

# Financial results for the year ended December 31, 2019 Appendix

INPEX CORPORATION  
February 13, 2020



## Subsidiaries and Affiliates

INPEX

### 65 consolidated subsidiaries

Major subsidiaries	Country/region	Ownership	Stage	Accounting term
Japan Oil Development Co., Ltd. ※	UAE	100%	Production	December
JODCO Onshore Limited	UAE	51 %	Production	December
JODCO Lower Zakum Limited	UAE	100%	Production	December
INPEX Sahul, Ltd.	Timor-Leste	100%	Production	December
INPEX Ichthys Pty Ltd※	Australia	100%	Production	December
INPEX Southwest Caspian Sea, Ltd. ※	Azerbaijan	51%	Production	December
INPEX North Caspian Sea, Ltd. ※	Kazakhstan	51%	Production	December
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	Production	December
INPEX Eagle Ford, LLC	USA	100%	Production	December

### 20 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	December
Ichthys LNG Pty Ltd ※	Australia	66.245%	Production	December

※Subsidiaries formerly with provisional settlements of accounts

For the year ended December 31, 2019 (April 1, 2019 through December 31, 2019)

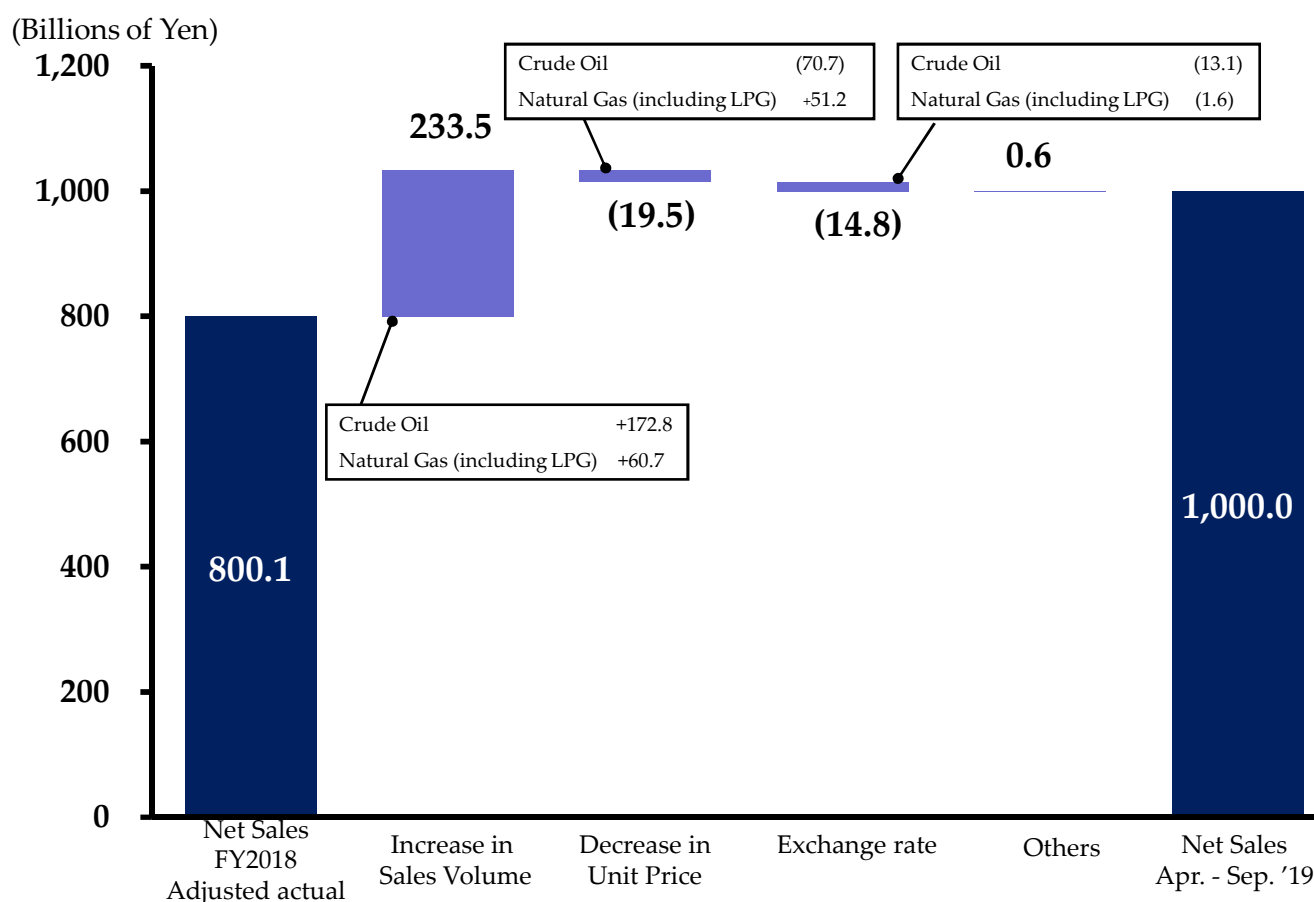
(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Sales to third parties	97,038	240,927	79,054	569,166	13,819	1,000,005	-	1,000,005
Segment income (loss)	13,156	117,801	20,806	364,467	(6,545)	509,685	(11,044)	498,641
Segment assets	274,520	3,063,677	596,930	562,032	82,630	4,579,791	270,203	4,849,995

Note:

- (1) Adjustments of segment income of ¥(11,044) million are corporate expenses. Corporate expenses are mainly amortization of goodwill that are not allocated to a reportable segment and general administrative expenses.  
 (2) Adjustments of segment assets of ¥270,203 million include elimination of intersegment transactions of ¥(385) million and corporate assets of ¥270,589 million. Corporate assets are mainly goodwill, cash and deposit, investment securities and assets concerned with the administrative divisions not attributable to a reportable segment.
- Segment income is reconciled with operating income on the consolidated statement of income.

## Analysis of Net Sales Increase



	FY2018 Adjusted actual	FY2019 Apr. - Dec. '19	Change	%Change
Net sales (Billions of yen)	1.2	3.1	1.9	155.0%
Sales volume (thousand bbl)	203	412	208	102.7%
Average unit price of overseas production (\$/bbl)	53.86	40.06	(13.80)	(25.6%)
Average unit price of domestic production (¥/kg)	78.84	65.52	(13.32)	(16.9%)
Average exchange rate (¥/\$)	111.72	108.98	2.74yen appreciation	2.5% appreciation

Sales volume by region (thousand bbl)	FY2018 Adjusted actual	FY2019 Apr. - Dec. '19	Change	%Change
Japan	3 (0.3 thousand ton)	3 (0.3 thousand ton)	(1) (-0.1 thousand ton)	(19.7%)
Asia & Oceania	200	409	209	104.7%
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	-	-	-	-
Total	203	412	208	102.7%

## Other Income/Expenses

(Billions of Yen)	FY2018 Adjusted actual	FY2019 Apr. - Dec. '19	Change	%Change
Other income	52.3	44.7	(7.5)	(14.4%)
Interest income	6.8	2.4	(4.4)	(64.9%)
Dividend income	2.4	3.2	0.8	34.2%
Gain on sales of investment securities	-	4.9	4.9	-
Equity in earnings of affiliates	15.0	23.3	8.3	55.4%
Compensation income	7.5	-	(7.5)	(100.0%)
Foreign exchange gain	3.6	2.4	(1.1)	(31.3%)
Other	16.8	8.3	(8.5)	(50.6%)
Other expenses	20.3	32.3	12.0	59.2%
Interest expense	11.4	21.8	10.4	91.3%
Provision for allowance for recoverable accounts under production sharing	2.8	3.1	0.2	8.1%
Loss on valuation of investment securities	-	3.4	3.4	-
Other	5.9	3.8	(2.1)	(35.8%)

(Millions of yen)	Reference		Note
	FY2019 Apr. -Dec. '19	FY2018 Apr.'18-Mar.'19	
Net income attributable to owners of parent	123,550	96,106	P/L
Net income (loss) attributable to non-controlling interests	1,015	677	P/L
Depreciation equivalent amount	172,912	146,786	
Depreciation and amortization	135,629	106,899	C/F Depreciation under concession agreements and G&A
Amortization of goodwill	5,022	6,760	C/F
Recovery of recoverable accounts under production sharing (capital expenditures)	32,261	33,127	C/F Depreciation under PS contracts
Exploration cost equivalent amount	18,541	13,350	
Exploration expenses	15,426	11,679	P/L Exploration expense under concession agreements
Provision for allowance for recoverable accounts under production sharing	3,115	1,468	P/L Exploration expense under PS contracts
Provision for exploration projects	-	203	
Material non-cash items	24,594	21,529	
Income taxes-deferred	24,545	(2,660)	P/L
Foreign exchange loss (gain)	(747)	(1,047)	C/F
Impairment loss	796	25,236	
Net interest expense after tax	13,992	6,975	P/L After-tax interest expense minus interest income
<b>EBIDAX</b>	<b>354,604</b>	<b>285,423</b>	

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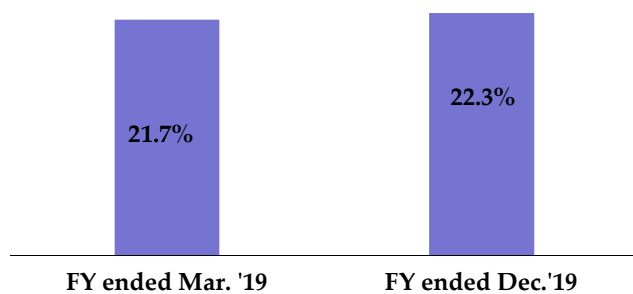
## Analysis of Recoverable Accounts under Production Sharing

(Millions of yen)	Reference		Note
	FY2019 Apr. - Dec. '19	FY2018 Apr.'18-Mar.'19	
Balance at beginning of the period	568,059	589,098	
Add:			
Exploration costs	3,203	4,032	Mainly Iraq Block10
Development costs	27,054	22,612	Mainly ACG, Kashagan and Con Son
Operating expenses	13,078	15,666	Mainly ACG and Kashagan
Other	7,781	11,737	
Less:			
Cost recovery (CAPEX)	32,261	33,127	Mainly ACG and Kashagan
Cost recovery (non-CAPEX)	12,255	26,203	Mainly ACG and Kashagan
Other	6,283	15,756	
Balance at end of the period	568,377	568,059	Mainly Kashagan
Less allowance for recoverable accounts under production sharing at end of the period	66,897	70,017	

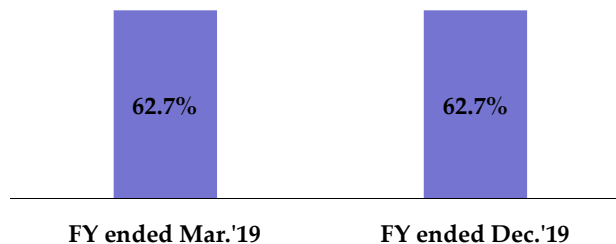
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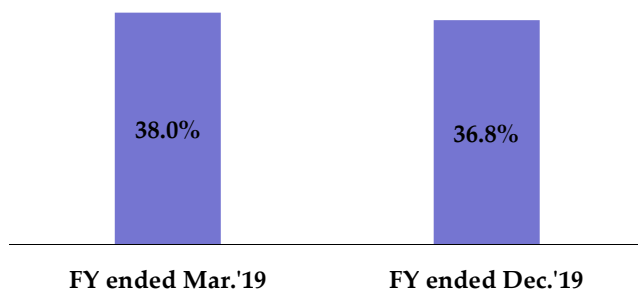
## Net Debt/Total Capital Employed (Net)\*



## Equity Ratio\*\*



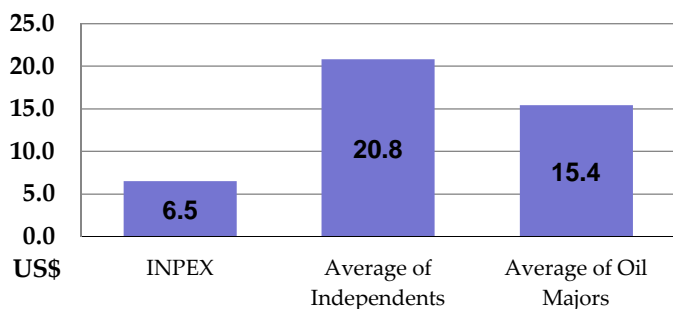
## D/E Ratio\*\*\*



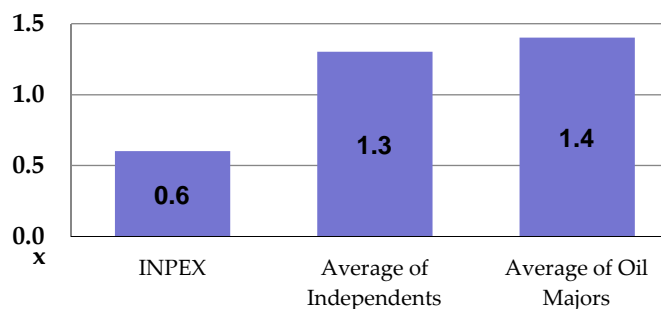
\* Net Debt/Total Capital Employed (Net) = (Interest-bearing debt - Cash and deposits)/(Net assets + Interest-bearing debt - Cash and deposits)  
 \*\* Equity Ratio = (Net assets - Non-controlling interests)/Total assets  
 \*\*\* D/E Ratio = Interest-bearing debt/ (Net asset - Non-controlling interests)

# Valuation Indices

## EV/Proved Reserves\*

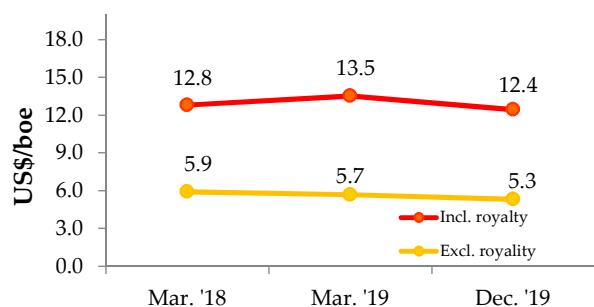


## PBR\*\*

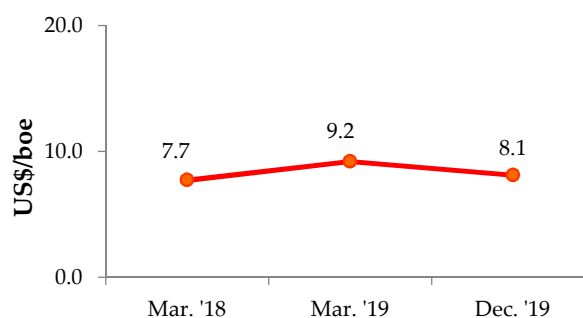


• EV (Enterprise Value) / Proved Reserves= (Total market value + Total debt - Cash and cash equivalent + Non-controlling interests) / Proved Reserves.  
 • Total market value as of 31/12/2019. Proved Reserves for INPEX as of 31/03/2019. Proved Reserves for Independents and Oil Majors as of 31/12/2018.  
 • Financial data for INPEX as of 30/09/2019. Financial data for Independents and Oil Majors as of 30/09/2019(some are as of 30/06/2019) Sources based on public data.  
 \*\* PBR = Stock price / Net asset per share. Total market value as of 31/12/2019. Financial data for INPEX as of 31/09/2019. Financial data for Independents and Oil Majors as of 30/09/2019(some are as of 30/06/2019). Sources based on public data.

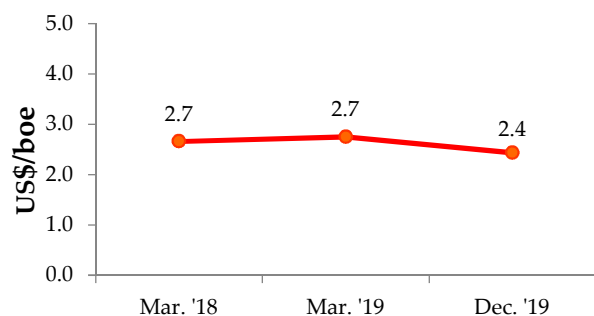
### Production Cost per BOE Produced



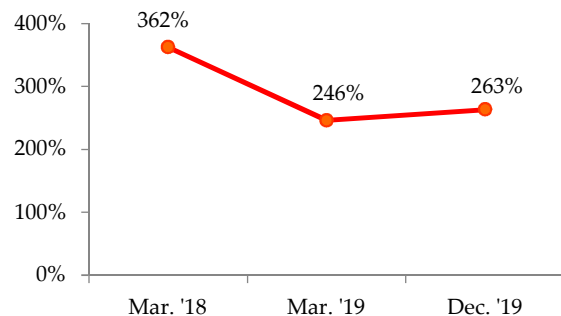
### Finding & Development Cost per BOE (3-year average)



### SG&A Cost per BOE Produced

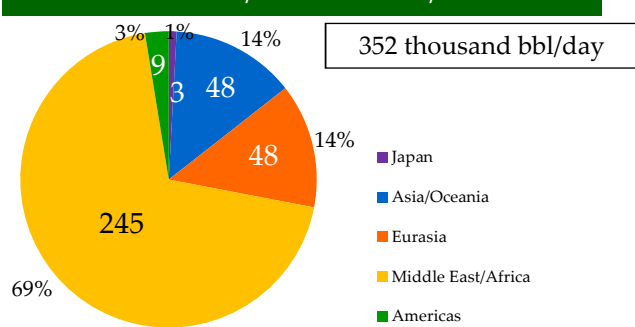


### Reserve Replacement Ratio (3-year average)

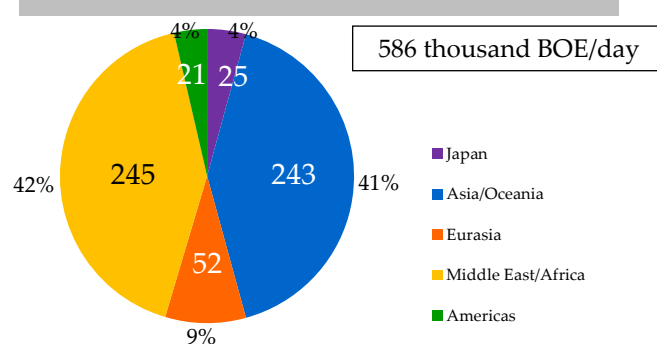


## Net Production\* (Apr. 2019 – Dec. 2019)

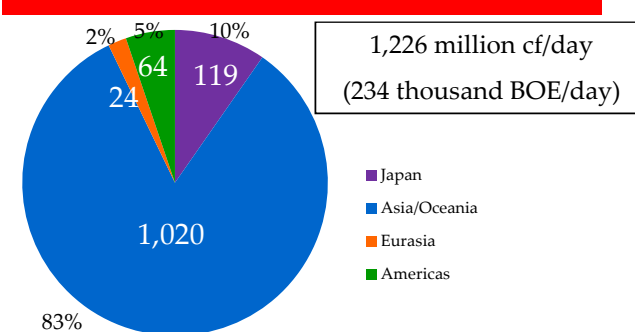
### Crude Oil/Condensate/LPG



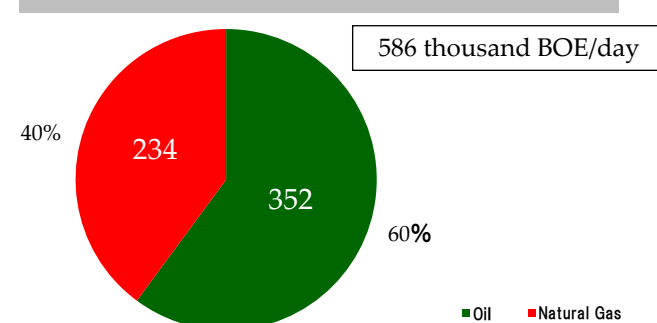
### Total



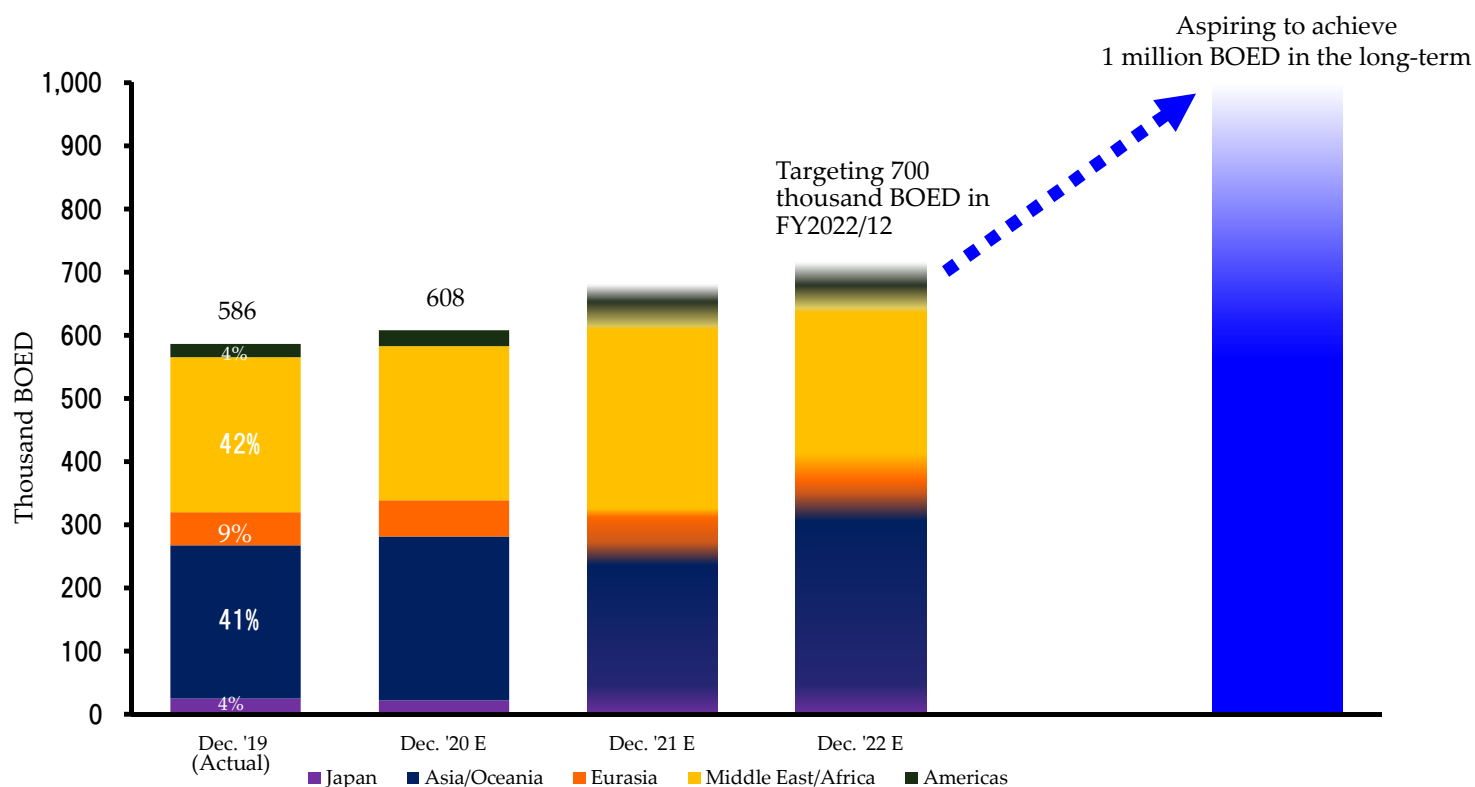
### Natural Gas



### Total



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

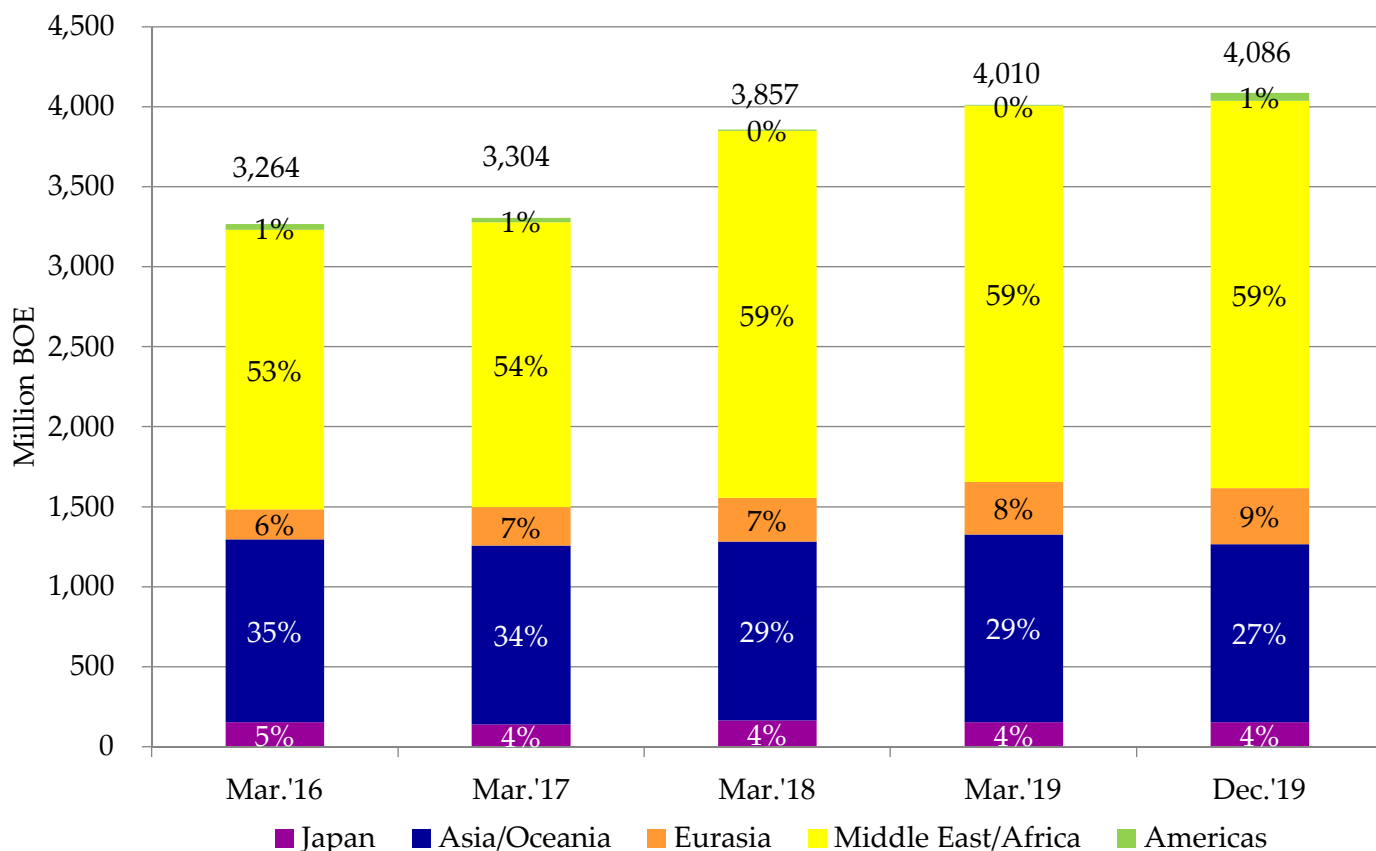


Note: Assumed Brent crude oil price range for net production projection : \$50~\$70/bbl (As with Medium-term Business Plan 2018-2022)

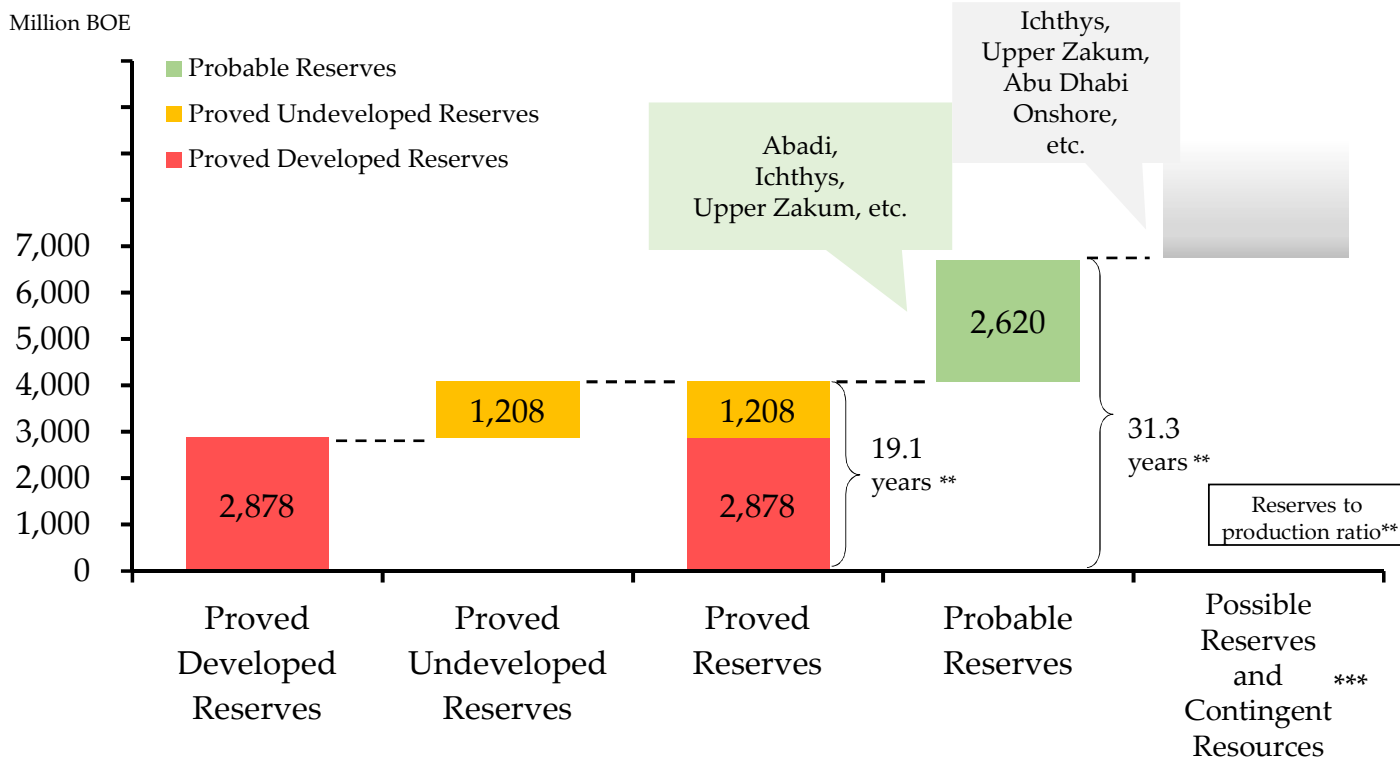
\* The production volume of crude oil and natural gas under the production sharing contracts corresponds to the net economic take of the Group.

\*\* The production volume of crude oil and natural gas after Dec.'20 will fluctuate according to oil and gas prices and project status

# Proved Reserves by Region \*



\* The definition of proved reserves is on page 53.



\* The definitions of proved, probable and possible reserves are listed on page 53-54.

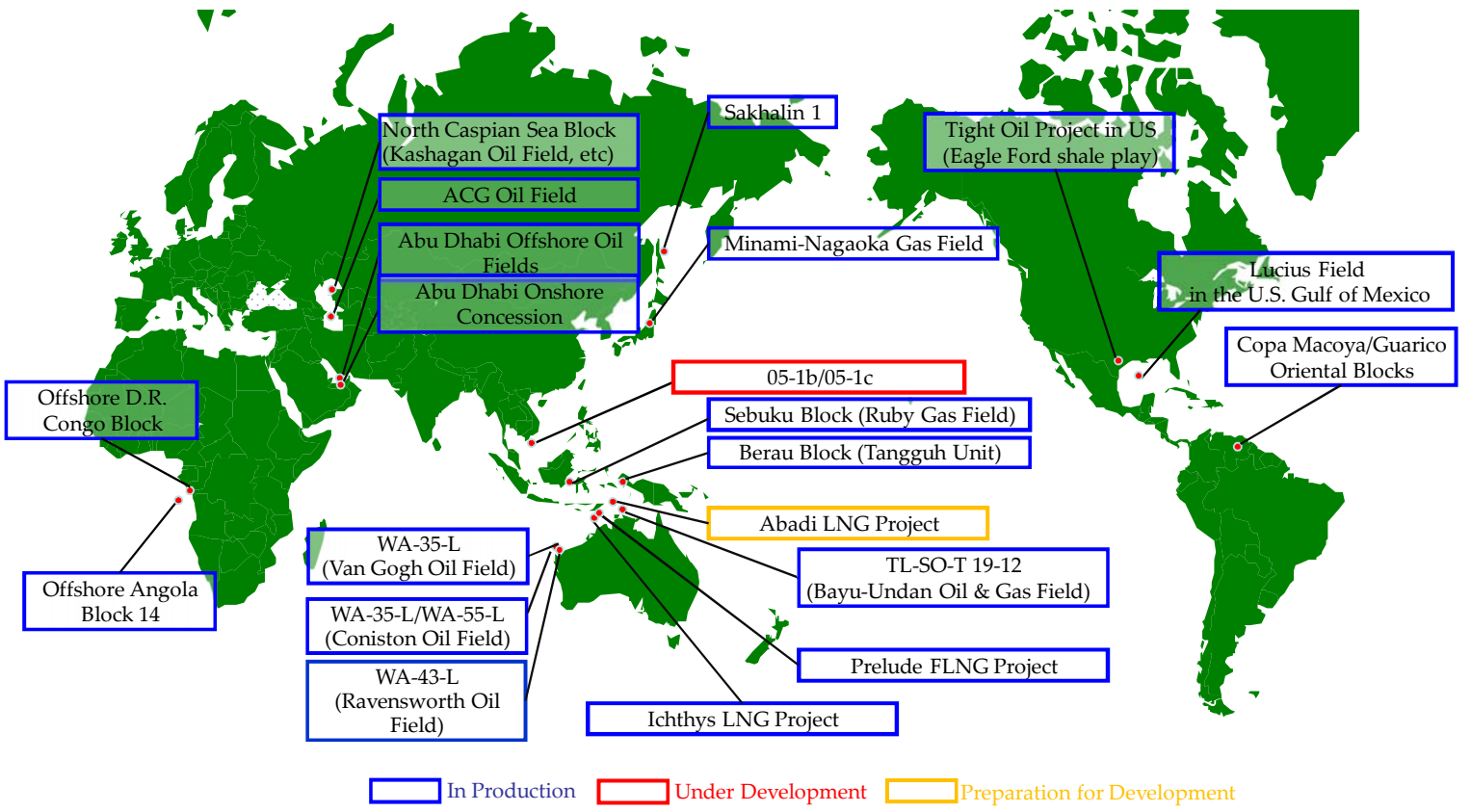
\*\* Reserves to production ratio= Reserves as of December 31, 2019/ Production for the year ended December 31, 2019

\*\*\* Contingent Resources are estimated by INPEX. Under the PRMS standard, contingent resources are 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

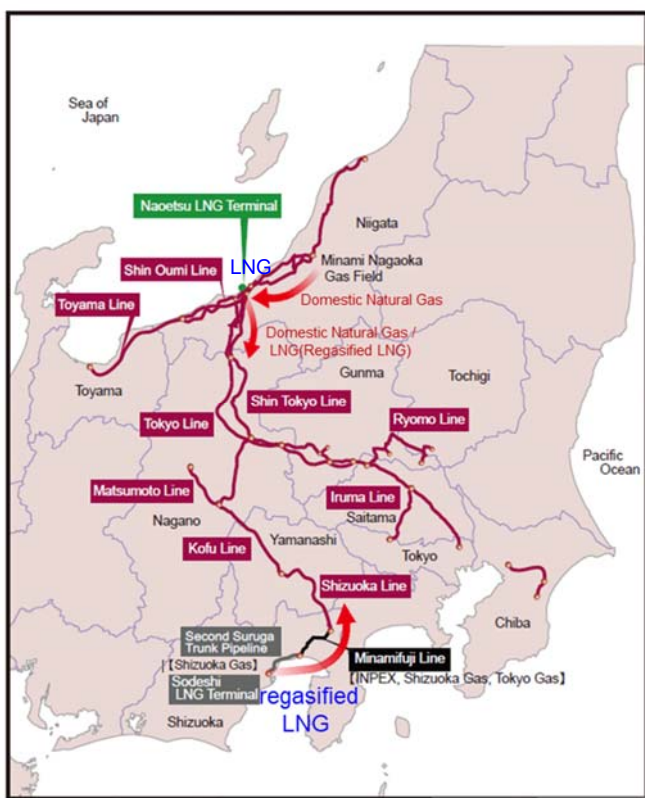






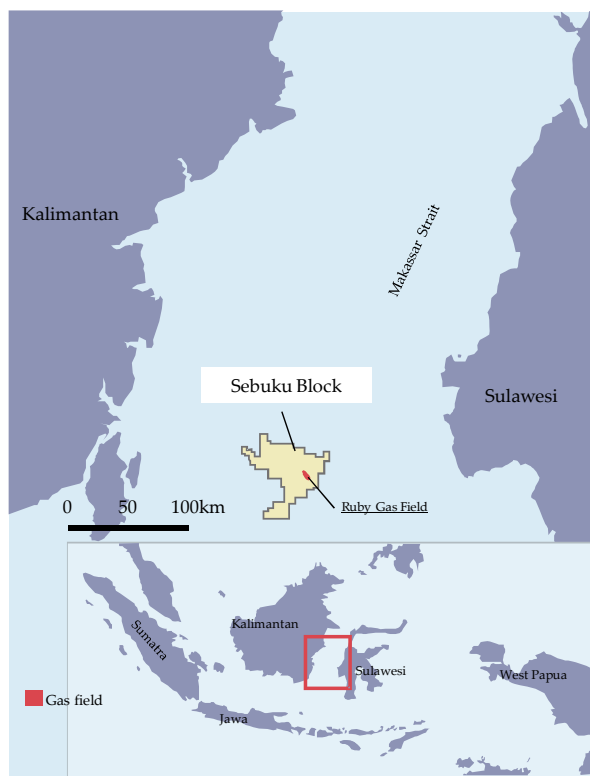
In Production
  Under Development
  Preparation for Development

## Natural Gas Business in Japan



- Production volume\* :
  - Natural gas: approx. 3.1 million m<sup>3</sup>/d (114 million scf/d)\*\*
  - Crude oil and condensate: approx. 3,000 bbl/d
- Natural Gas Sales
  - FY 2019/03: approx. 2.17 billion m<sup>3</sup>\*\*
  - FY 2019/12(9 months): approx. 1.51 billion m<sup>3</sup>\*\*
  - Sales outlook: 2,500 million m<sup>3</sup> per year in the first half of the 2020s, 3,000 million m<sup>3</sup> per year in the long-term
- Global Gas Value Chain
  - Started commercial operations at Naoetsu LNG Terminal in December 2013
  - Toyama Line completed in June 2016
  - First Ichthys LNG cargo arrived at Naoetsu LNG Terminal in October 2018.

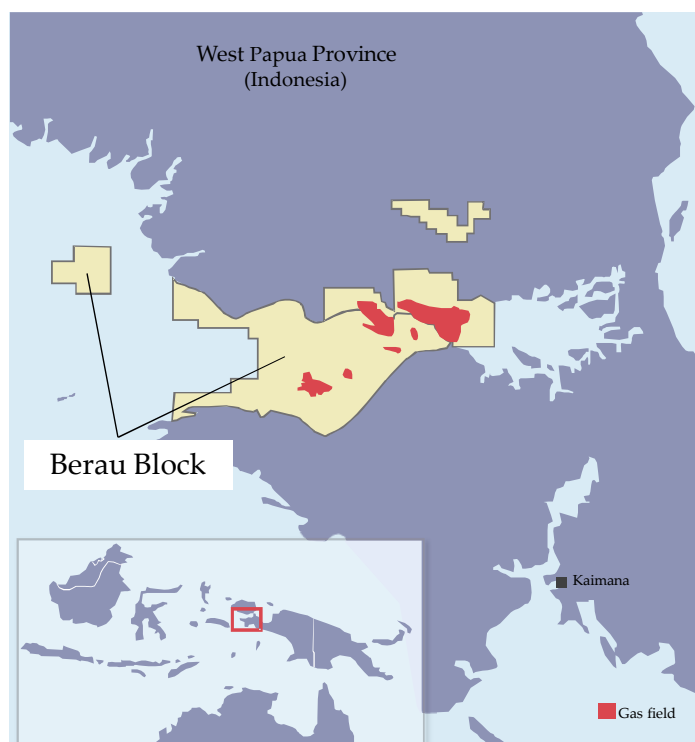
\*sum of crude oil and gas fields in Japan: average daily production volume for Oct.-Dec. 2019  
 \*\*1m<sup>3</sup> =41.8605MJ



- Participating Interest: 15%  
(Operator : PEARLOIL (Mubadala))
- Production volume\*  
Natural Gas\*\*: Approximately 85 million cf/d
- PSC: Until September 21, 2027
- Participating Interest acquired in September 2010.
- FID (Final Investment Decision) in June 2011.
- Production commenced in October 2013.
- Offshore production facilities are tied in to the onshore facilities of the Mahakam Block by the subsea pipeline. Produced gas is mainly supplied to domestic fertilizer plants in Indonesia.

\* Average daily production volume for December 2019 on the basis of all fields.

\*\* Volume not at the wellhead but corresponding to the sales to buyers.

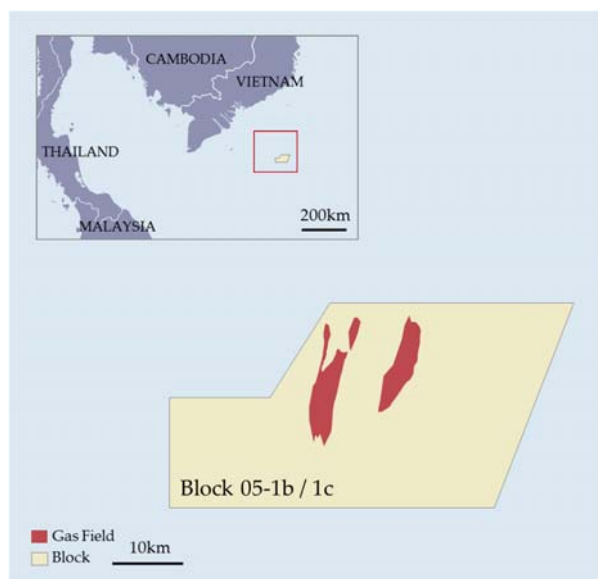


- Participating Interest (Tangguh Unit): net 7.79%
  - MI Berau B.V. 16.3%
  - KG Berau Petroleum 8.56%

MI Berau B.V. is a joint venture with Mitsubishi Corporation (INPEX 44%). MI Berau Japan Ltd. (a joint venture with Mitsubishi Corporation (INPEX 44%) owns a share of approximately 16.5% in KG Berau Petroleum Ltd.  
(Operator: BP)
- Production volume\*:
  - Condensate: Approximately 6,000 bbl/d
  - Natural Gas\*\*: Approximately 1,092 million cf/d
  - PSC: Until December 31, 2035
- LNG production volume: 7.6 million tons per year
- LNG sales started in July 2009
- Made FID for an expansion project to add a third LNG train with a 3.8 million t/y production capacity in July 2016, currently under construction

\* Average daily production volume for December 2019 on the basis of all fields.

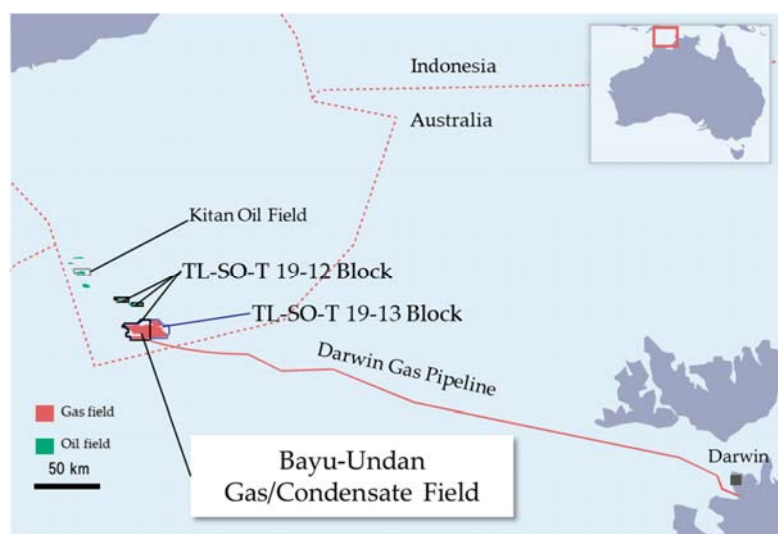
\*\* Volume not at the wellhead but corresponding to the sales to buyers.



■ Participating Interest:  
 Idemitsu Gas Production (Vietnam) (Operator ) 43.08%  
 INPEX 36.92%  
 Petro Vietnam 20%  
■ Under development

- Participating Interest:36.92%  
(Operator: Idemitsu Gas Production (Vietnam))
- PSC: Until November 17, 2034
- February 2011: Succeeded in exploration well
- June 2013: Discovery of gas and condensate
- August 2014: Discovery of gas and condensate
- February 2018: Final Investment Decision
- Development work ongoing to commence production in late 2020.

TL-SO-T 19-12 Block (Bayu-Undan Gas Condensate Field)  
INPEX Sahul, Ltd.

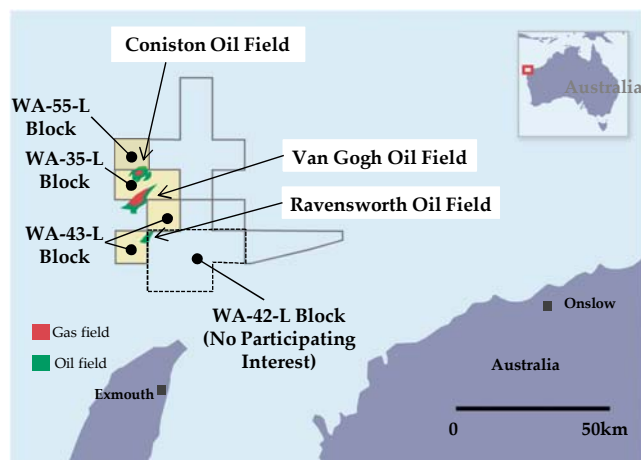


Map includes provisional maritime boundaries

- Participating Interest: 11.378120%  
(Operator: ConocoPhillips)
- Production volume\*:
  - Condensate: Approximately 13,000 bbl/d
  - LPG: Approximately 8,000 bbl/d
  - Natural Gas\*\*: Approximately 491 million cf/d
- PSC: Until February 6, 2022
- Sales of condensate and LPG started in February 2004
- Entered into an LNG Sales Contract with TEPCO (currently JERA) and Tokyo Gas in August 2005 (3 million t/y for 17 years from 2006)
- LNG sales started in February 2006
- In light of the delimitation of the maritime boundaries between Australia and Timor-Leste, INPEX entered into a new PSC with the government of Timor-Leste in August 2019. The project will continue to be operated under terms equivalent to the previous arrangements under the Joint Petroleum Development Agreement (JPDA).

\* Average daily production volume for Dec. 2019 on the basis of all fields.

\*\* Volume not at the wellhead but corresponding to the sales to buyers.



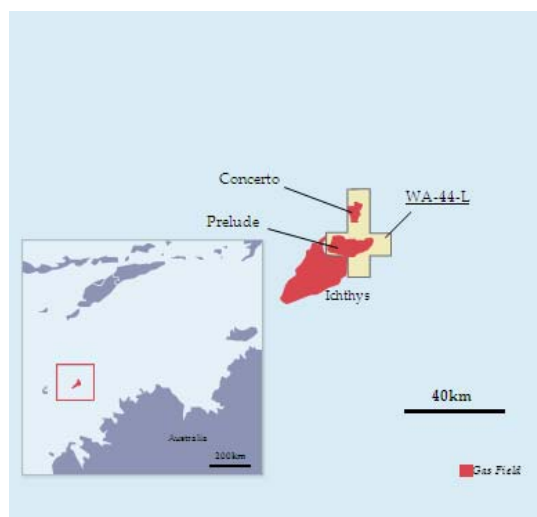
**Van Gogh Oil Field (WA-35-L) / Coniston Oil Field (WA-35-L/WA-55-L)**

- Participating Interest: 47.499% (Operator: Santos)
- Concession Agreement: Valid until end of production
- Production volume\*:
  - Crude Oil: Approximately 11,000bbl/d
- Van Gogh Oil Field: Production started in February 2010
- Coniston Oil Field: Production started in May 2015
- Novara Structure (Coniston Oil Field): Production started in July 2016
- Van Gogh Oil Field Infill Well: Production started in January 2019

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

- Participating Interest: 28.5% (Operator: BHP)
- Production volume\*:
  - Crude Oil: Approximately 3,000bbl/d
- Concession Agreement: Valid until end of production
- Production started in August 2010

\* Average daily production volume for Dec. 2019 on the basis of all fields.



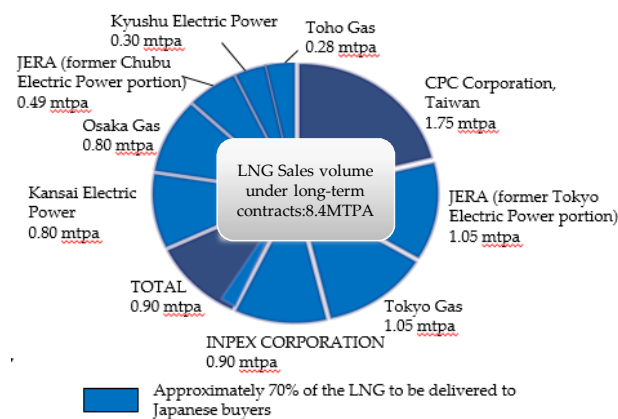
FLNG

- Participating Interest: 17.5% (Operator: Shell)
- Concession Agreement: Valid until end of production
- Reserves: approximately 3 trillion cf of natural gas (Prelude and Concerto gas fields)
- Production volume: 3.6 million t/y of LNG, along with approx. 0.4 million t/y of LPG at peak and approx. 1.3 million t/y of condensate at peak
- FID made in May 2011
- Wells opened and initial phase of production commenced in December 2018.
- 1<sup>st</sup> Condensate cargo shipped from FLNG in March 2019.
- 1<sup>st</sup> LNG cargo shipped in June 2019.
- 1<sup>st</sup> LPG cargo shipped in July 2019.
- LNG sales and purchase agreements in place with JERA (approx. 0.56 MTPA) and Shizuoka Gas (approx. 0.07 MTPA) respectively covering INPEX's equity portion of the project's LNG output (approx. 0.63MTPA)

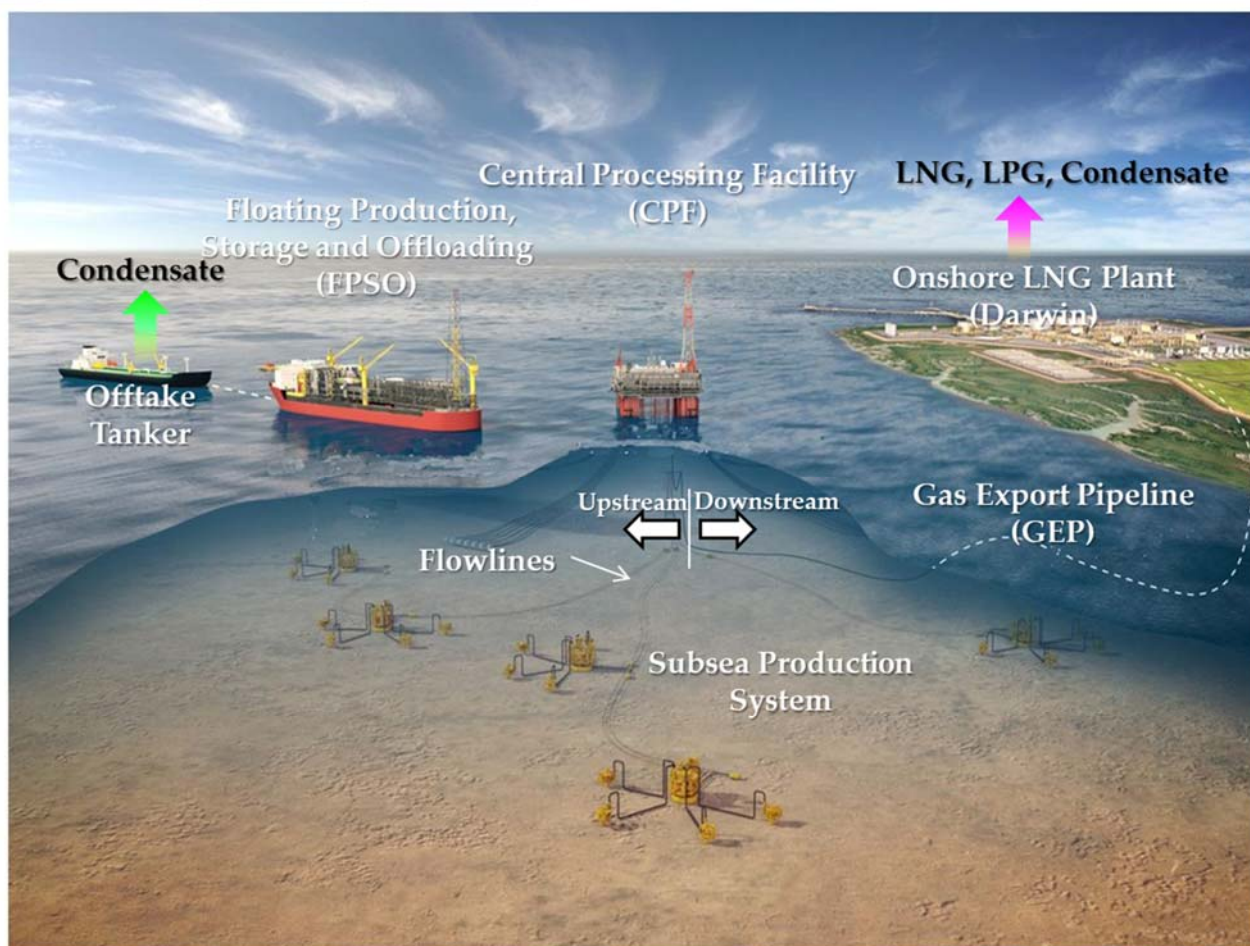
- Participating Interest : 66.245% (Operator)
- Production volume\* :
  - Upstream natural gas\*\* : Approximately 1,472 million cf/d
  - Upstream condensate : Approximately 59 thousand bbl/d

\*Average daily production for Oct. - Dec. 2019

\*\*Volume not at the wellhead but corresponding to the sales to downstream entity (Gas provided from upstream to LNG plant as a raw material for LNG, LPG and plant condensate)
- Cargo (Actual number from production start-up to the end of December 2019)
  - LNG: 115
  - LPG: 29
  - Upstream condensate: 33
  - Plant condensate: 20
- Production overview
  - Project Life: Approximately 40 years
  - Approximately 8.9 million t/y of LNG(Production Capacity)
  - Approximately 1.65 million t/y of LPG(Production Capacity)
  - Approximately 100,000 bbl/d of condensate (at peak)
- Proved reserves
  - Approximately 1,011 million BOE (based on INPEX's participating interest of 66.245%)
- Participating interests in multiple exploration blocks nearby providing future development potential
- Marketing
  - Secured LNG SPAs covering 8.4 million t/y of LNG
  - Secured LPG SPA covering INPEX share etc.



- Project Financing
  - US\$ 20 billion project financing agreements with ECAs and major commercial banks completed in December 2012
- EPC work: Major EPC contracts
  - 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 Harbour: Van Oord,
    - Instrumentation and Control System: Yokogawa Electric (including upstream facilities)



## ■ Timeline since Final Investment Decision (FID)

Key Milestone	2012	2013	2014	2015	2016	2017	2018
<b>FID</b>	●						
<b>(Offshore facilities / Production wells)</b>							
• Steel cutting ceremony for CPF and FPSO		●					
• Start-up of CPF and FPSO assembly work			●				
• FPSO hull launch			●				
• Completion of gas export pipelay				●			
• Commencement of drilling of production wells				●			
• Completion of installation of subsea flowlines					●		
• Completion of CPF and FPSO sail away, mooring and hook-up						●	
• Start-up of CPF and FPSO commissioning						●	
• Completion of commissioning of all key offshore facilities							●
<b>(Onshore facilities)</b>							
• Groundbreaking ceremony of LNG plant in Darwin	●						
• Commencement of construction on modules, jetties and tanks		●					
• Completion of dredging in Darwin Harbour			●				
• Completion of production loading jetty					●		
• Completion of construction and delivery of LNG plant modules					●		
• Completion of hydrostatic testing on all product tanks						●	
• Start-up of power generation facilities						●	
• Completion of commissioning of all key onshore facilities							●
<b>(Overall project)</b>							
• Acquisition of production license / project financing agreements	●						
• Arrangement of insurance for facilities during construction period		●					
• Contracts signed for construction, ownership and time charter of LNG tankers		●					
• 50% project completion			●				
• LNG production capacity increased from 8.4 to 8.9 million t/y				●			
• Agreement in principle with Astomos Energy Corporation on sales of LPG						●	
• Naming ceremonies for LNG tanker to supply Naoetsu LNG Terminal and CPC Corporation						●	
<b>Commencement of gas production from the wellhead</b>							●
<b>Commencement of shipment of condensate, LNG and LPG</b>							●

## Ichthys LNG Project CPF





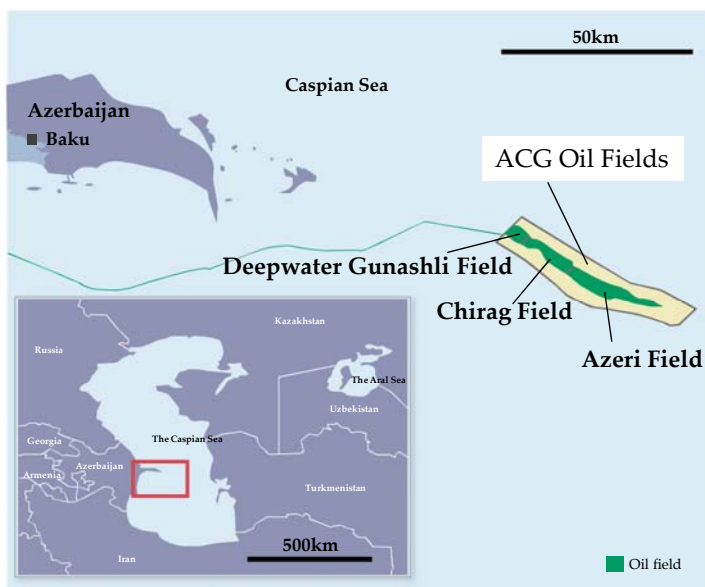


Map includes provisional maritime boundaries

- Participating Interest  
INPEX(Operator): 65%, Shell: 35%
- Current phase: Preparation for Development

- Production Sharing Contract (PSC): Until 15 November, 2055 (Signed extension contracts in October 2019.)
- Production Capacity
  - i. Total output of natural gas 10.5 million tons per year (LNG equivalent) including;
    - Approximately 9.5 million tons of LNG per year
    - Local gas supply via pipeline
  - ii. Up to approximately 35,000 barrels of condensate per day
- Conducted Pre-FEED (Front End Engineering Design) works based on an onshore LNG development scheme with an annual LNG production capacity of 9.5 million tons from March to October 2018
- Submitted a revised development plan based on an onshore LNG development scheme in June 2019 to Indonesian government authorities and obtained approval in July 2019.
- Currently conducting preparation for commencement of FEED work at an early stage. FEED work is expected to require 1 to 2 years.
- Aiming for production start-up in the latter half of 2020s.
- 10% participating interest will be transferred to an Indonesian Participant to be designated by the Indonesian government in accordance with PSC.

## ACG Oil Fields INPEX Southwest Caspian Sea, Ltd.



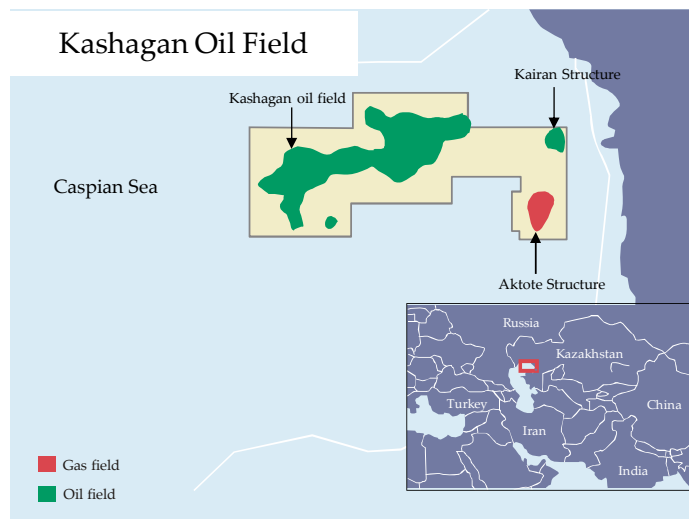
- Participating Interest: 9.3072%\* (Operator: BP)
- Production volume\*\*
  - Crude Oil: Approximately 535,000 bbl/d
- PSC: Until 2049\*\*\*
- Started oil production in the Chirag Field in 1997
- Started oil production in the central section of the Azeri Field in February 2005
- Started oil production in the western section of the Azeri Field in December 2005
- Started oil production in the eastern section of the Azeri Field in October 2006
- Started oil production in the Deepwater Gunashli Field in April 2008
- Started oil production in the western section of the Chirag Field in January 2014
- Azeri Central East project FID was signed in April 2019.

\* INPEX's participating interest has changed to 9.3072% as a result of the extension and amendment of the PSA effective January 1, 2018.

\*\* on the basis of all fields and average daily production volume as of Jan-December 2019.

\*\*\* The extension of the PSA until 2049 was agreed in 2017.

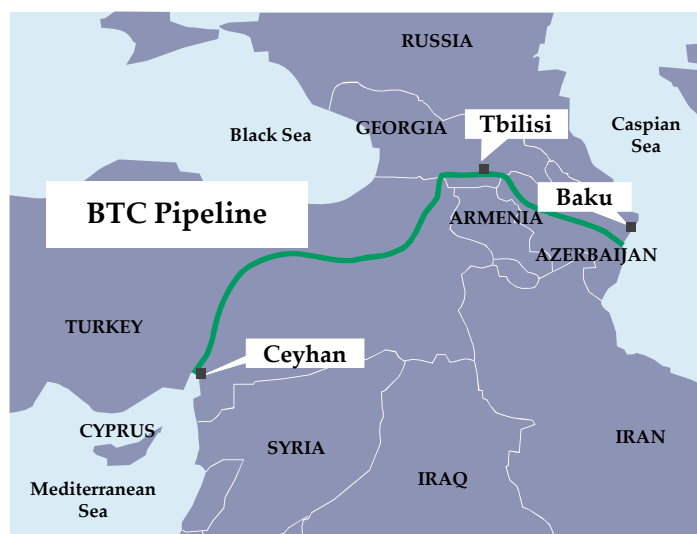




- Participating Interest: 7.56% (Operator: NCOC (North Caspian Operating Company))
- PSC: Kashagan – Until 2021\*
- Production volume\*\*
  - Crude Oil: Approximately 342,000 bbl/d
  - Reached target production volume of 370,000 bbl/d
  - Production operations ongoing targeting 450,000 barrels per day
- Oil shipments at Kashagan Oil Field commenced in October 2016
- Agreed with the Kazakhstan government on extending the evaluation period of the Aktote/Kairan structures by five years and continuing development scenario studies.

\*Current PSC provides option to extend the contract period by 2 x 10 years (until 2041)

\*\* Average daily production volume for Dec. 2019 on the basis of all fields



- Participating Interest : 2.5% (Operator : BP)
- Oil export volume : Approximately 630,000 bbl/d\*
- Acquired a 2.5% participating interest in the operating company (BTC Co.) through INPEX BTC Pipeline, Ltd. in October 2002
- Commenced crude oil export in June 2006 from Ceyhan terminal
- Completed 1.2 million bbl/d capacity expansion work in March 2009
- Cumulative export volume reached 1,000 million bbls on September 13, 2010
- Cumulative export volume reached 2,000 million bbls on August 11, 2014
- Cumulative export volume reached 3,000 million bbls on July 17, 2018

\* Average transportation volume for Apr.-Nov. 2019

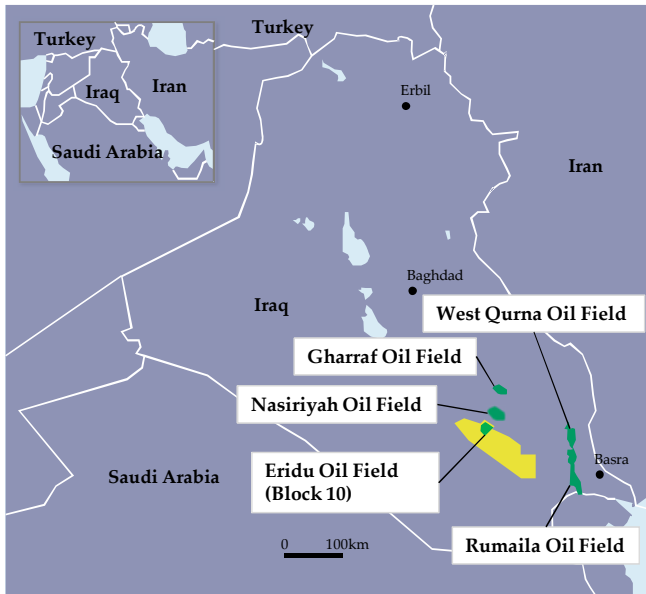


- Sakhalin Oil and Gas Development Co., Ltd. (SODECO): INPEX owns a share of approximately 6.08% in SODECO
- SODECO's Participating interest in Sakhalin-1: 30.0%
- Operator: Exxon Neftegas Limited (ENL)
- Commenced production from Chayvo in October 2005; commenced crude oil export in October 2006
- Commenced production from Odoptu in September 2010
- Commenced production from Arkutun-Dagi in January 2015
- Currently supplying natural gas to Russian market



- Japan South Sakha Oil Co. Limited (JASSOC): INPEX owns a share of 24.998% in JASSOC
- JASSOC's shares in Joint Stock Company INK-ZAPAD: 49%
- Production volume\*: Approximately 58,000 bbl/d of crude oil
- Operator : INK-ZAPAD
- License agreement: 25 years (Until 2031)
- Commenced production from Ichyodinskoye oil field in November 2014

\* on the basis of all fields and average rate daily production volume for Dec. 2019

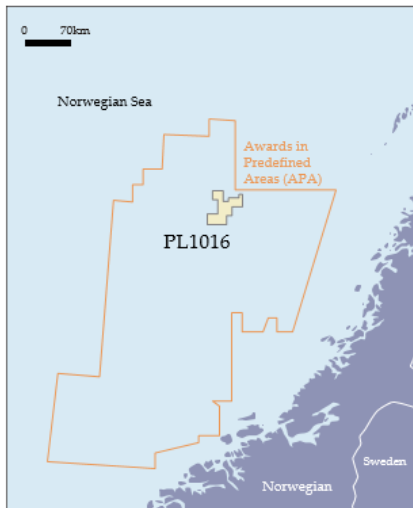


Location Map of Block 10, Iraq

- Participating Interest: 40%  
(Operator: LUKOIL)
- Block acquired: December 2012  
(Republic of Iraq 4<sup>th</sup> Licensing Round)
- EDPSC\*:  
Exploration Period-9 years\*\*  
(Until December 2, 2021)  
Development and Production Period-20years\*\*\*
- Oil deposits were discovered through the first exploratory drilling conducted in February 2017. Thereafter, the extent of the deposits was confirmed by appraisal wells drilled in 2017.
- As the deposits most likely extend beyond the Contract Area, an extension application for the Contract Area was submitted and approved in November 2017.
- Exploration and evaluation work is underway to study the possibility of commercial development.

\* Exploration, Development and Production Service Contract  
 \*\* The exploration period has been extended by 4 years for further exploration and appraisal work, in accordance with EDPSC.  
 \*\*\*The current service contract provides the option to extend the Development and Production Period by 5 years.

## Norwegian Continental Shelf Projects INPEX Norge AS

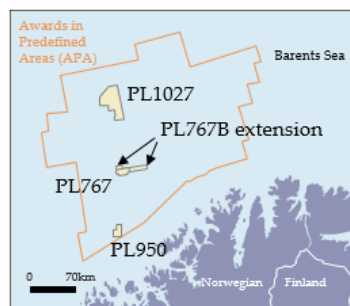


- PL1016, Northern Norwegian Sea**
- Participating Interest: 40%(Operator : OMV Norge AS)
  - Block acquisition: March 1, 2019
  - Concession Agreement: Exploration and Appraisal Period – 7 years (to 2026)
  - Development and Production Period – 25 years
  - August 2018: INPEX Norge AS bid submission (license awarded in January 2019.)

- PL1027, Western Barents Sea**
- Participating Interest: 20%(Operator : Lundin Norway AS)
  - Block acquisition: March 1, 2019
  - Concession Agreement: Exploration and Appraisal Period – 8 years (to 2027)
  - Development and Production Period – 25 years
  - August 2018: INPEX Norge AS bid submission (license awarded in January 2019.)
  - Exploratory well 7221/4-1 is planned to be drilled in 2020.

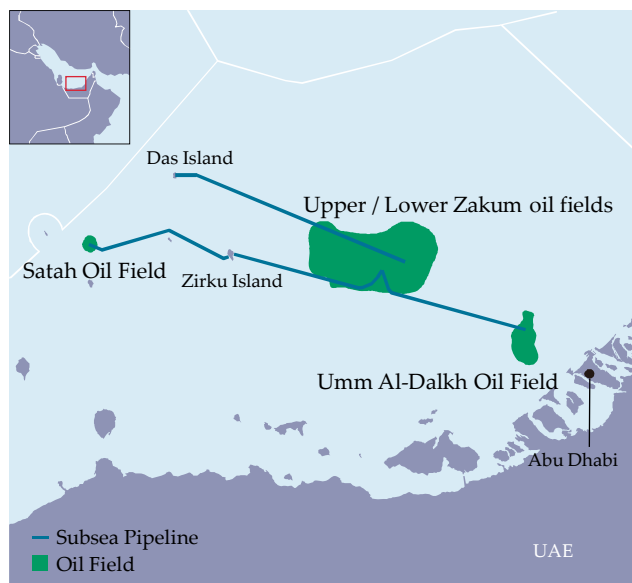


- PL767, Western Barents Sea**
- Participating Interest: 40%(Operator : Lundin Norway AS)
  - Block acquisition: January 1, 2017 (acquired from Bayengas Norge AS)
  - Concession Agreement:  
- Exploration and Appraisal Period – 8 years (extended by one year to 2023)  
- Development and Production Period – 25 years
  - Exploratory well 7121/1-2 S was drilled from December 2018 – February 2019.



- PL767B, Western Barents Sea (extension area of PL 767)**
- Participating Interest: 40%(Operator : Lundin Norway AS)
  - Block acquisition: March 1, 2019
  - Concession Agreement: Exploration and Appraisal Period – 4 years (to 2023)
  - Development and Production Period – 25 years
  - August 2018: INPEX Norge AS and Lundin Norway AS joint bid submission (license awarded in January 2019.)

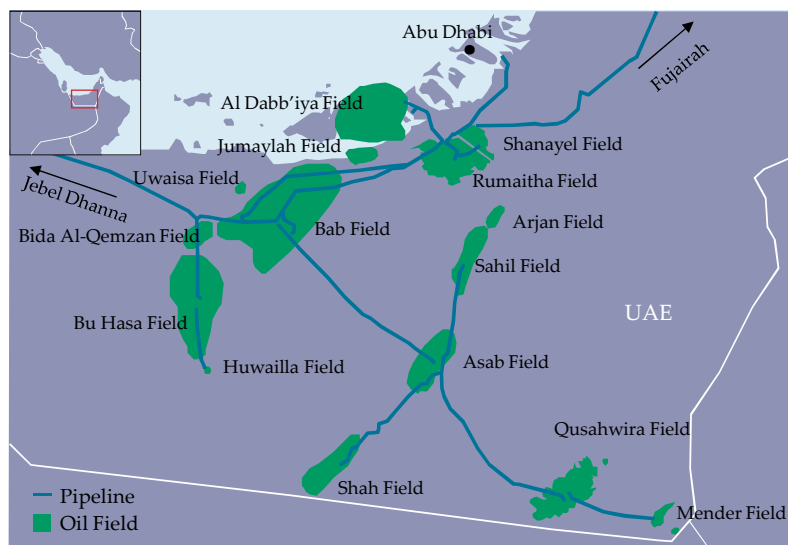
- PL950, Western Barents Sea**
- Participating Interest: 40%(Operator: Lundin Norway AS)
  - Block acquisition: March 2, 2018
  - Concession Agreement: Exploration and Appraisal Period – 7 years (to 2025)
  - Development and Production Period – 25 years
  - August 2017: INPEX Norge AS and Lundin Norway AS joint bid submission (license awarded in January 2018.)



- Upper Zakum Oil Field (JODCO)
  - Participating Interest: 12% (Operator: ADNOC Offshore)
  - Concession agreement: Until 2051
- Lower Zakum Oil Field (JODCO Lower Zakum Limited)
  - Participating Interest: 10% (Operator: ADNOC Offshore)
  - Concession agreement: Until 2058
- Satah/Umm Al Dalkh oil fields (JODCO)
  - Participating Interest: 40% (Operator: ADNOC Offshore)
  - Concession agreement: Until 2043

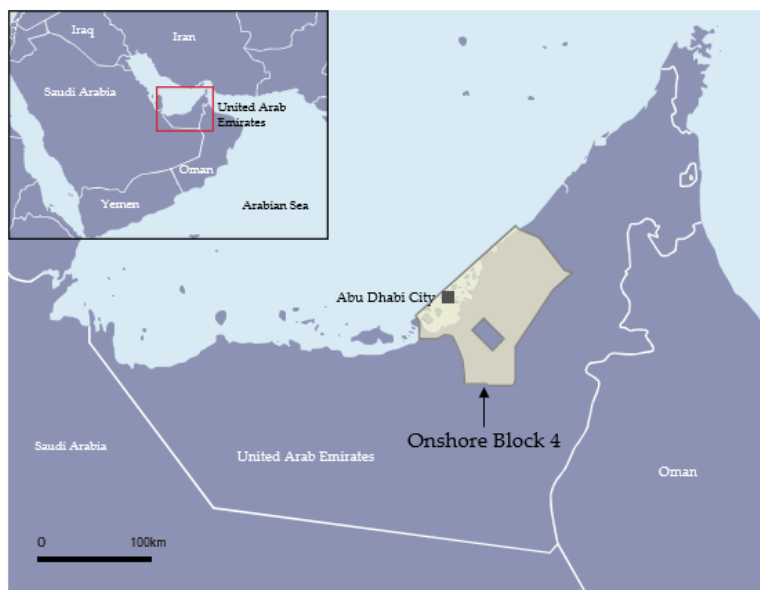
# Abu Dhabi Onshore Concession

## JODCO Onshore Limited

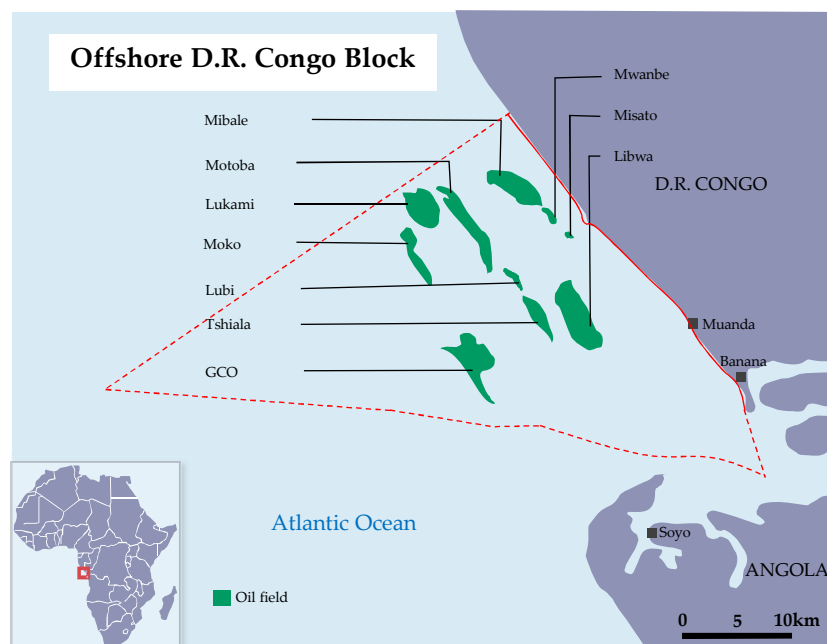


- Participating interest: 5% (Operator: ADNOC Onshore\*)
- Concession agreement: Until 2054

\*Operating company owned by companies with participating interests. JODCO Onshore Limited has a 5% share in the operating company.

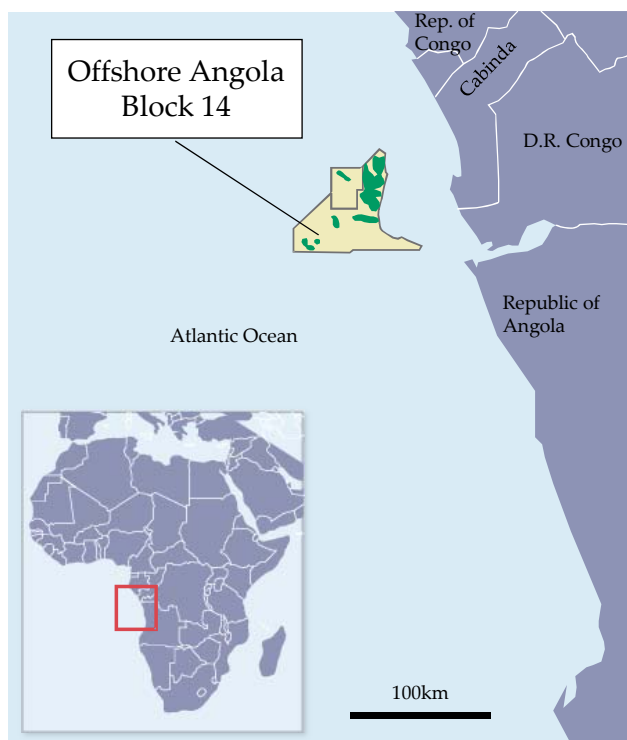


- Participating interest: 100% (Operator: JODCO Exploration Limited)
- Block surface area  
Approximately 6,116 square kilometers



- Participating Interest: 32.28% (Operator: Perenco)
- Concession Agreement: 1969-2043
- Production started in 1975
- Production volume\*
  - Crude Oil: Approximately 15,000 bbl/d

\* on the basis of all fields and average daily production volume for Dec. 2019



- Participating Interest: 9.998% (Operator: Chevron)
- Production volume\*
  - Crude Oil: Approximately 58,000 bbl/d
- PSC:
  - Kuito DA: Until 2023
  - BBLT DA: Until 2027
  - TL DA: Until 2028
  - Lianzi: Until 2031

\* on the basis of all fields and average daily production volume for Dec. 2019

## Venezuela Projects Teikoku Oil & Gas Venezuela, C.A., other

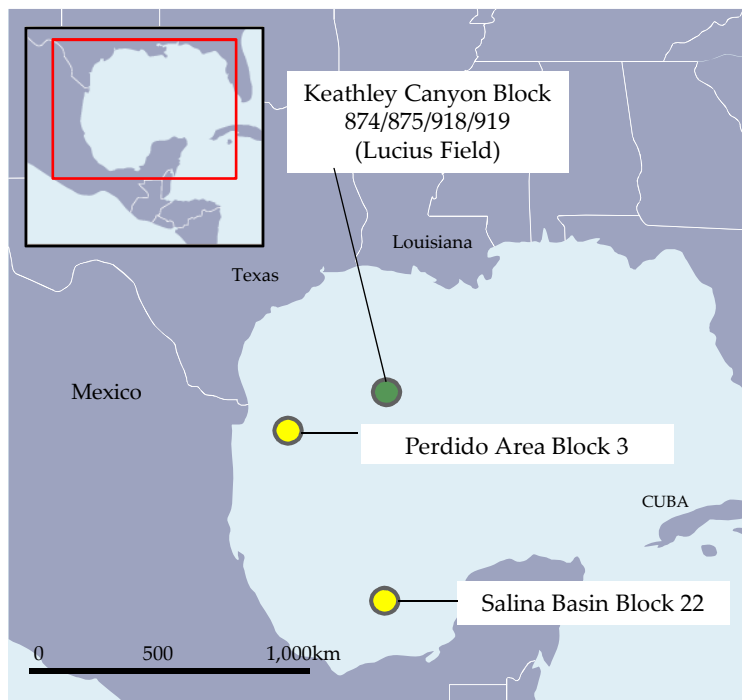


### Copa Macoya / Guarico Oriental Blocks

- INPEX's share in joint ventures
  - Gas JV: 70%      Oil JV: 30%
- Joint Venture Agreement: 2006-2026
- Production volume\*:
  - Crude Oil: Approximately 340 bbl/d
  - Natural Gas\*\*: Approximately 44 million cf/d

\* on the basis of all fields and average daily production volume for Dec. 2019

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



**Lucius Oil Field**

(INPEX Americas, Inc. )

- Lease Agreement
- Participating Interest: 7.75309% (Operator : **Occidental**)
- Production of crude oil and natural gas started in January 2015
- Revised Unit Participating Agreement (UPA) on unitization reached in September 2017 between project partners of Lucius Oil Field and Hadrian North Oil Field located south of Lucius
- Production started in April 2019 (Hadrian North)
- Tie-in to Lucius SPAR started in June 2019 (Buckskin)
- Production volume\*
  - Crude Oil: Approximately 33,000bbl/d
  - Natural Gas\*\*: Approximately 37 million cf/d

**Block 3, Perdido Fold Belt, Mexican Gulf of Mexico**

(INPEX E&P Mexico PB-03, S.A. de C.V.)

- License Agreement
- Participating interest: 33.3333% (Operator: **Chevron**)

**Block 22, Salina Basin, Mexican Gulf of Mexico**

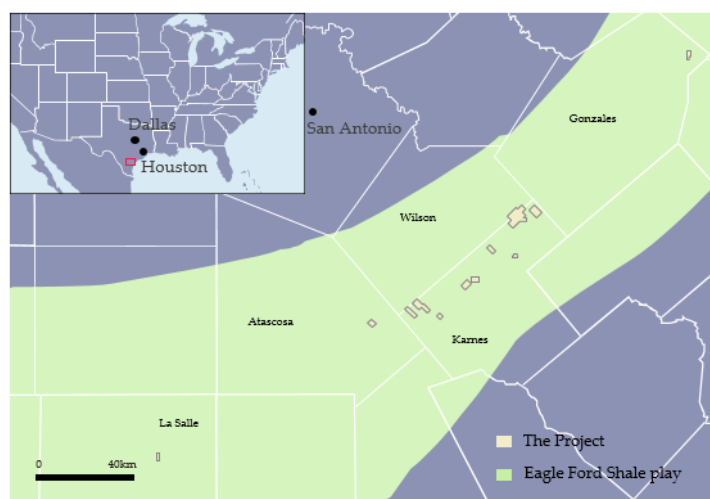
(INPEX E&P Mexico, S.A. de C.V.)

- License Agreement
- Participating interest: 35% (Operator: **Chevron**)

\* on the basis of all fields and average daily production volume for Dec. 2019

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

**Tight Oil Project in Texas, US**  
**INPEX Eagle Ford, LLC**



- Participating Interest: INPEX (Operator) 100%\*
- Lease Agreement
- Acreage: Approximately 9,808 net acres  
 (Approximately 40 square kilometers)
- Production volume\*\*:  
 - Crude Oil: Approximately 5,000bbl/d  
 - Natural Gas: Approximately 5 million cf/d
- Reached an agreement with GulfTex Energy to acquire multiple development and production assets in the Eagle Ford play in the State of Texas, the United States in March 2019.

\*INPEX is the Operator excluding a portion of Project assets

\*\*Volume not at wellheads but corresponding to the net production volumes (average daily production volume for Dec. 2019)



Drilling operations site

Company	Field / Project Name	Country	Contract Type	Ownership	Stage
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**Japan**

•INPEX CORPORATION	Minami-Nagaoka Gas Field, etc. **	Japan	Concession	-	Producing
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**Asia/Oceania**

•INPEX South Makassar, Ltd.	Sebuku Block(Ruby Gas Field)	Indonesia	PS	100%	Producing
•MI Berau B.V.	Berau Block (Tangguh LNG Project)	Indonesia	PS	44%	Producing
•INPEX Masela, Ltd.	Masela Block (Abadi LNG)**	Indonesia	PS	51.9%	Preparation for Development
•Teikoku Oil (Con Son) Co., Ltd.	05-1b / 05-1c Blocks	Vietnam	PS	100%	Development
•INPEX Sahul, Ltd.	Bayu-Undan Gas Condensate Field	Timor-Leste	PS	100%	Producing
•INPEX Browse E&P Pty Ltd	WA-285-P**, other	Australia	Concession	100%	Exploration
•INPEX Ichthys Pty Ltd.	WA-50-L and WA-51-L (Ichthys) **	Australia	Concession	100%	Producing
•Ichthys LNG Pty Ltd.	Ichthys downstream business **	Australia	-	66.245%	Producing
•INPEX Oil & Gas Australia Pty Ltd.	Prelude FLNG Project	Australia	Concession	100%	Producing
•INPEX Alpha, Ltd.	Van Gogh Oil Field/Coniston Oil Field	Australia	Concession	100%	Producing
•INPEX Alpha, Ltd.	Ravensworth Oil Field	Australia	Concession	100%	Producing

Note:

\* As of the end of Dec 2019

\*\* Operator project

Company	Field / Project Name	Country	Contract Type	Ownership	Stage
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**Eurasia (Europe – NIS)**

•INPEX Southwest Caspian Sea, Ltd.	ACG Oil Fields	Azerbaijan	PS	51%	Producing
•INPEX North Caspian Sea, Ltd.	Kashagan Oil Field	Kazakhstan	PS	51%	Producing

**The Middle East/Africa**

•IODCO	Upper Zakum Oil Field, etc.	UAE	Concession	100%	Producing
•IODCO Lower Zakum Limited	Lower Zakum Oil Field	UAE	Concession	100 %	Producing
•IODCO Onshore Limited	Onshore Concession	UAE	Concession	51 %	Producing
•Teikoku Oil (D.R. Congo) Co., Ltd.	Offshore D.R.Congo	D.R.Congo	Concession	100%	Producing
•INPEX Angola Block 14 Ltd.	Offshore Angola Block 14	Angola	PS	100%	Producing

**Americas**

•Teikoku Oil & Gas Venezuela, C.A.	Copa Macoya** / Guarico Oriental	Venezuela	Concession	100%	Producing
•INPEX Americas, Inc.	Lucius Field	USA	Concession	100%	Producing
•INPEX Eagle Ford, LLC	Eagle Ford Tight Oil Project**	USA	Concession	100%***	Producing

Note:

\* As of the end of Dec 2019

\*\* Operator project

\*\*\* INPEX is the Operator excluding a portion of Project assets

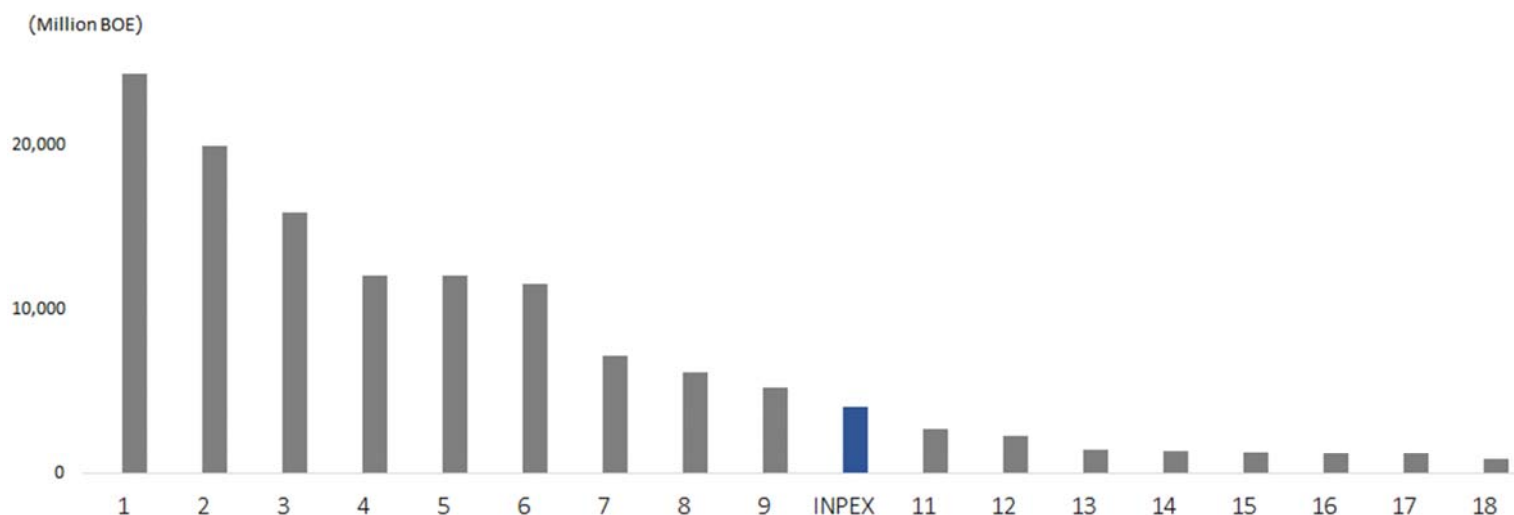


# Others

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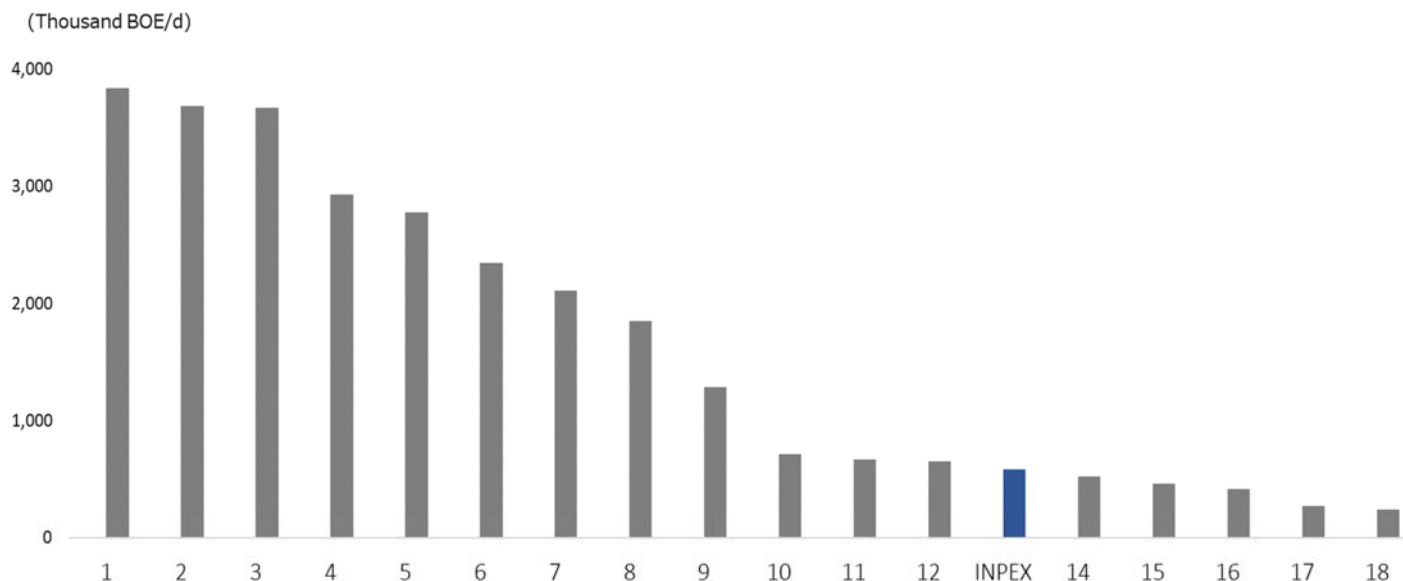
## Proved Reserves (compared to majors and global independent E&P companies)



Source Publically available information of the following companies (in alphabetical order): Anadarko, Apache, BHP, BP, Chevron, ConocoPhillips, Eni, Equinor, ExxonMobil, Hess, Lukoil, Marathon Oil, Occidental Petroleum, Repsol, Shell, Total, Woodside

Note All data as of December 31, 2018, except for BHP Billiton data being as of June 30, 2018 and INPEX data being as of December 31, 2019. INPEX data is in accordance with the relevant SEC regulations. Most projects owned by INPEX including the portion attributable to non-controlling interests are considered in INPEX reserves. INPEX reserves are evaluated internally, except for certain large capital projects which are outsourced to DeGolyer & MacNaughton. Reserves include unconventional resources such as bitumen & synthetic oil.

# Production Volume (compared to majors and global independent E&P companies)

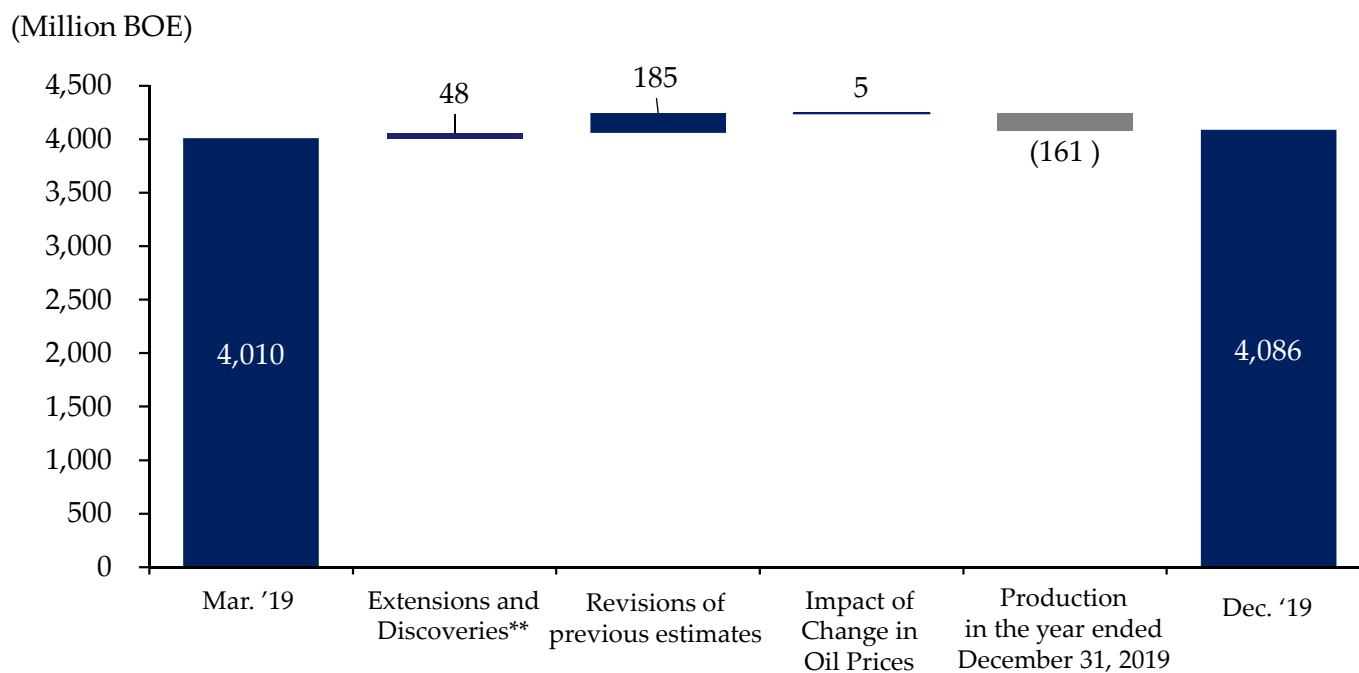


Source Publicly available information of the following companies (in alphabetical order):

Anadarko, Apache, BHP, BP, Chevron, ConocoPhillips, Eni, Equinor, ExxonMobil, Hess, Lukoil, Marathon Oil, Occidental Petroleum, Repsol, Shell, Total, Woodside

Note All data for the year ended December 31, 2018 except for BHP Billiton data being for the year ended June 30, 2018 and INPEX data being for the year ended December 31, 2019. INPEX data is in accordance with the relevant SEC regulations. Production includes unconventional resources such as bitumen & synthetic oil. The portion attributable to non-controlling interests are considered.

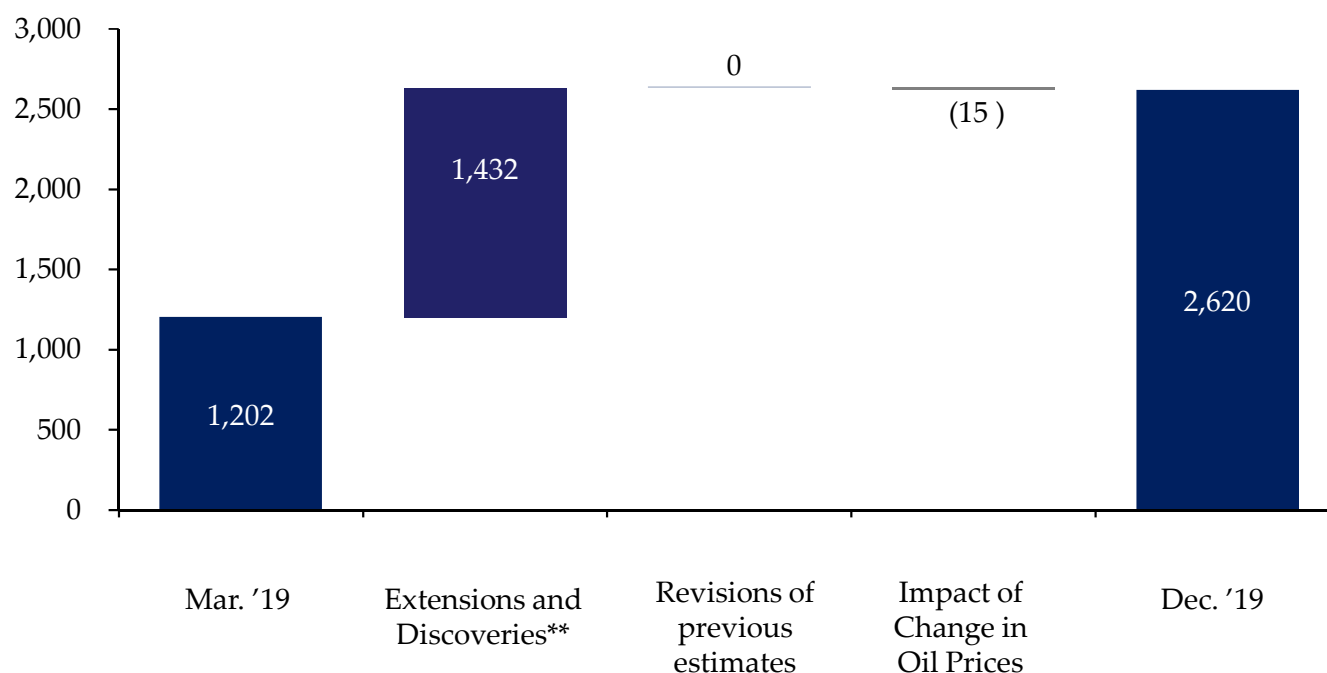
# Factor Analysis of Change in Proved Reserves\*



\* The definition of proved reserves is listed on page 53.

\*\* Including acquisitions and sales

(Million BOE)



\* The definition of probable reserves is listed on page 54.

\*\* Including acquisitions and sales.

## Definition of Proved Reserves

- 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 relevant petroleum contracts providing the right to operate expire.
- To be classified as a proved reserve, the SEC rule requires that extraction of the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence extraction within a reasonable time. This definition is known to be conservative among the various definitions of reserves used in the oil and gas industry.
- When probabilistic methods are employed, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves.
- The SEC rule separates proved reserves into two categories; proved developed reserves which can be recovered by existing wells, infrastructure and operational methods, and proved undeveloped reserves which require future development of wells and infrastructure to be recovered.

- Probable Reserves, as defined by SPE/WPC/AAPG/SPEE, are those unproved reserves which analysis of geological and engineering data suggests are more likely to be commercially recoverable after the Proved Reserves.
- 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.

\*Probable Reserves are not necessarily expected to be developed and produced at the same level of certainty as Proved Reserves.

\*Proved and Possible Reserves are disclosed in a manner consistent with common industry standards.

**VISION 2040** Delivering tomorrow's energy solutions

Note: Announced on May 11, 2018

## Three Business Targets



① Sustainable Growth of Oil and Natural Gas E&P Activities

**A top 10**  
international oil company

- ✓ Growth in both volume and value
- ✓ Volume: Aspire to achieve a production volume of 1 million BOED, continuously expand reserves
- ✓ Value: Significantly increase net income and cash flow from operations, improve capital efficiency



② Development of Global Gas Value Chain Business

**A key player**  
in natural gas development and supply in Asia & Oceania

- ✓ Develop gas demand in Asia and other growing markets
- ✓ Increase domestic gas supply volume over 3 billion m<sup>3</sup>
- ✓ Maximize value of the upstream gas interests
- ✓ Maintain / strengthen supply and demand management and trading functions



③ Reinforcement of Renewable Energy Initiatives

**10%**  
of project portfolio

- ✓ Proactively address climate change
- ✓ Expand participation in wind power generation and other areas in addition to geothermal power, which draws on synergies with E&P activities
- ✓ Conduct R&D in renewables to reduce greenhouse gas emissions

Develop a foundation by conducting CSR management, particularly accelerating response to climate change and utilizing INPEX's strengths

Reduce carbon footprint, strengthen ESG initiatives and contribute to the realization of SDGs  
Allocate cash generated from projects to shareholder returns and investments for growth

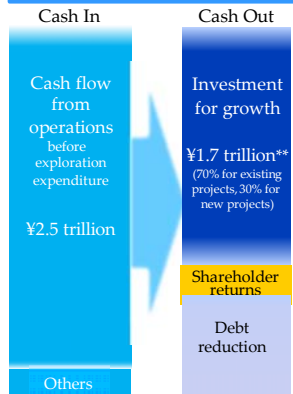
**Continuously and sustainably increase corporate value**

**2018-2022**  
Growth & Value Creation

## Medium-term Business Plan

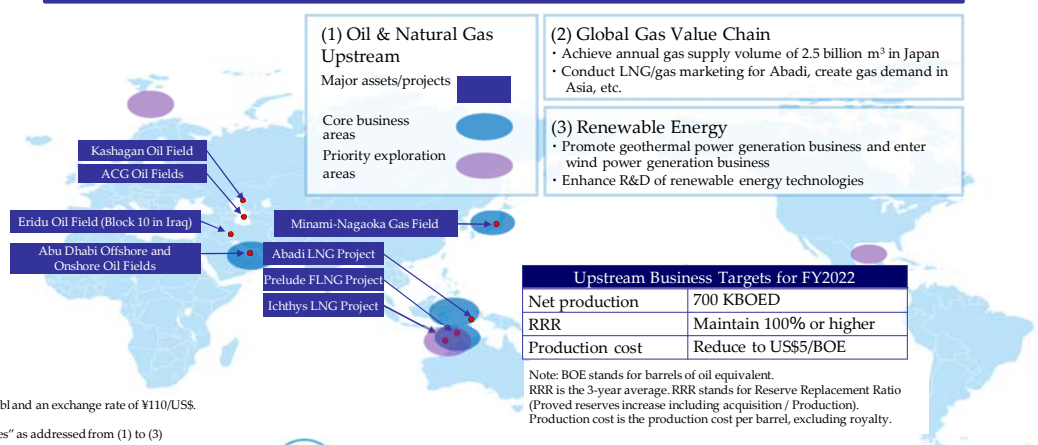
Note: Announced on  
May 11, 2018

### Cash Allocation during the 5-Year Period\*



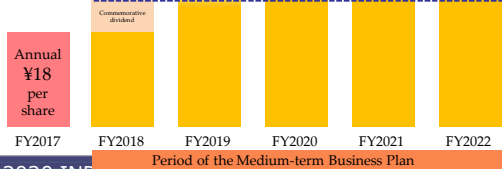
Notes: \* Assumes a crude oil price (Brent) of US\$60/bbl and an exchange rate of ¥110/US\$. Includes Ichthys downstream JV  
\*\* All expenditures for "Main Business Initiatives" as addressed from (1) to (3)

### Main Business Initiatives



### Enhancing Shareholder Returns

- ✓ In FY2018, plan to issue a commemorative dividend following the Ichthys LNG Project's start-up and shipment of cargo
- ✓ Shareholder return policy during FY2018-2022
  - Maintain base dividends not falling below ¥18 per share plus the commemorative dividend as above
  - Enhance annual dividends in stages by increasing the dividend per share in accordance with the growth of the Company's financial results
  - Payout ratio: 30% or higher



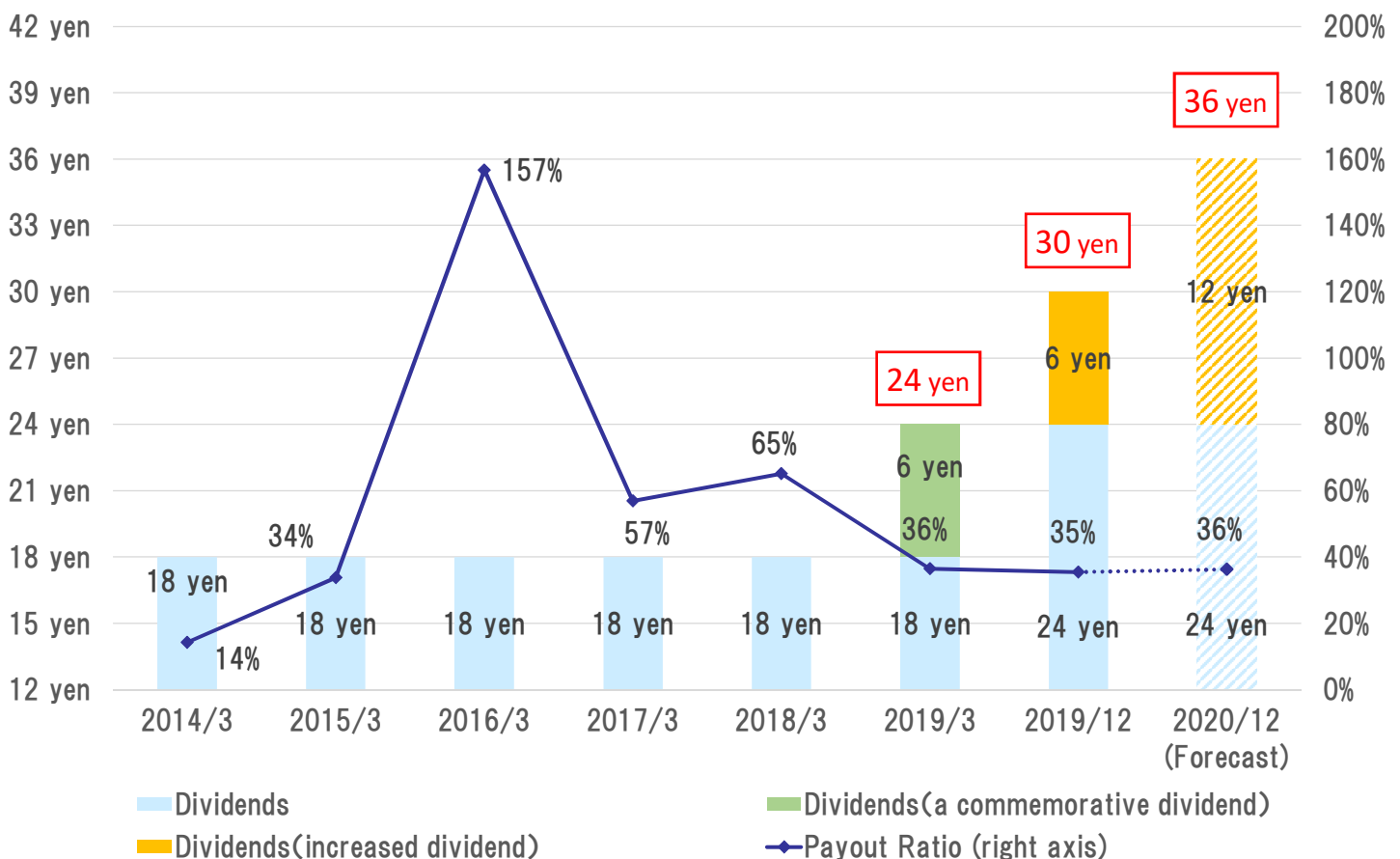
### Financial Targets

	FY2022	FY2017 Results
Crude oil price/exchange rate assumptions	US\$60/¥110	US\$57.85/¥110.86
Net sales	Around ¥1,300 bn	¥933.7 bn
Net income attributable to owners of parent	Around ¥150 bn	¥40.3 bn
Cash flow from operations	Around ¥450 bn	¥278.5 bn
Return on equity (ROE)	5% or higher	1.4%

- ✓ Maintain financial strength (expecting an equity ratio of 50% or higher)
- ✓ Maintain financial and corporate resilience even if the crude oil prices drop to US\$50/bbl

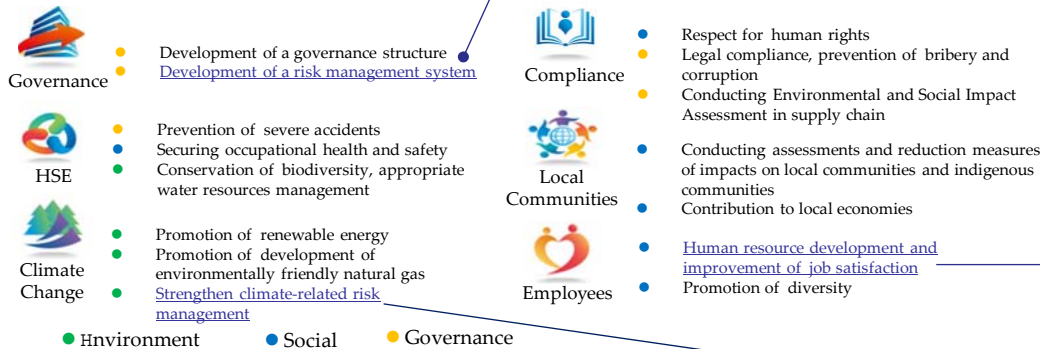
Note: Crude oil price assumption is per one barrel of Brent crude oil; the exchange rate assumption is per U.S. dollar. Targets are on a financial accounting basis. Sensitivity of FY2022 net income attributable to owners of parent to the crude oil price and exchange rate is approximately +¥8.0 billion (-¥8.0 billion) from a US\$1/bbl increase (decrease) in the Brent crude oil price and approximately +¥2.0 billion (-¥2.0 billion) from a ¥1/US\$ depreciation (appreciation). See page 5 of "Medium-term Business Plan 2018-2022" (URL: [https://www.inpex.co.jp/english/company/pdf/business\\_plan.pdf](https://www.inpex.co.jp/english/company/pdf/business_plan.pdf)) for other notes.

# Annual Dividends, Payout Ratio



■ INPEX engages in a variety of ESG activities focused on the following 6 material issues

< CSR Material Issues >



- In Mar 2019, INPEX formulated the Tax Policy with the aim of ensuring tax governance framework and transparency.
- In FY2019, INPEX improved gender diversity in board members.

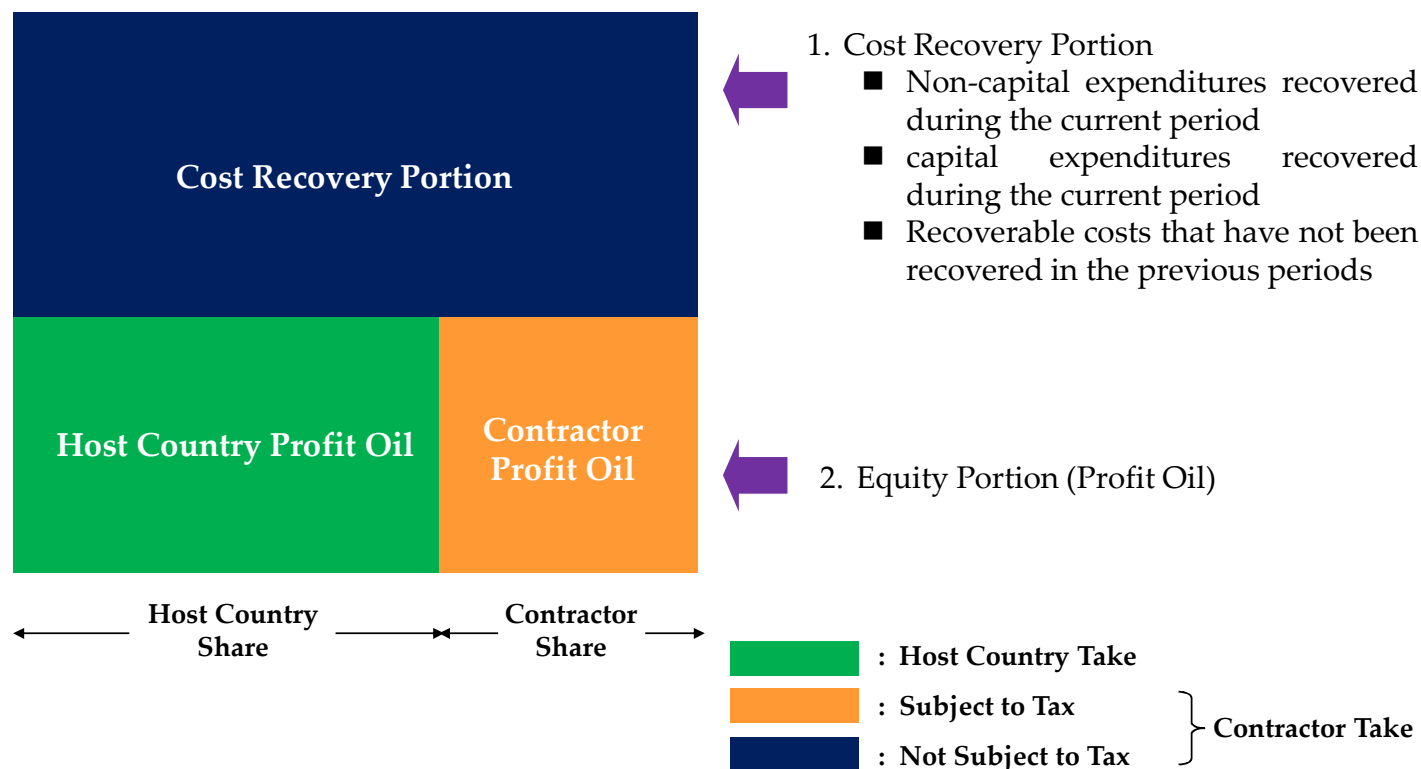
- In Sep 2018, INPEX has reinforced its health management implementation structure through the formulation of the INPEX Group Health Statement in 2018. INPEX has been selected in the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500) and Nadeshiko Brand for FY 2018.
- Introduction of company-wide flextime work system (Apr 2019).

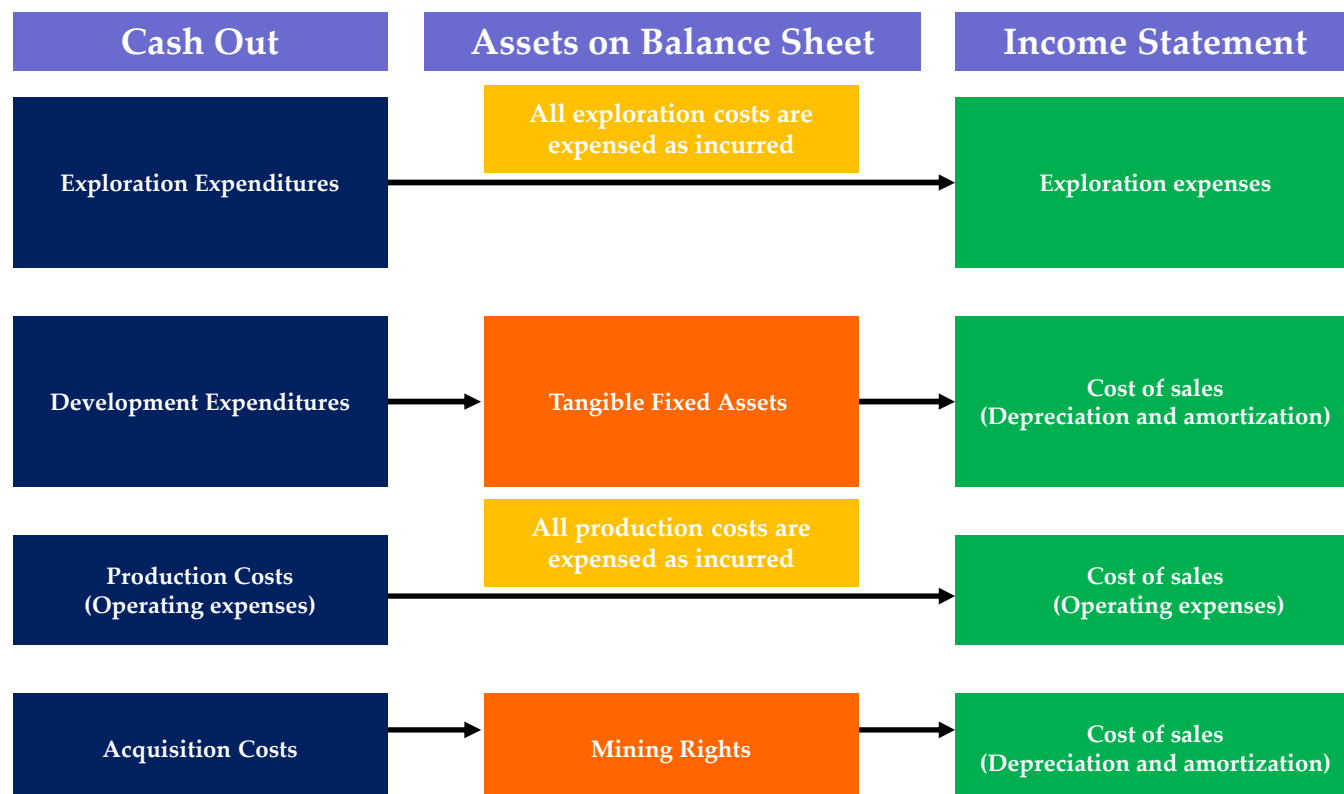
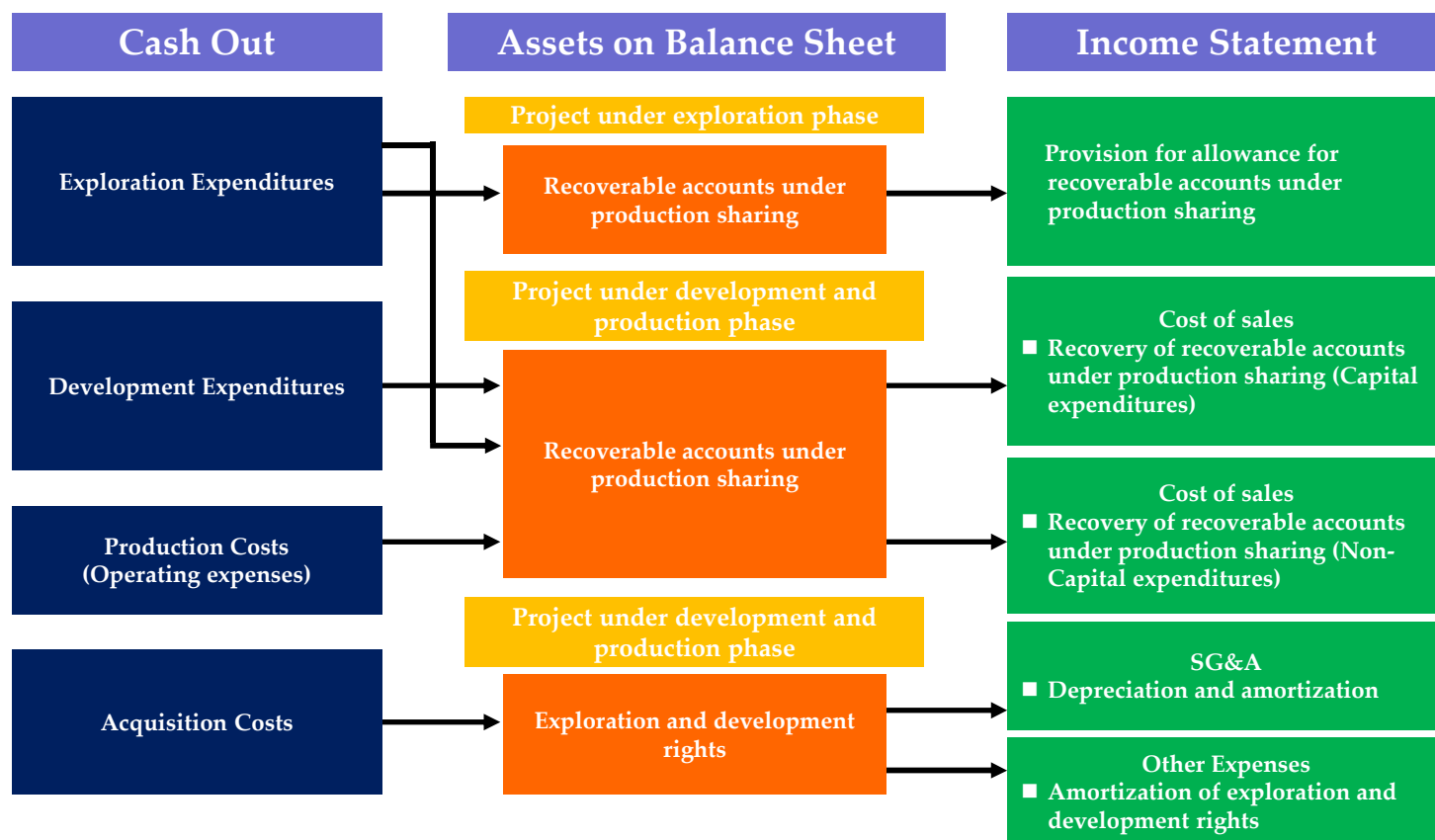
< Inclusion in major ESG indexes >

- In the Sustainability Report 2019, we enhanced our disclosure in line with Task Force on Climate-related Financial Disclosures(TCFD) Recommendations.

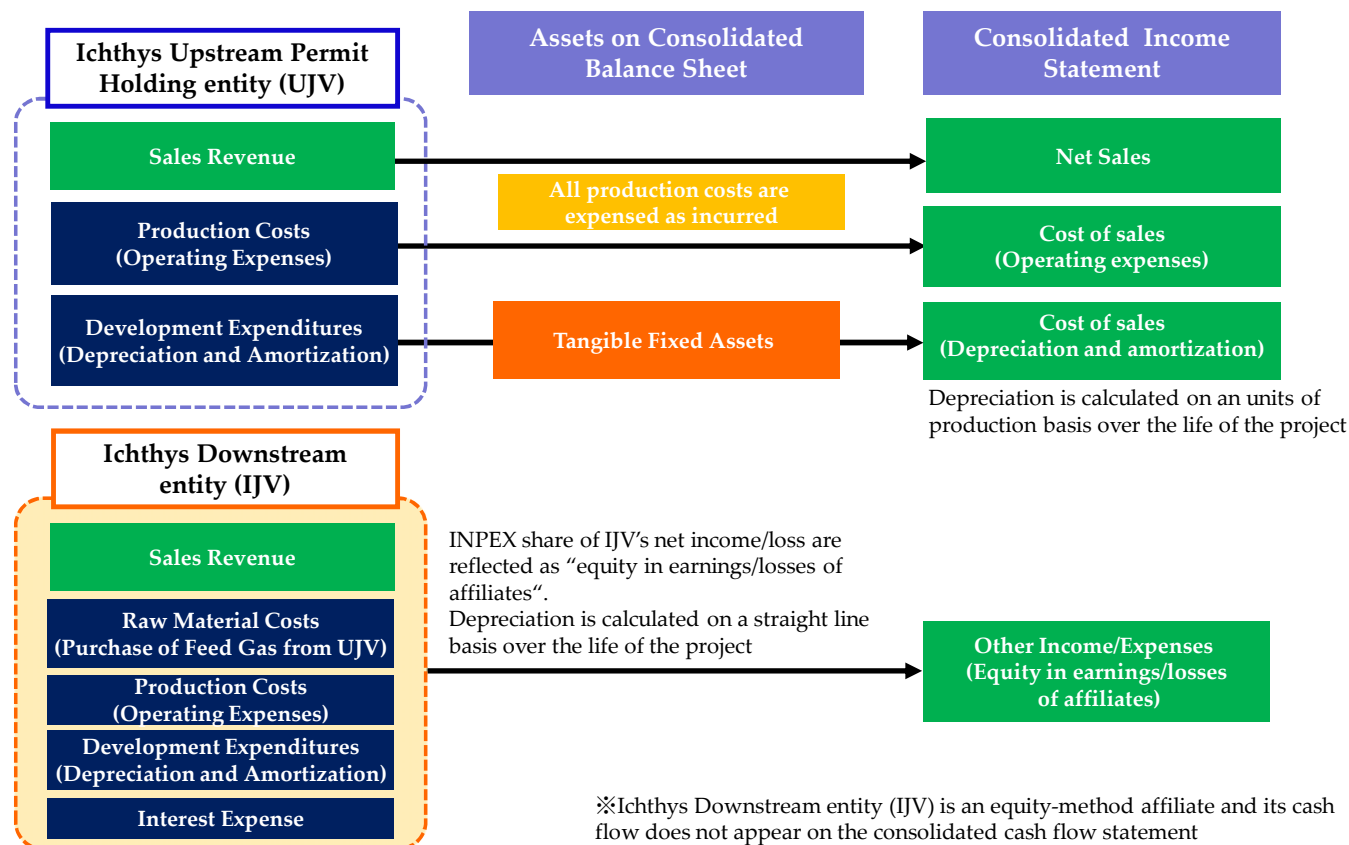
FTSE	INPEX has been included in the FTSE4Good Global Index, FTSE4Good Japan Index, and in the FTSE Blossom Japan Index. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index was adopted as comprehensive indices incorporating ESG factors by the Government Pension Investment Fund for Japan (GPIF), one of the world's largest pension funds.
MSCI	INPEX is constituent of the MSCI SRI Indexes, MSCI ESG Leaders Indexes, MSCI Japan ESG Select Leaders Index and MSCI Japan Empowering Women Index (WIN), a leading set of indexes in the selection of outstanding companies in ESG developed by Morgan Stanley Capital International (MSCI). MSCI Japan ESG Select Leaders Index and MSCI Japan Empowering Women Index (WIN) have been adopted by GPIF as indices incorporating ESG factors.
S&P/JPX Carbon Efficient Index	INPEX has been included in the S&P/JPX Carbon Efficient Index, which has been adopted by the Government Pension Investment Fund for Japan (GPIF) as environmental indices incorporating carbon efficiency and disclosure.

Production Sharing Contracts



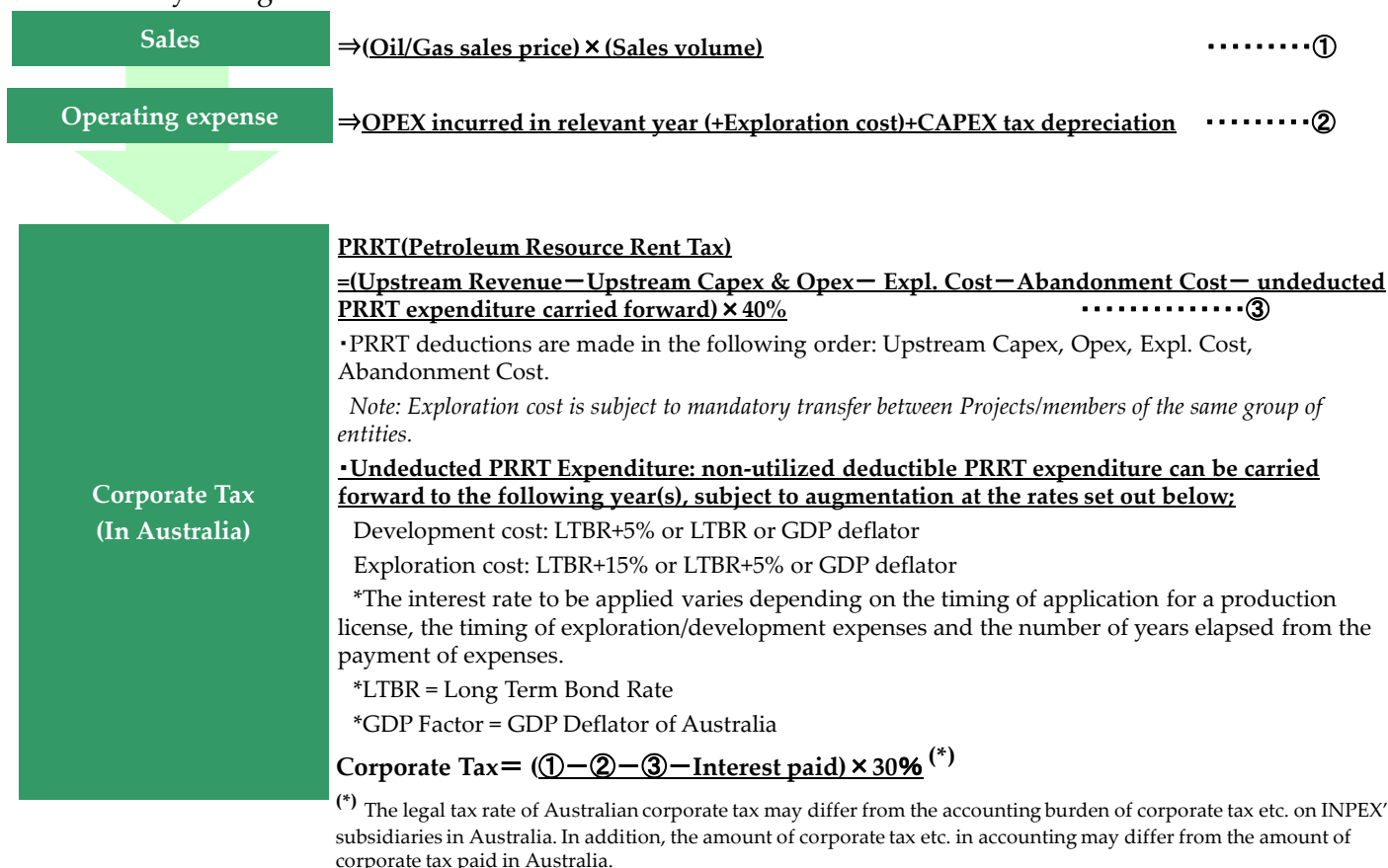


※ Only major cost and expenditure items are shown.



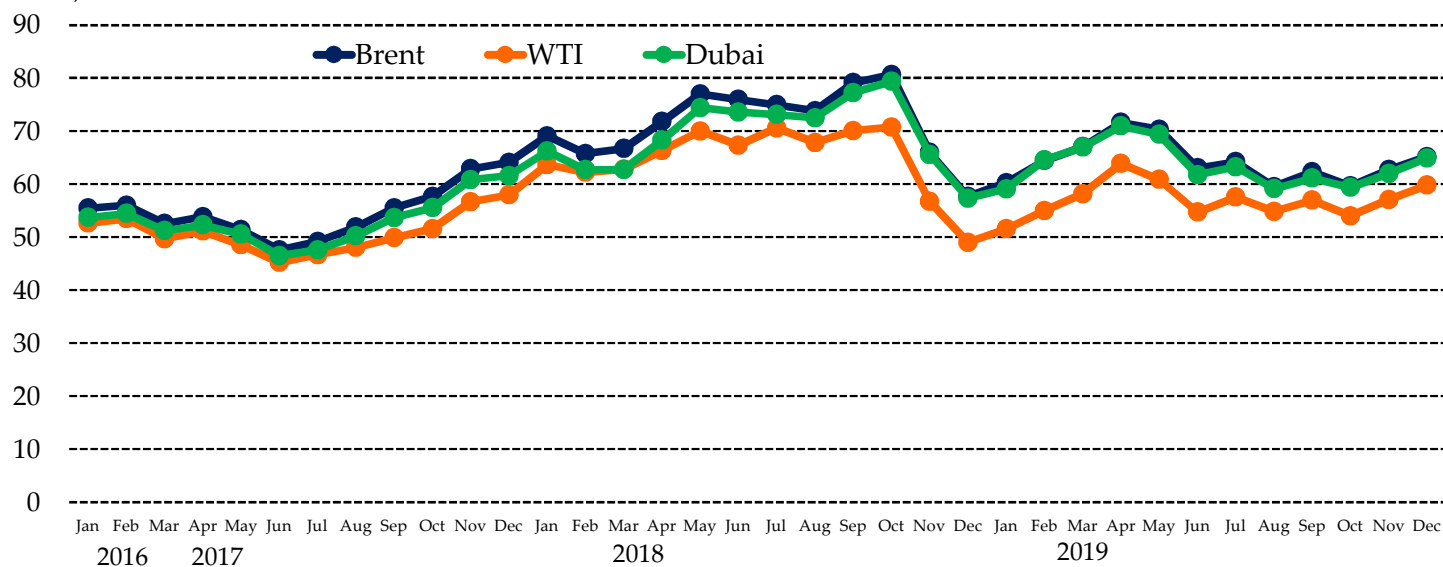
## Summary of Australian Taxation

※Content may change due to tax revisions





(US\$/bbl)



	Apr. 2018 – Mar. 2019	2019										Apr. – Dec. 2019
	Average	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Average	
Brent	70.71	71.63	70.30	63.04	64.21	59.50	62.29	59.63	62.71	65.17	64.27	
WTI	62.77	63.87	60.87	54.71	57.55	54.84	56.97	54.01	57.07	59.80	58.13	
Dubai	69.33	70.95	69.38	61.76	63.25	59.11	61.12	59.37	61.97	64.89	64.26	