

26 September 2008

Location for the Ichthys LNG Facility

INPEX Holdings Inc. has today announced that the Ichthys Joint Venture (INPEX Browse, Ltd. 76% and Total E&P Australia 24%), has decided that the designated industrial site on Blaydin Point on Middle Arm Peninsula in Darwin has been selected as the location for its proposed LNG processing facility.

INPEX Holdings President, Mr Naoki Kuroda, said Darwin provides INPEX with the certainty required for the project's tight schedule to enable the first LNG shipment to be made in late 2014 or early 2015.

"We are pleased with the support we have received from the Northern Territory people, the Government and key stakeholders and we are impressed by the business and infrastructure capabilities in the area."

"Environmental, economic and engineering studies have demonstrated the viability of locating an LNG plant at Blaydin Point and have lent weight to this decision."

"Now that a location has been selected, front-end engineering design will follow shortly and a final investment decision is expected near the end of 2009 or early in 2010"

More than US\$20 billion in capital expenditure will be required to construct the offshore and onshore facilities required to produce gas and condensate offshore and deliver gas from the Ichthys Field to the Blaydin Point LNG processing facility via an 850 kilometre pipeline.

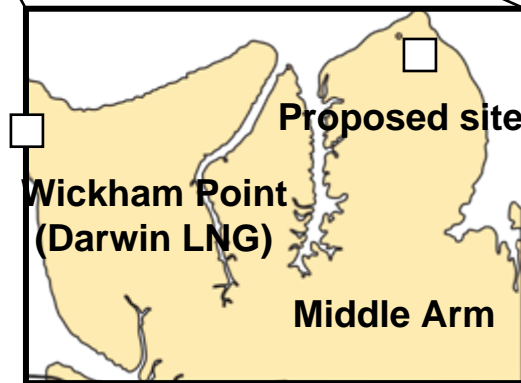
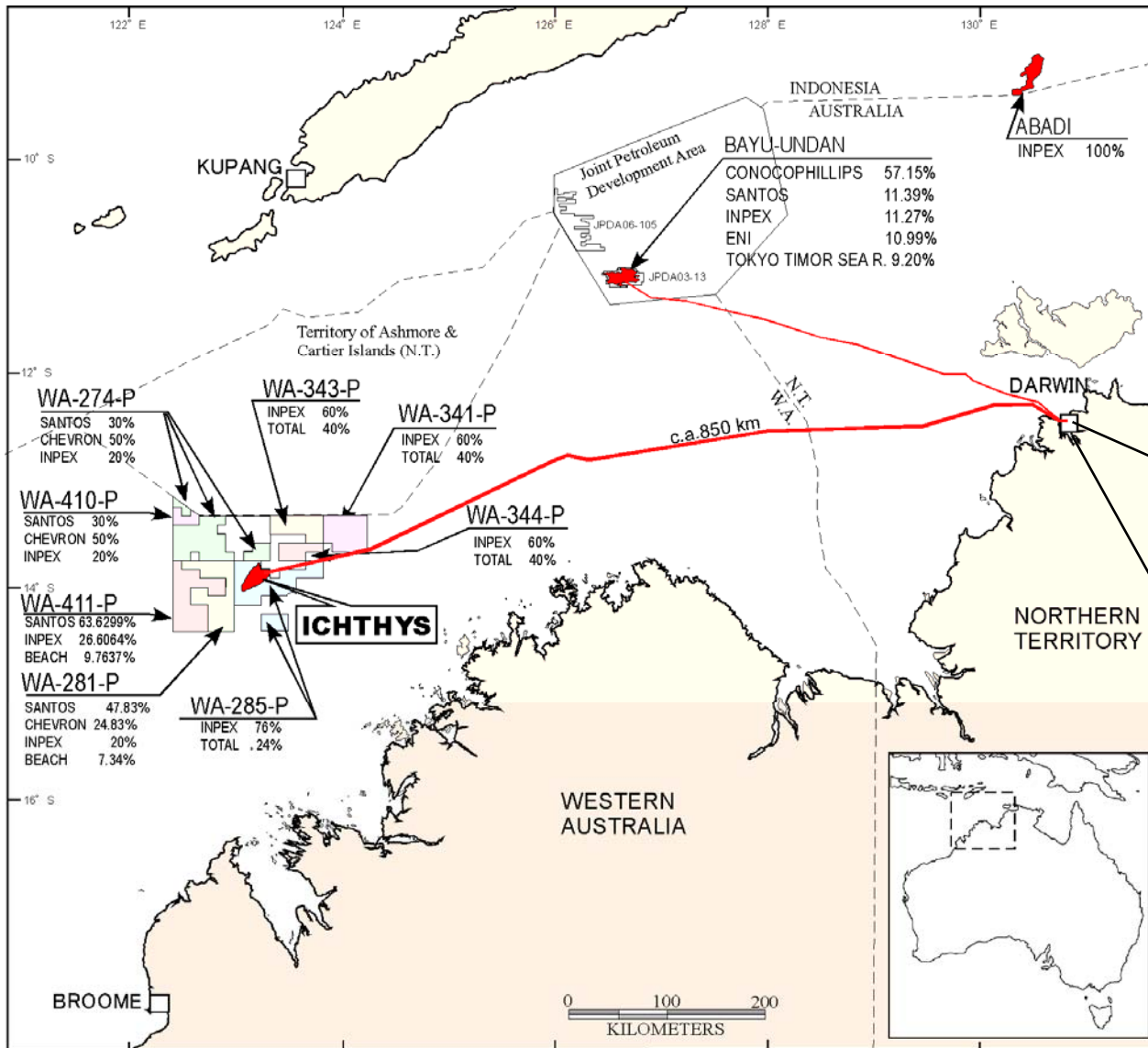
The reserve volume of the Ichthys Field is estimated to be 12.8 trillion cubic feet of natural gas and 527 million barrels of condensate. Initially the project is expected to produce more than 8 million tonnes of LNG, 1.6 million tonnes of LPG per annum and 100,000 barrels of condensate per day. These forecasted production volumes represent about 50% of current Australian annual LNG production, about 60% of current Australian LPG production and about 20% of current Australian crude oil production respectively. Clearly, the Ichthys Project is poised to make a major contribution to Australian economy.

Middle Arm Peninsula has the capacity to support the two initial LNG trains, and there is an opportunity for additional LNG trains to accommodate future expansion.

More than 2000 people will be required in Darwin during the peak of the four-year construction phase of the project, and a full-time workforce of approximately 300 will be needed in Darwin to maintain and operate the onshore facilities. INPEX looks forward to being an active member of the Darwin community by sourcing goods and services from local businesses and providing employment opportunities during both the construction and operations phases.

It is anticipated that the Project will be in operation for at least 40 years.

“We believe that our Project will make a significant contribution to the development of the Australian economy and will serve to reinforce the strong business ties that already exist between Australia and Japan,” Mr Kuroda said.



Location Map– Ichthys Project



Press Conference

(From the left: Australian Resources Minister Martin Ferguson, INPEX Kuroda, Chief Minister of the Northern Territory Paul Henderson)