

March 23, 2015

Revised Financial Forecasts for Fiscal Year Ending March 31, 2015

Tokyo, Japan - [INPEX CORPORATION](#) (INPEX) has revised its consolidated financial forecasts for the fiscal year ending March 31, 2015, previously announced on February 6, 2015, in light of recent performance trends and other factors.

1. Revised forecasts for consolidated financial results for the fiscal year ending March 31, 2015

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
Previous forecasts: A	1,153,000	505,000	551,000	120,000	82.17
Revised forecasts: B	1,165,000	517,000	555,000	76,000	52.04
Increase (decrease): B-A	12,000	12,000	4,000	(44,000)	
Percentage(%) change	1.0	2.4	0.7	(36.7)	
Reference: Consolidated financial results for the fiscal year ended March 31, 2014	1,334,625	733,610	750,077	183,690	125.78

2. Reasons for the revisions

Net income for the fiscal year ending March 31, 2015 is estimated to be 76.0 billion yen, down 44.0 billion yen from the previous forecast, mainly as a result of recognized impairment losses on fixed assets* amounting to approximately 35.0 billion yen due to impact from deteriorating market environments based on such factors as the drop in oil prices, and decommissioning costs amounting to approximately 6.0 billion yen.

The forecast for the year-end dividend for the fiscal year ending March 31, 2015, will remain unchanged from the previous forecast at 9 yen per share. (The annual dividend per share will be 18 yen.)

***About the recognized impairment losses on fixed assets**

(1) Assets in question

Assets related to the Joslyn Oil Sands Project implemented through INPEX's subsidiary INPEX Canada, Ltd. and assets related to JPDA06-105 Block in the Timor Sea Joint Petroleum Development Area (JPDA) held through INPEX's subsidiary INPEX Timor Sea, Ltd.

(2) Breakdown of recognized impairment losses (approximately 35.0 billion yen)

Joslyn Oil Sands Project: Approximately 27.5 billion yen

JPDA06-105 Block in the Timor Sea Joint Petroleum Development Area (JPDA): Approximately 7.5 billion yen

(3) Background and reasons for recognized impairment losses

The Joslyn Oil Sands Project is an oil sands upstream project located in Alberta, Canada that INPEX joined in November 2007. JPDA06-105 Block is an oil producing block located in the Timor Sea Joint Petroleum Development Area (JPDA) jointly administered by the Democratic Republic of Timor-Leste and the Commonwealth of Australia. Production at the Kitan Oil Field located within the block commenced in October 2011.

Impairment tests conducted on assets related to the Joslyn Oil Sands Project and JPDA06-105 Block in the Timor Sea Joint Petroleum Development Area (JPDA) in light of deteriorating market environments based on such factors as the drop in oil prices resulted in the recognition of the impairment losses. As the current value of future cash flow generated from these assets is expected to fall below the carrying amount, INPEX will reduce their respective carrying amounts to recoverable amounts, posting the reductions as impairment losses.

NB :Forecasts above are based on currently available information and contain many uncertainties. The final results may differ from the forecasts above due to changes in business conditions including oil and natural gas price levels, production and sales plans, project development schedules, government regulations and financial and tax schemes.

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