

INPEX CORPORATION

Financial Results

for the Six Months ended September 30, 2014

November 10, 2014



1. Corporate Overview

Toshiaki Kitamura

Representative Director, President & CEO

2. Financial Results for the six months ended September 30, 2014

Masahiro Murayama

Director, Managing Executive Officer
Head of Finance & Accounting Division

Cautionary Statement



This presentation includes forward-looking information that reflects the plan and expectations of the Company. Such forward-looking information is based on the current assumptions and judgments of the Company in light of the information currently available to it, and involves known and unknown risk, uncertainties, and other factors. Such risks, uncertainties and other factors may cause the Company's performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation:

- Price volatility and change in demand in crude oil and natural gas
- Foreign exchange rate volatility
- Change in costs and other expenses pertaining to the exploration, development and production

The Company undertakes no obligation to publicly update or revise the disclosure of information in this presentation (including forward-looking information) after the date of this presentation.

Corporate Overview

Toshiaki Kitamura
Representative Director, President & CEO

First-Half FY 2014 Corporate Highlights (1/2)



■ Half-year Results (Apr.2014 -Sep.2014)	<ul style="list-style-type: none">- Net sales ¥663.1billion (1.9% increase YoY)- Net income ¥88.7billion (10.8% increase YoY)
■ Ichthys	<ul style="list-style-type: none">- Development works making steady progress<ul style="list-style-type: none">➤ In Apr. 2014, ceremony of first dry dock hull block erection for CPF (Central Processing Facility)➤ In Jul. 2014, FPSO (Floating Production, Storage and Offloading) launched from the dry dock➤ In Jun. 2014, commenced installation of GEP (Gas Export Pipeline), which is about 889 kilometer➤ Project progress : Approx. 58%- Reached agreement on the transfer of 1.2% equity interest to Kansai Electric Power
■ Abadi	<ul style="list-style-type: none">- Drilling works for delineation and exploratory wells completed and evaluation works ongoing on the outcome- Internal evaluation based on deliverables of FLNG Front End Engineering and Design (FEED) works and review for future works ongoing
■ Net Production	<ul style="list-style-type: none">- 395 thousand BOED (Apr.2014 -Sep.2014)

First-Half FY 2014 Corporate Highlights (2/2)



Acquisition of new exploration blocks

- WA-502-P offshore Western Australia (May)
- WA-504-P offshore Western Australia (June)

Progress of existing projects

- Acquired Additional Interest in Lucius Deepwater US Gulf of Mexico Project (July)
- Commencement of oil production at Umm Lulu Oil Field of ADMA block, Abu Dhabi (October)
- Discovery of Gas and Condensate Offshore Southern Vietnam Blocks 05-1b and 05-1c (August)
- Discovery of gas in exploration block WA-274-P (near Ichthys gas-condensate field) (August)
- Discovery of Oil deposits in the BM-ES-23 concession in Espírito Santo Basin, Brazil (October)
- Signed Heads of Agreement on LNG sales with two Japanese Utility Companies for the Prelude FLNG Project (May)

Ichthys LNG Project (1/3)



- Proved reserves: Approx. 1,030 million BOE (Based on INPEX's participating interest of 66.07%*)
- Production volume (expected):
 - 8.4 million t/y of LNG
 - Approx. 1.6 million t/y of LPG
 - Approx. 100,000 bbl/d of condensate (at peak)
- CAPEX: US\$34.0 billion
- 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%
- FID in January 2012
- Production start : By the end of 2016
- Project progress: Approx. 58%

*Including 2.625% and 1.200% equity interest in the process of transfer to CPC and Kansai Electric Power, respectively.

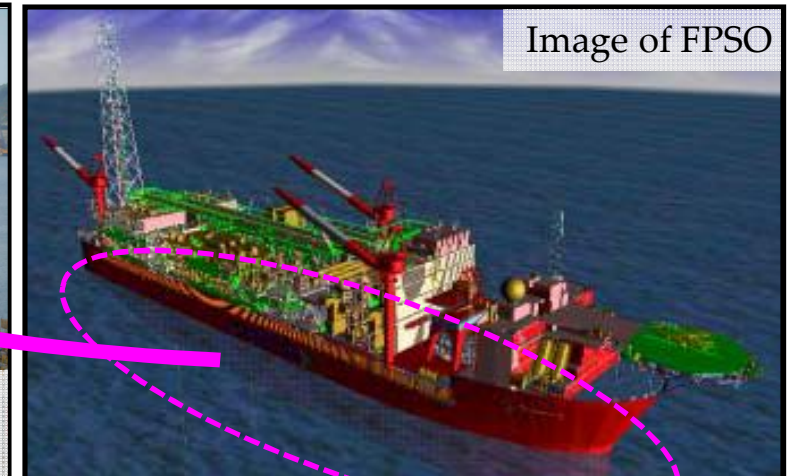
Fabrication of onshore LNG plant modules
(Sep/2014, Thailand)



Construction of CPF
(Oct/2014, Korea)

Ichthys LNG Project (2/3)

Offshore Facilities



Major works for Offshore Facilities done since FID and plans for 2015

2012	2013	2014	2015
Detailed engineering /procurement			
Manufacturing/ coating of linepipes for the 889km GEP		Installation of the GEP	
Construction of CPF and FPSO			
Drilling production wells			
Fabrication and installation of subsea production system			
Fabrication and installation of URF (Umbilical, Riser & Flowline)			

Ichthys LNG Project (3/3)

Onshore Facilities



Onshore LNG plant site in Darwin



Major works for Onshore Facilities done since FID and plans for 2015

2012	2013	2014	2015
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Detailed engineering /procurement

Construction of accommodation village for workers

Site preparation works

Dredging in Darwin Harbour

Fabrication of LNG plant modules

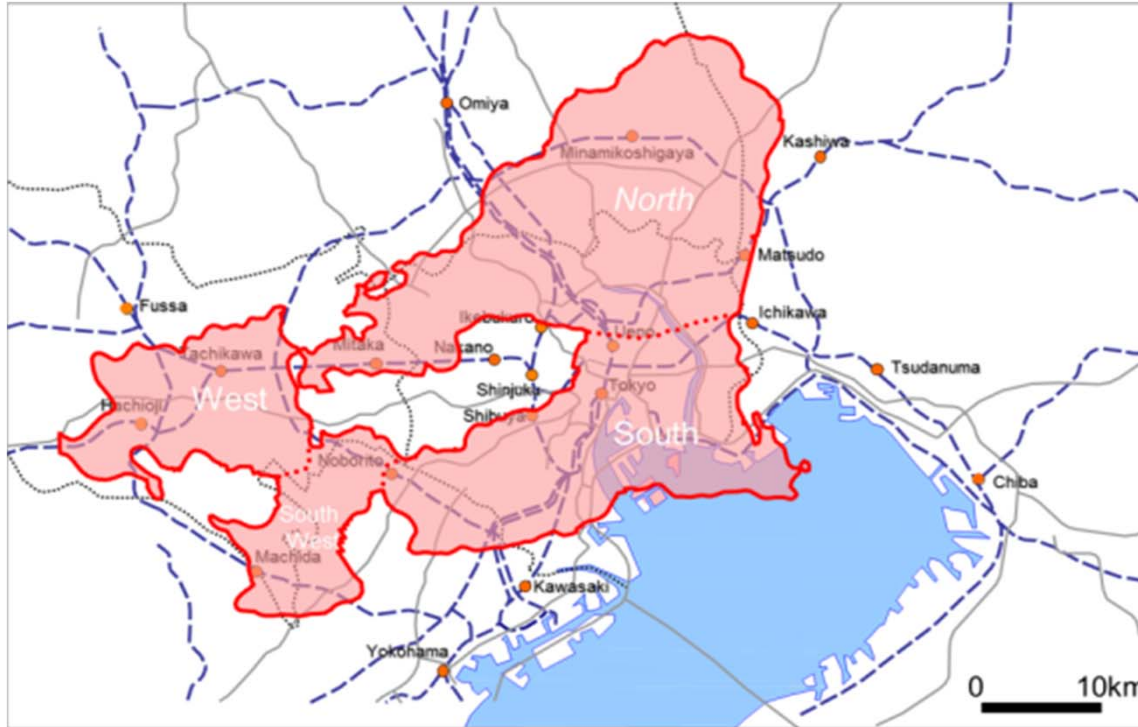
Construction of module offloading facility Delivery of LNG plant modules and installation at site

Construction of LNG tanks, power plant and product loading jetty

Abadi LNG Project



Abadi Gas Field-Under review for subsequent development with the huge potential reserves



- Initiatives for gas reserves and subsequent development
 - 3 delineation wells and 1 exploratory well had been drilled from June 2013 till June 2014
 - Evaluation works on the outcome of the drilling ongoing, expecting increase in resources
- Internal evaluation based on deliverables of FLNG Front End Engineering and Design (FEED) works and review for future works ongoing
- AMDAL (Environmental Impact Assessment) process
 - Submitted the AMDAL report and application of environmental permit to the Indonesian Ministry of Environment in December 2013. Received the environmental permit in June 2014

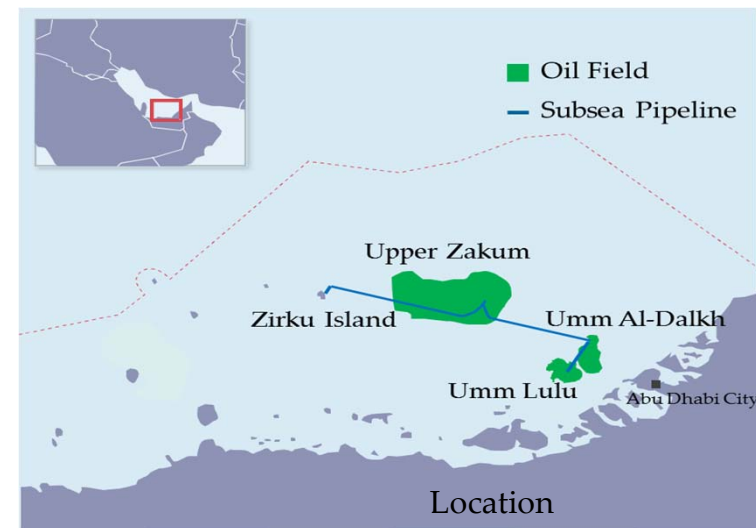
- Plan of Development (POD-1)
 - Stage 1 Development
 - Development Concept : Floating LNG
 - Production Volumes : 2.5 million t/y of LNG
8,400 bbl/d of condensate
- Participating Interest
 - INPEX(Operator) : 65%, Shell :35%

Projects coming on stream



■ Lucius Field in U.S. Gulf of Mexico

- In July 2014, acquired an additional participating interest in the Lucius deepwater US Gulf of Mexico from Apache, and the participating interest in the project stands at 7.75309%*
(Anadarko:23.82857%, Plains group:25.12323%, ExxonMobil:23.29511%, Petrobras:11.5%, ENI:8.5%)
- Plan to commence production by the end of this year
- Production capacity (project 100% basis):
Crude oil: Approximately 80,000 bbl/d(peak)



■ Umm Lulu Oil Field in ADMA block, Abu Dhabi

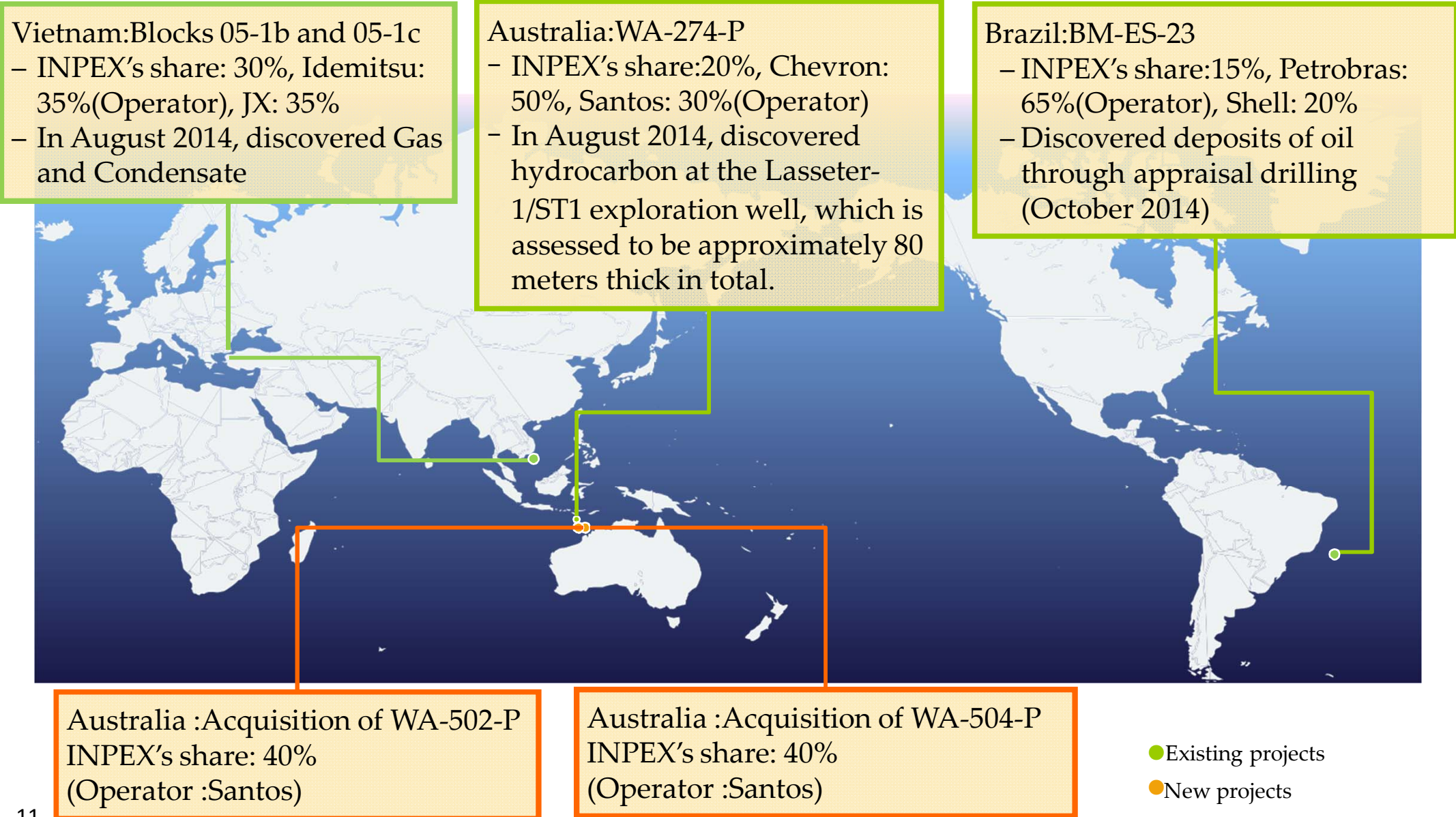
- INPEX's participating interest:12%, ADNOC: 60%, BP: 14.67%, TOTAL:13.33%
- In October 2014, commenced oil production as a phase1 Development
- Continue to work for Full Field Development (Target production rate 105,000 bbl/d at a peak)

10 * The participating interest in accordance with the additional acquisition from Apache and the result of redetermination of equity ownership following the unitization agreement on Lucius Field, which includes portion of Keathley Canyon Block 874/875/918/919.

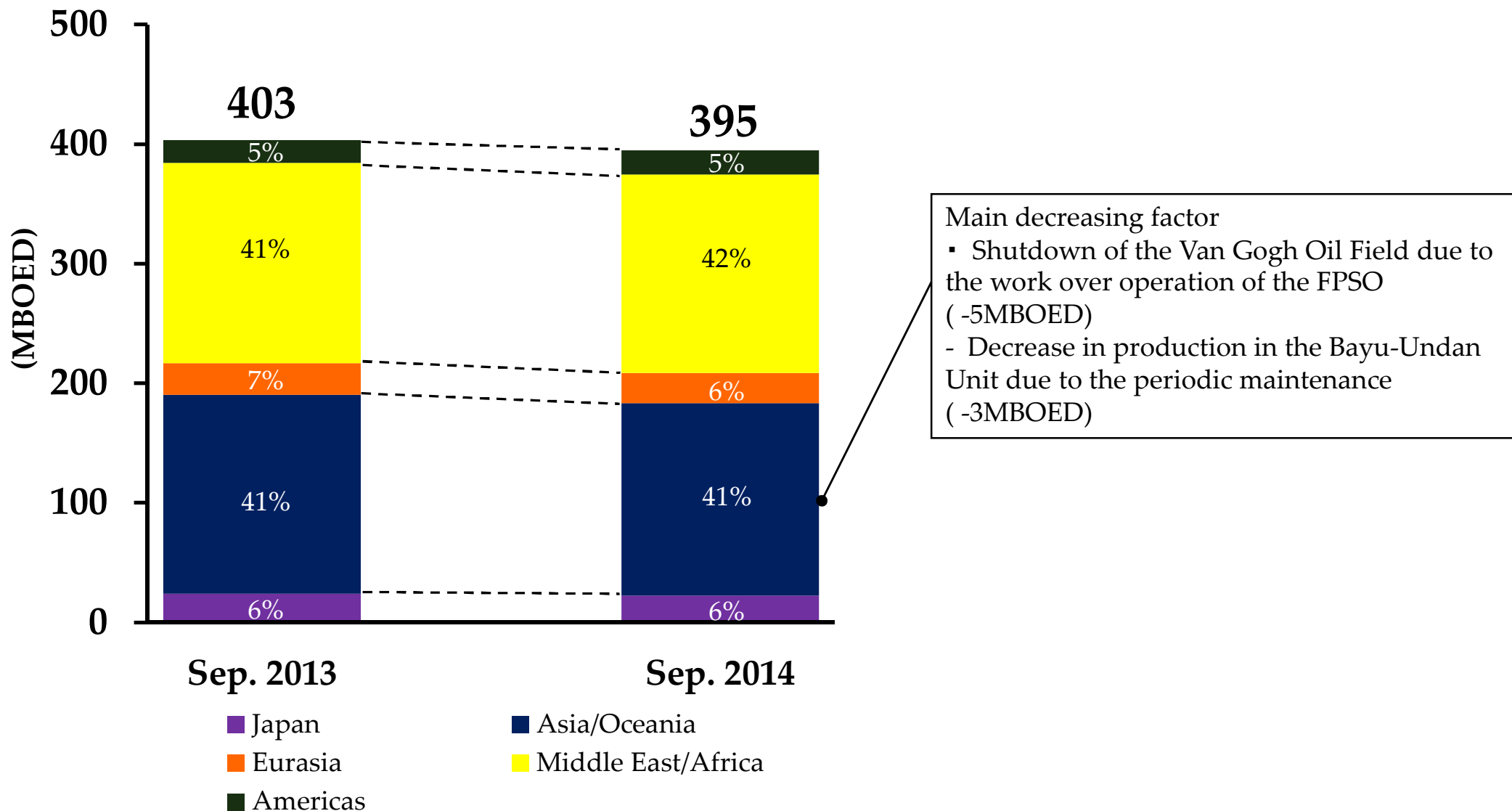
First-Half FY 2014 Topics (2/2)



Discovery of resources from existing Exploration Projects and acquisition of new Projects



Net Production* (April – September 2014) **INPEX**



* 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 the Group.

Financial Results for the six months ended
September 30, 2014

Masahiro Murayama

Director, Managing Executive Officer

Head of Finance & Accounting Division

Highlights of the Consolidated Financial Results for the six months ended September 30, 2014 **INPEX**

	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Net Sales (Billions of yen)	650.4	663.1	12.6	1.9%
Crude Oil Sales	426.7	437.6	10.8	2.5%
Natural Gas Sales (including LPG)	214.8	216.7	1.9	0.9%
Others	8.8	8.6	(0.1)	(2.0%)
Operating Income (Billions of yen)	344.2	346.7	2.4	0.7%
Ordinary Income (Billions of yen)	350.6	368.4	17.8	5.1%
Net Income (Billions of yen)	80.0	88.7	8.6	10.8%
Net income per share (Yen) *	54.84	60.77	5.93	10.8%

Average number of shares issued and outstanding during the six months ended September 30, 2014(consolidated): 1,460,357,200

Average crude oil price (Brent) (\$/bbl)	106.53	106.56	0.03	0.0%
Average exchange rate (¥/\$)	98.86	103.01	4.15 Yen depreciation	4.2% Yen depreciation

*The company conducted a stock split at a ratio of 1:400 of common stock on October 1, 2013.

Net income per share is calculated based on the assumption that the stock split was conducted on April 1, 2013.

Crude Oil Sales



	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Net Sales (Billions of yen)	426.7	437.6	10.8	2.5%
Sales volume (thousand bbl)	40,578	40,048	(530)	(1.3%)
Average unit price of overseas production (\$/bbl)	106.21	105.75	(0.46)	(0.4%)
Average unit price of domestic production (¥/kl)	66,878	71,325	4,447	6.6%
Average exchange rate (¥/\$)	98.86	102.93	4.07 Yen depreciation	4.1% Yen depreciation
Sales volume by region (thousand bbl)	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Japan	383 (61 thousand kl)	404 (64 thousand kl)	21 (+3 thousand kl)	5.4%
Asia/Oceania	6,552	5,683	(868)	(13.3%)
Eurasia (Europe/NIS)	4,978	5,538	560	11.2%
Middle East/Africa	28,644	28,409	(235)	(0.8%)
Americas	21	15	(7)	(30.4%)
Total	40,578	40,048	(530)	(1.3%)

Natural Gas Sales (excluding LPG)



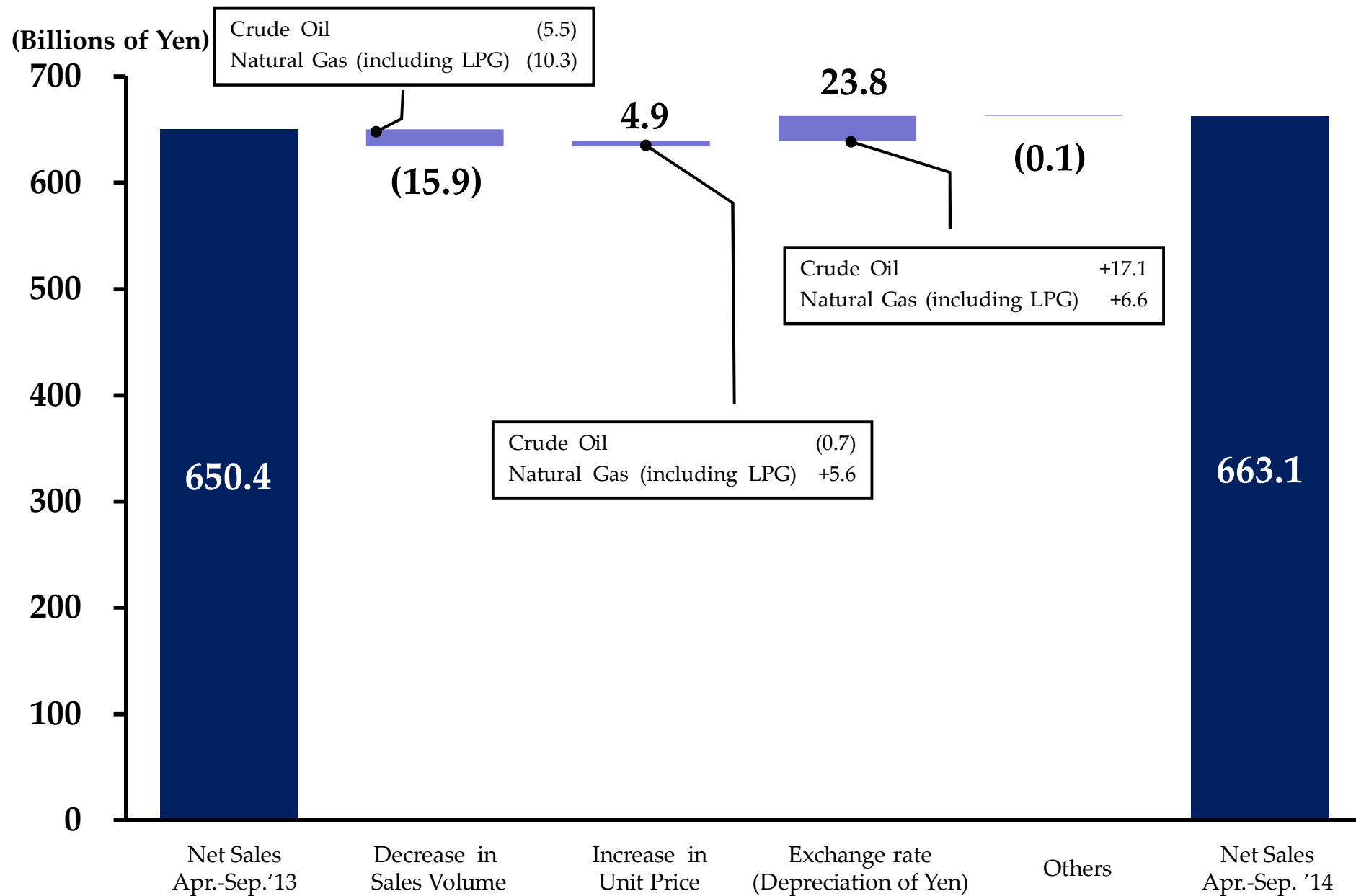
	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Net Sales (Billions of yen)	203.9	205.8	1.8	0.9%
Sales volume (million cf)	159,671	152,056	(7,614)	(4.8%)
Average unit price of overseas production (\$/thousand cf)	12.83	12.78	(0.05)	(0.4%)
Average unit price of domestic sales(¥/ m ³)	49.68	57.14	7.46	15.0%
Average exchange rate (¥/\$)	98.60	102.56	3.96Yen depreciation	4.0% Yen depreciation
Sales volume by region (million cf)	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Japan	29,395 (788 million m ³ *)	29,694 (796 million m ³ *)	299 (+8 million m ³ *)	1.0%
	Purchased Volume 260 million m ³ *	Purchased Volume 215 million m ³ *	(45 million m ³ *)	(17.2%)
Asia/Oceania	110,432	103,482	(6,950)	(6.3%)
Eurasia (Europe/NIS)	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	19,844	18,880	(963)	(4.9%)
Total	159,671	152,056	(7,614)	(4.8%)

(FYI) LPG Sales

* 41.8605MJ / 1m³

	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Net Sales (Billions of yen)	10.8	10.9	0.0	0.8%

Analysis of Net Sales Increase



Statement of Income



(Billions of Yen)	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change	
Net Sales	650.4	663.1	12.6	1.9%	Crude Oil sales : 437.6 (Change) +10.8 Natural Gas sales* : 216.7 (Change) +1.9
Cost of Sales	249.2	257.8	8.5	3.4%	
Exploration expenses	16.6	15.5	(1.1)	(7.0%)	Cost of sales for Crude Oil : 164.2 (Change) +18.2 Cost of sales for Natural Gas* : 87.1 (Change) (9.9)
Selling, general and administrative expenses	40.3	43.0	2.7	6.8%	
Operating Income	344.2	346.7	2.4	0.7%	
Other income	18.3	30.1	11.8	64.3%	Main Factors for change; Equity in earnings of affiliates +7.9 Foreign exchange gain +5.3
Other expenses	11.9	8.4	(3.5)	(29.6%)	
Ordinary Income	350.6	368.4	17.8	5.1%	
Income taxes-current	227.7	278.3	50.5	22.2%	Main Factors for change; Equity in losses of affiliates (3.4) Foreign exchange loss (1.2)
Income taxes-deferred	42.5	(0.3)	(42.9)	-	
Minority interests	0.2	1.7	1.5	-	
Net Income	80.0	88.7	8.6	10.8%	

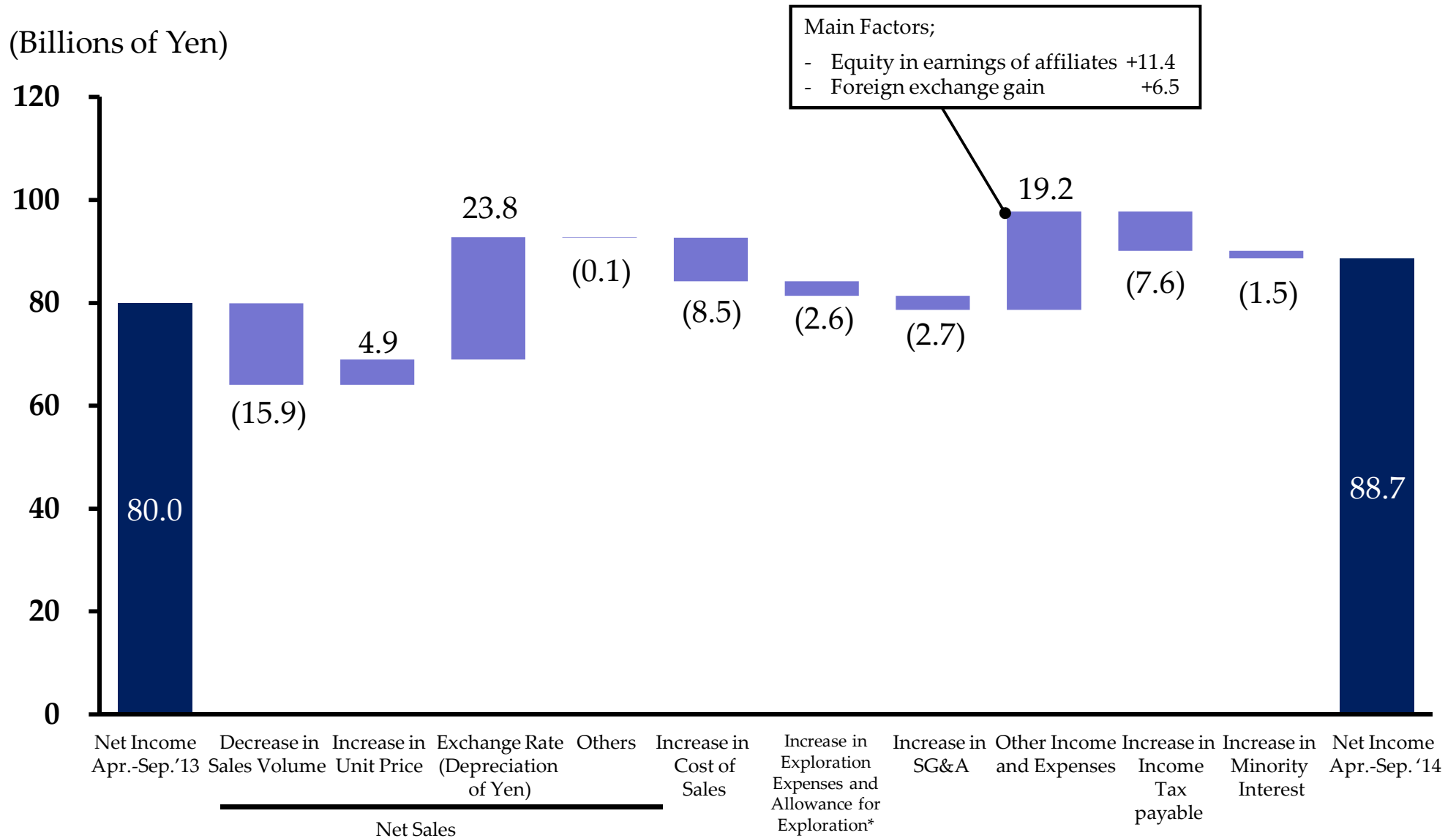
* Including LPG

Other Income/Expenses



(Billions of Yen)	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Other income	18.3	30.1	11.8	64.3%
Interest income	8.7	5.3	(3.3)	(38.7%)
Dividend income	2.1	2.2	0.0	2.8%
Equity in earnings of affiliates	-	7.9	7.9	-
Foreign exchange gain	-	5.3	5.3	-
Other	7.3	9.2	1.8	25.4%
Other expenses	11.9	8.4	(3.5)	(29.6%)
Interest expense	1.1	1.2	0.0	8.2%
Equity in losses of affiliates	3.4	-	(3.4)	(100.0%)
Provision for allowance for recoverable accounts under production sharing	0.4	4.9	4.4	-
Provision for exploration projects	0.6	0.0	(0.6)	(99.8%)
Foreign exchange loss	1.2	-	(1.2)	(100.0%)
Other	5.0	2.2	(2.7)	(55.0%)

Analysis of Net Income Increase



*Provision for allowance for recoverable accounts under production sharing and Provision for exploration projects

Balance Sheet



(Billions of yen)	Mar. '14	Sep. '14	Change	%Change
Current assets	1,140.2	1,285.0	144.8	12.7%
Tangible fixed assets	951.7	1,183.5	231.7	24.3%
Intangible assets	439.1	438.6	(0.5)	(0.1%)
Recoverable accounts under production sharing	685.9	720.6	34.6	5.1%
Other	944.4	726.0	(218.4)	(23.1%)
Less allowance for recoverable accounts under production sharing	(123.4)	(130.2)	(6.7)	5.4%
Total assets	4,038.1	4,223.7	185.6	4.6%
Current liabilities	375.6	385.8	10.1	2.7%
Long-term liabilities	666.4	716.2	49.8	7.5%
Total net assets	2,996.0	3,121.6	125.6	4.2%
(Minority interests)	204.9	215.5	10.6	5.2%
Total liabilities and net assets	4,038.1	4,223.7	185.6	4.6%
Net assets per share (Yen) **	1,911.25	1,989.98	78.73	4.1%

Available fund (Billions of yen)	
	1,350.4*
Breakdown	
• Cash and deposits	: 775.3
• Long-term time deposits	: 247.4
• Marketable securities	: 191.4
• Available investment securities	: 136.0

*Amounts to be allocated for the investments for development and exploration activities until the year ending March 31, 2017 following the "Medium- To Long-Term Vision of INPEX".

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 66.07%)	
• Current assets	: 35.6
• Fixed assets	: 1,716.3
• Total assets	: 1,752.0

Shareholders' equity	
Retained earnings	: +75.8
Accumulated other comprehensive income	: +39.1
• Unrealized holding gain on securities	: (0.0)
• Unrealized loss from hedging instruments	: (8.1)
• Translation adjustments	: +47.3

**The company conducted a stock split at a ratio of 1:400 of common stock on October 1, 2013.
Net assets per share is calculated based on the assumption that the stock split was conducted on April 1, 2013.

Statement of Cash Flows




(Billions of Yen)	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Income before income taxes and minority interests	350.6	368.4	17.8	5.1%
Depreciation and amortization	23.9	25.6	1.6	7.0%
Recovery of recoverable accounts under production sharing (capital expenditures)	30.9	36.6	5.7	18.6%
Recoverable accounts under production sharing (operating expenditures)	(20.9)	(33.1)	(12.2)	58.4%
Income taxes paid	(290.7)	(276.3)	14.4	(5.0%)
Other	(22.6)	(2.0)	20.5	(90.8%)
Net cash provided by operating activities	71.2	119.2	48.0	67.4%
Payments for / Proceeds from time deposits and long-term time deposits	(253.0)	63.5	316.5	-
Purchase of tangible fixed assets	(139.1)	(228.0)	(88.8)	63.9%
Purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	231.8	113.0	(118.8)	(51.2%)
Investment in recoverable accounts under production sharing (capital expenditures)	(53.7)	(38.6)	15.1	(28.1%)
Long-term loans made/Collection of long-term loans receivable	57.0	(2.0)	(59.0)	-
Payments for purchase of mining rights	(27.0)	(17.8)	9.2	(34.0%)
Other	(4.3)	(4.3)	0.0	(1.1%)
Net cash used in investing activities	(188.4)	(114.2)	74.2	(39.4%)
Net cash provided by financing activities	25.3	3.2	(22.1)	(87.2%)
Cash and cash equivalents at end of the period	156.0	129.0	(26.9)	(17.3%)

Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2014 **INPEX**

- Assumptions

(August 6, 2014)	1 st half (Previous Forecasts)
Crude oil price (Brent) (US\$/bbl)	107.4
Exchange rate (yen/US\$)	101.1



(November 7, 2014)	1 st half (Actual Results)
Crude oil price (Brent) (US\$/bbl)	106.6
Exchange rate (yen/US\$)	103.0

- Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2014

	Previous Forecasts (August 6, 2014)	Actual Results	Change	% Change
Net Sales (billions of yen)	658.0	663.1	5.1	0.8%
Operating income (billions of yen)	330.0	346.7	16.7	5.1%
Ordinary income (billions of yen)	354.0	368.4	14.4	4.1%
Net income (billions of yen)	90.0	88.7	(1.3)	(1.4%)

Revisions of Financial Forecasts for the year ending March 31, 2015



- Assumptions

(August 6, 2014)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	107.4	105.0	106.2
Exchange rate (yen/US\$)	101.1	100.0	100.5

(November 7, 2014)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	106.6*1	85.0	95.8
Exchange rate (yen/US\$)	103.0*2	110.0	106.5

*1 1st quarter (Actual) : US\$ 109.8/bbl, 2nd quarter (Actual) : US\$103.5/bbl *2 1st quarter (Actual) : ¥102.2/US\$1, 2nd quarter (Actual) : ¥103.8/US\$

- Financial Forecasts for the year ending March 31, 2015

	Previous forecasts (August 6, 2014)	Revised forecasts (November 7, 2014)	Change	% Change
Net Sales (billions of yen)	1,316.0	1,262.0	(54.0)	(4.1%)
Operating income (billions of yen)	635.0	592.0	(43.0)	(6.8%)
Ordinary income (billions of yen)	701.0	656.0	(45.0)	(6.4%)
Net income (billions of yen)	178.0	160.0	(18.0)	(10.1%)

- Dividend per share

	End of 2Q	End of fiscal year (forecast)
Year ending March 31, 2015 (yen)	9	9

Net Income Sensitivities (1/2)



[As of May 9, 2014]

- Sensitivities of crude oil price and foreign exchange fluctuation on consolidated net income for the year ending March 31, 2015 (Note 1)

(The impact of Exchange Rate is shown in more detail below.)

(Billions of yen)

Crude Oil Price; \$1/bbl increase (decrease) (Note 2)	+2.5 (-2.5)
Exchange Rate; ¥1 depreciation (appreciation) against the U.S. dollar	+0.8 (-0.8)
<ul style="list-style-type: none"> ➤ Flow effect on net income from operating activities (Note 3) ➤ Stock effect on net income (valuation for assets and liabilities denominated in the U.S. dollar) (Note 4) 	<ul style="list-style-type: none"> +2.1 (-2.1) -1.3 (+1.3)

(Note1) The sensitivities represent the impact on net income for the year ending March 31, 2015 against \$1 /bbl increase (decrease) of Brent crude oil price on annual average and ¥ 1 depreciation (appreciation) against the U.S. dollar. These are based on the financial situation at the beginning of the fiscal year. These are information purpose only and the actual impact may be subject to change in production volumes, capital expenditures and cost recoveries, and may not be constant, depending on crude oil prices and exchange rates.

(Note2) This is a sensitivity on net income by fluctuation of crude oil price and is subject to the average price of crude oil (Brent) in the fiscal year.

(Note3) This is a sensitivity on net income from operating activities by fluctuation of the yen against the U.S. dollar and is subject to the average exchange rate in the fiscal year.

(Note4) This is the impact of foreign exchange differences for foreign currency-denominated assets and liabilities, and is affected by the difference between the exchange rate at the end of the fiscal year and the end of the previous fiscal year. In this fiscal year, as foreign currency-denominated debt is greater than foreign currency-denominated assets due to an increase in foreign currency debt, exchange valuation gains will occur when the yen is appreciated against foreign currency, while exchange valuation losses will occur when the yen becomes weaker against foreign currency. In addition, because of the impact of deferred tax accounting, when the yen is appreciated against the U.S. dollar to a certain extent, the above sensitivities may show different trend.

Net Income Sensitivities (2/2)



Details on valuation for assets and liabilities denominated in the U.S. dollar

- ◆ The assets and liabilities denominated in the U.S. dollar are practically balanced in the following chart.
- ◆ However, some portion of assets is held as bonds denominated in the U.S. dollar (as shown in green in the following chart), and exchange gain or loss derived from the yen appreciation or depreciation against the U.S. dollar of such portion does not affect a statement of income, but net assets in the balance sheet expressed in unrealized holding gain on securities.
- ◆ As the redeemed amounts from bonds are to be held for a U.S. dollar deposit, and assets and liabilities denominated in foreign currency, which impact on the Statement of Income are gradually going to be balanced, sensitivities on valuation for assets and liabilities denominated in foreign currency is expected to be close to zero.
- ◆ Redemption of bonds denominated in the U.S. dollar has been advancing, then it is expected that the all remaining amounts of bonds denominated in the U.S. dollar are scheduled to be redeemed by January, 2016.
- ◆ Consequently, by managing balance of assets and liabilities denominated in foreign currency, sensitivities on valuation for assets and liabilities denominated in foreign currency will get close to zero during the fiscal year ending March, 2016 as planned.
- ◆ Once sensitivities on valuation for assets and liabilities denominated in foreign currency will get close to zero, in principle, sensitivities on net income from operating activities is expected to be the main element of sensitivities as for exchange rate.

