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INPEX to Transfer Portion of Participating Interest in Deepwater Block R, Offshore East Malaysia to Santos

[INPEX CORPORATION](#) (INPEX) announced today that through its wholly-owned subsidiary, INPEX Offshore South West Sabah, Ltd. , it has reached an agreement to transfer 10% of its participating interest in the Deepwater Block R (the Block) to Santos Sabah Block R Limited, a subsidiary of Santos Limited (Santos), a major Australian oil and gas exploration and production company. Santos Sabah Block R Limited also separately agreed to acquire a 10% participating interest in the Block from JX Nippon Oil & Gas Exploration (Deepwater Sabah), Limited (JX), bringing its total participating interest in the Block to 20% upon fulfillment of due procedures.

INPEX Offshore South West Sabah, Ltd. currently owns a 37.5% participating interest (inclusive of the portion to be transferred to Santos Sabah Block R Limited) in the Block, where it conducts exploration activities alongside operator JX and PETRONAS CARIGALI Sdn. Bhd., a wholly-owned subsidiary of Petronas.

The Block located in offshore East Malaysia covers an area of 672km² with a water depth ranging from 100m to 1,400m. The Block lies in the area where large reserves of oil and natural gas, such as the Kikeh and the Gumusut-Kakap oil fields were discovered. The Block also is situated in the vicinity of Deepwater Block S, where INPEX Offshore North West Sabah, Ltd., a subsidiary of INPEX, conducts exploration activities as operator, and transferred a portion of its participating interest to Santos Sabah Block S Limited, a subsidiary of Santos, as [announced on September 1 last year](#).

After the acquisition of the Block in January 2012, a three-dimensional seismic survey and geological and geophysical studies have been conducted. Based on the result of the studies, the drilling of a total of three wildcat wells is planned beginning in 2015 in search of oil and natural gas deposits.

INPEX and Santos are jointly engaged in many oil and gas exploration and production activities such as the Bayu-Undan Project in the Joint Petroleum Development Area between Australia and Timor-Leste and several exploration permits adjacent to the Ichthys LNG project in the north-western Australia. This agreement with Santos regarding the Block is expected to further strengthen the relationship between INPEX and Santos. Santos conducts oil and gas exploration and production activities mainly in

the Asian and Oceania regions and has extensive business experience in Australia.

Details of Deepwater Block R

Project	Deepwater Block R
Acquisition Date	January 17, 2012
Area	672km ²
Location	Offshore East Malaysia
Water Depth	100~1,400m
Participating Interest	<div>JX Nippon Oil & Gas Exploration (Deepwater Sabah), Limited</div> <div>27.5% (Operator)</div> <div>INPEX Offshore South West Sabah, Ltd. 27.5%</div> <div>PETRONAS CARIGALI Sdn. Bhd 25%</div> <div>Santos Sabah Block R Limited 20%</div>

Details of Deepwater Block S

Project	Deepwater Block S
Acquisition Date	January 17, 2012
Area	574km ²
Location	Offshore East Malaysia
Water Depth	200~1,500m
Participating Interest	<div>INPEX Offshore North West Sabah, Ltd. 50% (Operator)</div> <div>PETRONAS CARIGALI Sdn. Bhd. 25%</div> <div>Santos Sabah Block S Limited 25%</div>

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