
**INPEX AND TOTAL MAKE FINAL INVESTMENT DECISION
ON ICHTHYS LNG PROJECT, AUSTRALIA**

INPEX CORPORATION (INPEX) and TOTAL S.A. (Total) today confirmed the Final Investment Decision (FID) on the US\$34 billion Ichthys LNG Project.

INPEX Chairman Naoki Kuroda made the announcement in Darwin, the site of the onshore gas processing facilities which will be built to produce 8.4 million tonnes of liquefied natural gas (LNG) per annum.

“The Ichthys FID announced today by INPEX and Total signals the start of construction of one of the world’s largest LNG facilities based on an estimated 40 years of gas and condensate reserves from the Browse Basin offshore Western Australia,” Mr Kuroda said.

“In delivering this important Project into production we will be securing vital long-term energy supply to Japan and our other customers while delivering sustainable economic and social benefits across Australia.”

Mr Kuroda said the Ichthys LNG Project was the cornerstone in the company’s growth strategy into the 21st Century and would be the first time INPEX was leading such a world-scale project as operator.

“Ichthys production volumes represent more than 10% of Japan’s LNG imports at current levels,” Mr Kuroda said. “Ichthys will provide a long-term stable supply of cleaner energy to Japan, and help Japan diversify its energy sources.

“Ichthys will contribute significantly to the growth of the Australian economy while strengthening friendly ties between Japan and Australia.”

Mr Kuroda said the Ichthys LNG Project’s commercial strength would help INPEX achieve its objective of doubling oil and gas production over the next decade.

INPEX and Total recently announced binding Sales and Purchase Agreements for the entire LNG production from the Project for 15 years from 2017.

In addition, the Project will produce an estimated 1.6 mtpa of liquefied petroleum gases. The liquids-rich gas stream will also generate approximately 100,000 barrels of condensate per day at peak.

Mr Kuroda said mobilisation for construction of the Project would start immediately with preliminary works at the Blaydin Point site due to commence within weeks.

Mr Kuroda confirmed that Engineering, Procurement and Construction (EPC) of the onshore LNG plant and associated infrastructure would be undertaken by the JKC joint venture, comprising JGC Corporation, KBR and Chiyoda Corporation. JGC, KBR and Chiyoda are leading global LNG companies, with JGC and Chiyoda headquartered in Japan and KBR headquartered in the United States.

Mr Kuroda said that between them, the three onshore EPC joint venturers had been responsible for designing and delivering a large percentage of the world's major oil and gas processing plants, including large-scale LNG facilities across the globe.

Mr Kuroda also confirmed contracts to be awarded for the major offshore work packages, including:

- Central processing facility – Samsung Heavy Industry
- Subsea production system – General Electric
- Subsea flow line construction and installation – McDermott in cooperation with Heerema
- Gas export pipeline – Mitsui-Europipe, Sumitomo, Nippon Steel-Metal One (pipe manufacture); Mitsui-Bredero Shaw (pipe concrete coating); Saipem (pipelay)
- Floating production storage and offloading vessel – to be announced in the coming weeks.

Mr Kuroda said all successful tenderers to the Ichthys LNG Project in Australia had to demonstrate how they will maximise the use of Australian products and services.

“Ongoing compliance and reporting mechanisms will ensure contractors perform to the standards set by the Ichthys Project’s approved Australian Industry Participation plans and contractual obligations,” Mr Kuroda said.

“Ichthys will truly be an international collaboration. An estimated 3000 jobs will be needed in Darwin during the peak of construction with a further 1000 offshore. Once the Project is in operation we will require approximately 700 permanent positions.”

INPEX and Total have already committed to a \$91 million environmental and social benefits package to provide long-term benefits for the community over the life of the Project and beyond, which includes a \$3 million contribution to Charles Darwin University to accelerate plans for the North Australian Centre for Oil and Gas.

In 2010 INPEX and Total also contributed \$3 million to fund construction of the Larrakia Trade Training Centre, the biggest cross-training facility under one roof in the Northern Territory. It is delivering accredited qualifications, traineeships and apprenticeships to Aboriginal and non-Aboriginal students from across Northern Australia.

“INPEX is committed to contributing to the sustainable development of the communities in which we operate, improving social and economic well-being while minimising impact on the environment,” Mr Kuroda said.

Mr Kuroda thanked the Australian, Northern Territory and Western Australian governments for their considerable support in helping bring Ichthys to FID.

“INPEX is committed to continuing a close cooperative approach with government, the community and our other key stakeholders in our areas of operations to delivery the Ichthys vision on time and safely.

Key environmental and production approvals have been received from the relevant authorities in Australia. The FID for Ichthys is based on two LNG trains at Blaydin Point, however the government has set aside enough land for the possible future expansion of the Project of up to four additional trains.

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About INPEX

INPEX CORPORATION is a worldwide oil and gas exploration and production company currently involved in more than 70 projects across 26 countries. INPEX is ranked in the top 100 global energy companies and is listed on the Tokyo Stock Exchange. Part of the Australian business community since 1986, we are active in a number of projects in Australia and the Timor Sea, including the large-scale Ichthys LNG Project, Van Gogh, Ravensworth and Kitan oil projects, as well as the Bayu-Undan condensate development and associated Darwin LNG.

About the Ichthys LNG Project

The Ichthys LNG Project is a joint venture between INPEX group of companies (the Operator) and Total group of companies. Gas from the Ichthys Field, in the Browse Basin offshore Western Australia, will undergo preliminary processing offshore to remove water and raw liquids, including condensate. The gas will then be exported to the onshore processing facilities in Darwin via an 889km pipeline. The Ichthys LNG Project is expected to produce 8.4 million tonnes of LNG and 1.6 million tonnes of LPG per annum, along with approximately 100,000 barrels of condensate per day at peak.

Ichthys Project Summary	
Joint venture participants	<ul style="list-style-type: none"> • INPEX – 72.805% • Total – 24% • Tokyo Gas Co., Ltd. – 1.575% (subject to approval by the Australian government) • Osaka Gas Co., Ltd. – 1.2% (subject to approval by the Australian government) • Toho Gas Co., Ltd. – 0.42% (subject to approval by the Australian government)
LNG gas buyers	<ul style="list-style-type: none"> • Tokyo Electric Power Company, Inc • Tokyo Gas Co., Ltd. • The Kansai Electric Power Co., Inc. • Osaka Gas Co., Ltd. • Kyushu Electric Power Company Inc. • Chubu Electric Power Company, Inc. • Toho Gas Co., Ltd. • CPC Corporation, Taiwan • INPEX CORPORATION • Total Gas & Power Limited
CAPEX	<ul style="list-style-type: none"> • US\$34 billion
FID date	<ul style="list-style-type: none"> • 13 January 2012
Production start target	<ul style="list-style-type: none"> • By the end of 2016
Production rate	<ul style="list-style-type: none"> • 8.4 million tonnes of LNG per annum • 1.6 million tonnes of LPG per annum • Approximately 100,000 barrels of condensate per day at peak

Key facilities	<ul style="list-style-type: none"> • Central Processing Facility (CPF) • Floating Production Storage Offloading (FPSO) vessel • 889 km Gas Export Pipeline (GEP) • Two train LNG plant on Blaydin Point, Darwin, Northern Territory
Key EPC contractors	<ul style="list-style-type: none"> • Onshore LNG facility – JKC Joint Venture (JGC Corporation, KBR, Chiyoda Corporation) • Central processing facility – Samsung Heavy Industry • Floating production storage and offloading vessel – to be confirmed • Subsea production system – General Electric • Subsea flow line construction and installation – McDermott in cooperation with Heerema • Gas export pipeline (manufacture) – Mitsui-Europipe, Sumitomo, Nippon Steel-Metal One • Gas export pipeline (concrete coating) – Mitsui-Bredero Shaw • Gas export pipeline (pipelay) – Saipem