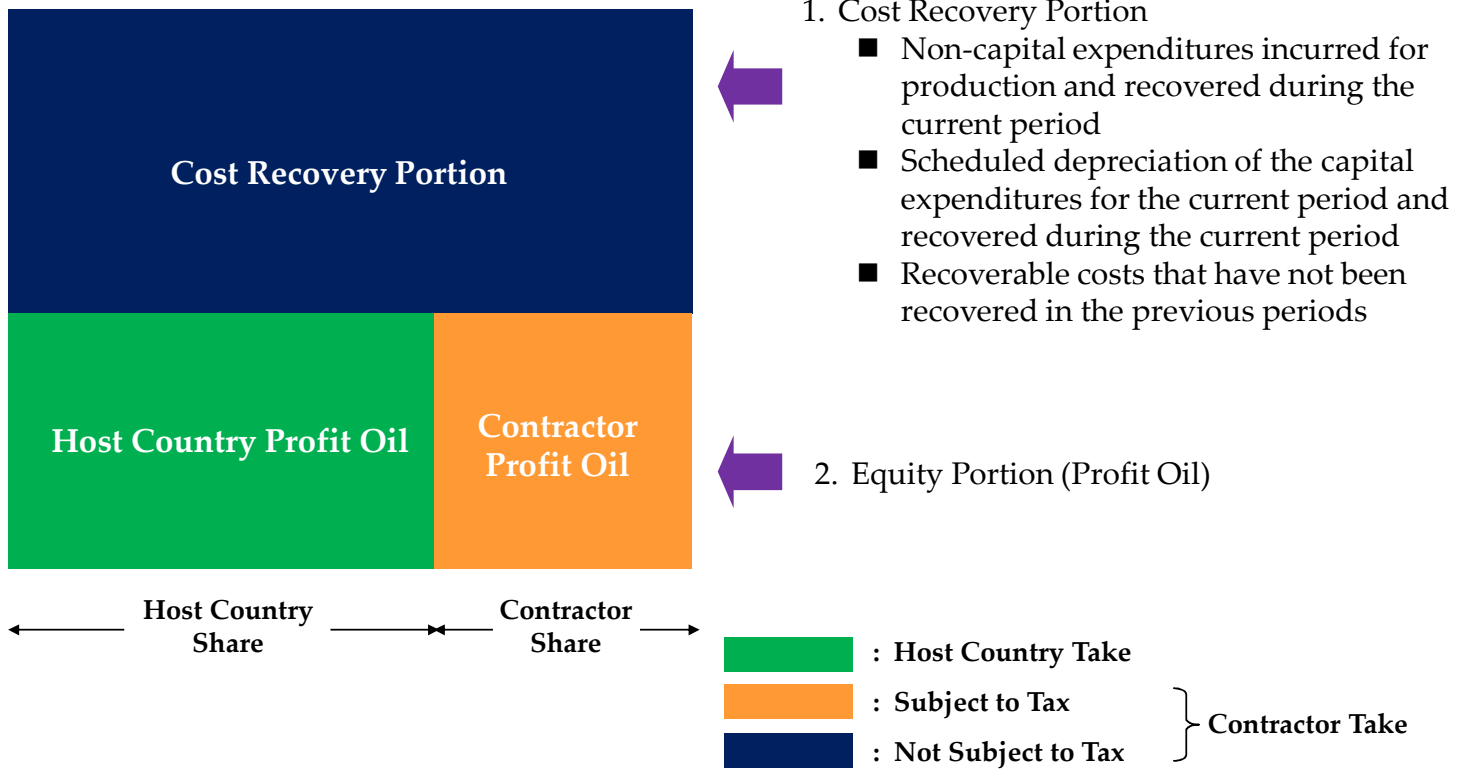
### Advantage of low-cost funding

Maintain strong balance sheet to achieve financial stability and secure further debt capacity

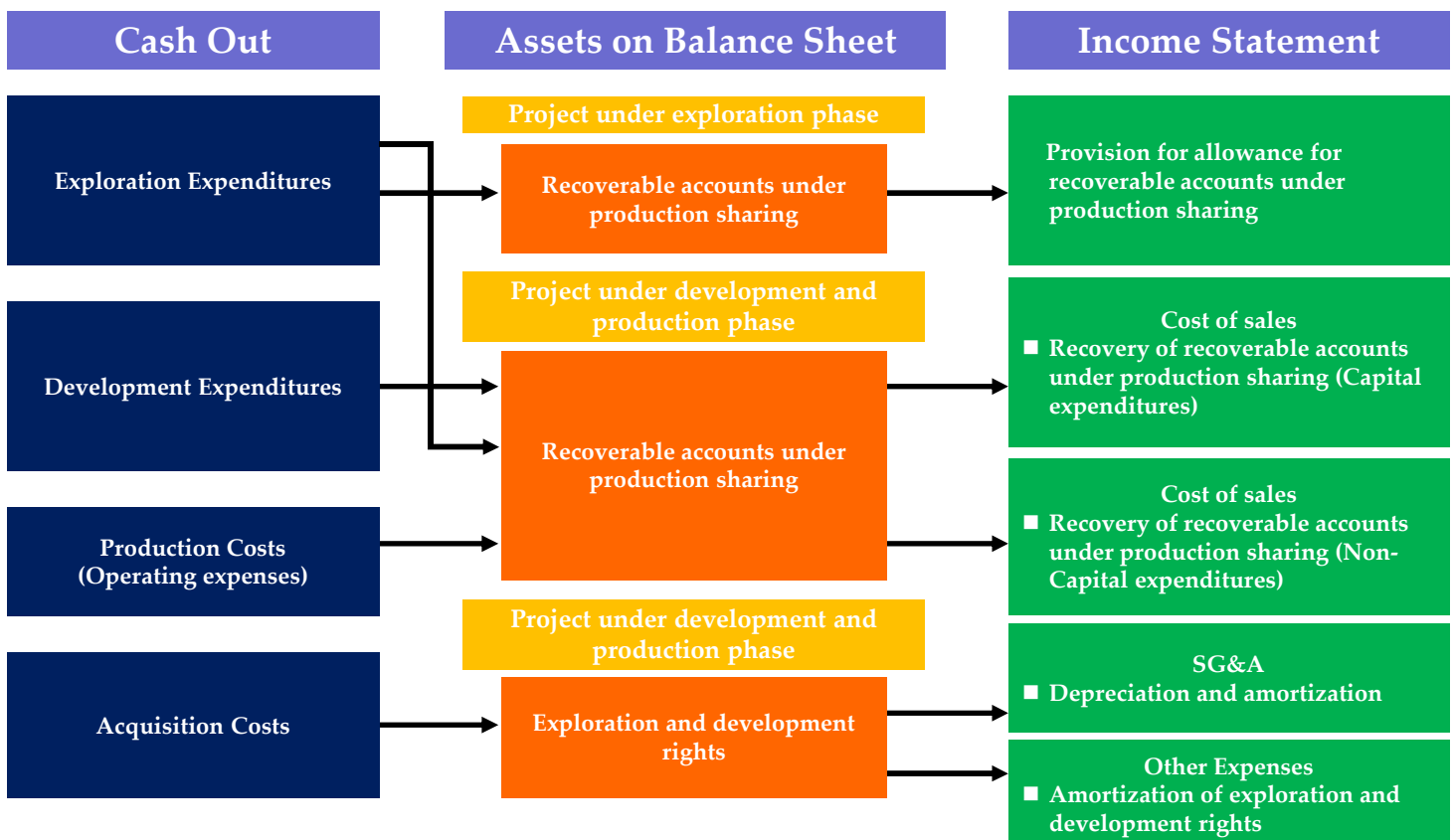
Leverage relationships with governmental financial institutions, such as JBIC and JOGMEC, to fund development costs

- Maintain funding capability to ensure necessary investments, which are for major projects such as Ichthys and Abadi
- Maintain strong balance sheet to enable continuous investments in potential projects in the future
- Long-term target financial leverage
  - Equity Ratio : 50% or higher
  - Net Debt / Total Capital Employed Ratio: 20% or less

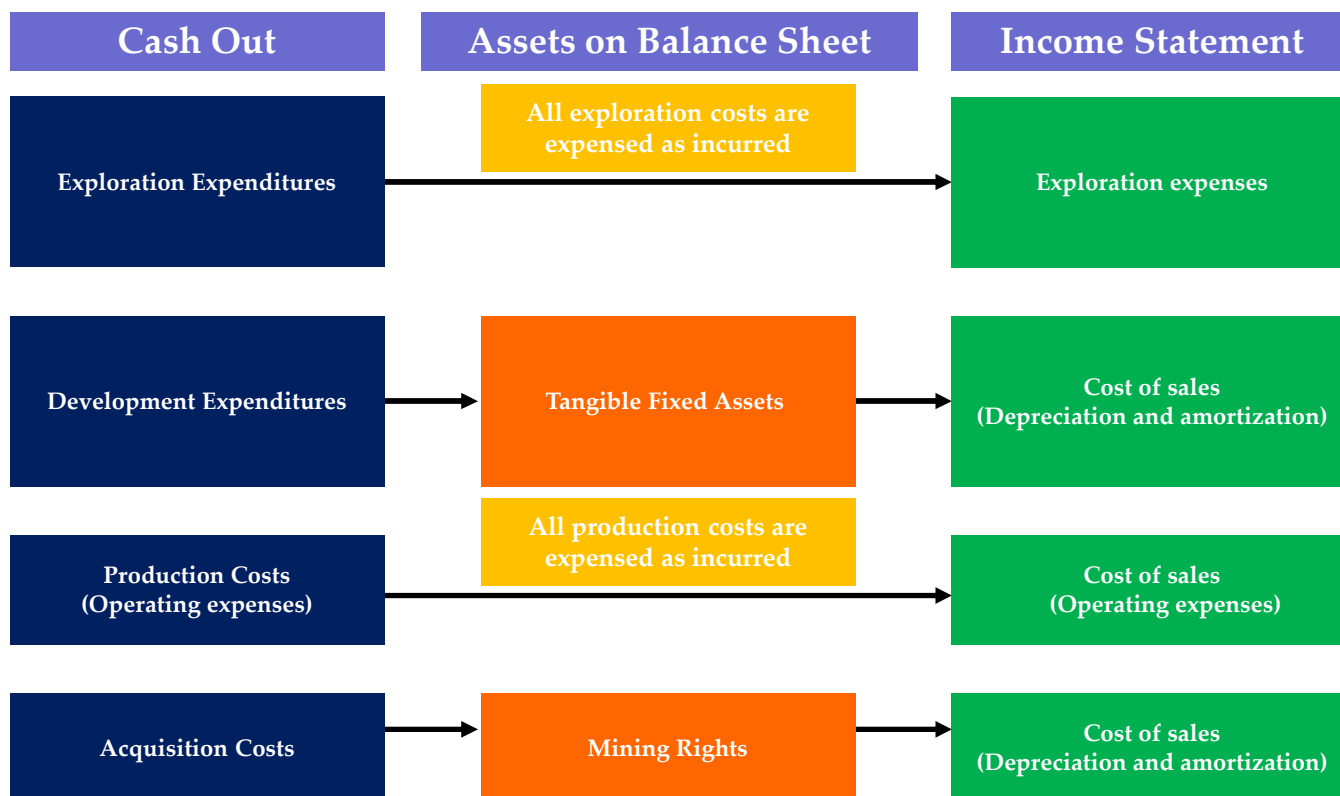
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## Accounting on Production Sharing Contract



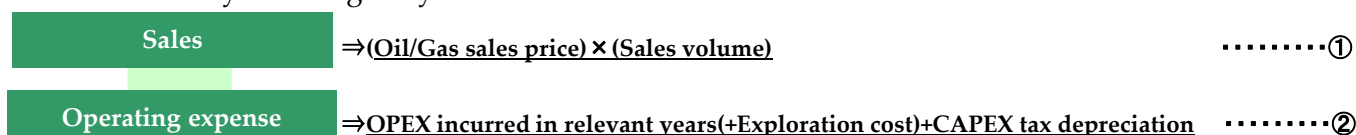
# Accounting on Concession Agreement **INPEX**



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## Taxation Summary in Australia **INPEX**

※The content may be changed by tax revisions



### PRRT(Petroleum Resource Rent Tax)

**=(Upstream Revenue – Upstream Capex & Opex – Expl. Cost – Abandonment Cost – undeducted carried forward PRRT expenditure) × 40%** .....③

•PRRT deductions are made in the following order: Upstream Capex, Opex, Expl. Cost, Abandonment Cost.

*Note: Exploration cost is subject to mandatory transfer between Projects/members of same group of entities.*

**•Undeducted PRRT Expenditure: non-utilised PRRT deductible expenditure can be carried forward to the following year(s), which is subject to augmentation at the rates set out below:**

Development cost: LTBR+5%; Expl. Cost: LTBR+15%;

\*GDP Factor applies to all expenditure incurred more than 5 years before the Production Licence application is made.

\*LTBR = Long Term Bond Rate

\*GDP Factor = GDP Deflator of Australia

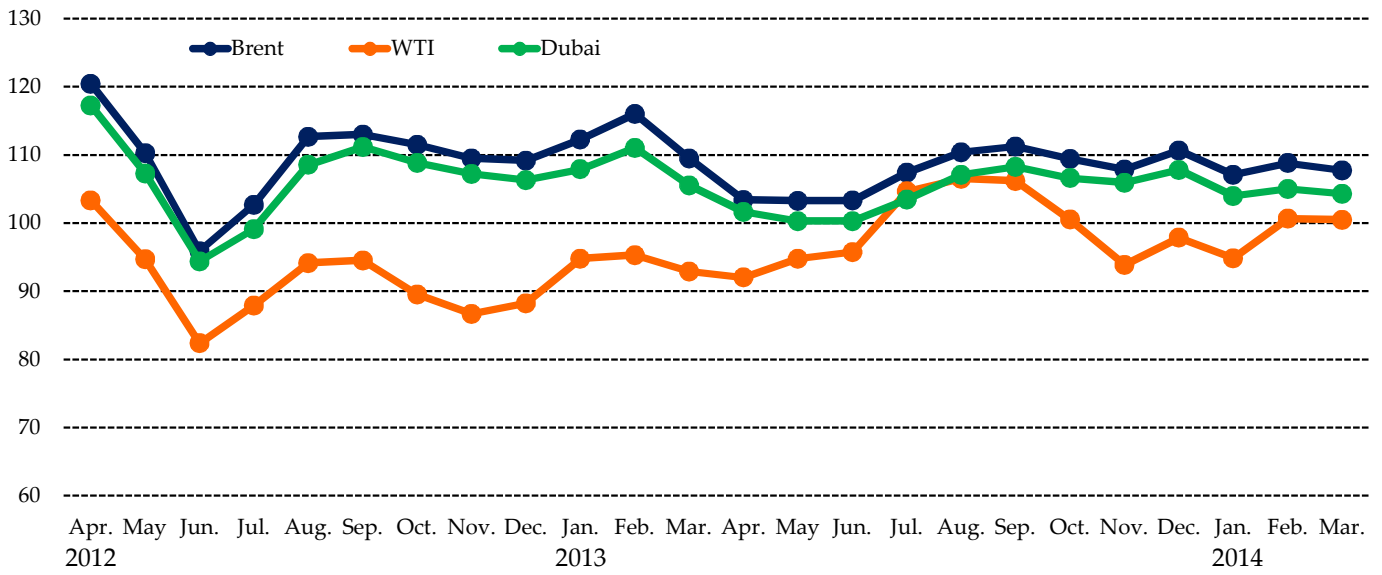
**Corporate Tax = (① – ② – ③ – Interest paid) × 30%**

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# Crude Oil Price



(US\$/bbl)



|       | Apr. 2012<br>-Mar. 2013 | 2013   |        |        |        |        |        |        |        |        |        |        |        | 2014    |  |  | Apr. 2013<br>-Mar. 2014 |
|-------|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--|--|-------------------------|
|       | Average                 | Apr.   | May    | Jun.   | Jul.   | Aug.   | Sep.   | Oct.   | Nov.   | Dec.   | Jan.   | Feb.   | Mar.   | Average |  |  |                         |
| Brent | 110.21                  | 103.43 | 103.28 | 103.34 | 107.43 | 110.45 | 111.25 | 109.44 | 107.90 | 110.70 | 107.11 | 108.84 | 107.75 | 107.56  |  |  |                         |
| WTI   | 92.06                   | 92.07  | 94.80  | 95.80  | 104.70 | 106.54 | 106.24 | 100.55 | 93.93  | 97.89  | 94.86  | 100.68 | 100.51 | 99.05   |  |  |                         |
| Dubai | 107.09                  | 101.68 | 100.33 | 100.32 | 103.52 | 107.11 | 108.28 | 106.64 | 105.95 | 107.86 | 104.02 | 105.04 | 104.32 | 104.59  |  |  |                         |