The Ichthys LNG Project is the first large-scale LNG project undertaken by a Japanese company as an operator. The target for FID is Q4 2011, and the production start target is Q4 2016.

**Project History**

INPEX participated in an open bid conducted by the Australian Federal Government for the WA-285-P block, which is located off the coast of Western Australia about 200 km from the Kimberley region. In August 1998, we acquired the exploration permit for this block. In the first drilling campaign, three exploratory wells were drilled and discovered the presence of gas and condensate from March 2000. We then conducted a 3-D seismic survey. A second drilling campaign began in 2003, and three exploratory wells were drilled that resulted in confirmation of the extent of gas and condensate. Further wells were drilled beginning in 2007. Through these endeavors, we confirmed sufficient recoverable reserves of gas and condensate for commercial development.

**Environmental Impact Survey and Contribution to Regional Communities**

INPEX is working closely with the Australian Federal and Northern Territory Governments and other Australian stakeholders, as well as people associated with the project, to ensure that the Ichthys Project proceeds as planned.

**About the Environmental Impact Survey**

INPEX is conducting an environmental impact survey in accordance with guidelines established by the Australian Federal and Northern Territory Governments to assess the impact of aspects of the Ichthys Project. These included the environmental impacts of the offshore processing and production facilities, the subsea pipeline and the planned LNG plant (near Darwin in Australia’s Northern Territory). We submitted a draft Environmental Impact Statement (EIS) summarizing these activities to both governments in April 2010. This report was submitted for public review during the period July-September 2010, and the opinions of a variety of stakeholders were taken, focusing on those in the Darwin area where the LNG plant will be built. By June 2011, INPEX had been granted environmental approval for the Ichthys Project from the ministers of the Australian Federal and Northern Territory environmental agencies based on the EIS.

**Support for Local Communities**

INPEX places great importance on communications with local communities and building a relationship of mutual understanding with the indigenous people of the project area. INPEX seeks to be considered as a trusted corporate citizen, and therefore we do our utmost to deepen communications with people in local communities.

In the case of the Ichthys Project, our efforts include providing vocational training opportunities for young people, such as local indigenous peoples, through the donation of approximately AUD2 million for the construction of the Larrakia Trade Training Centre. The goal of the school, which opened in April 2011, is to enable students to earn qualifications that will help them develop their careers, and currently 300 students are enrolled to learn professional skills. In addition, INPEX donated to those affected by the Queensland floods.

**Project Status**

- **Production volume (expected):**
  - LNG 8.4 million tons/year
  - LPG 1.6 million tons/year
  - Condensate, approx. 100,000 bbl/d (peak rate)
- **FID target:** Q4 2011
- **Production start target:** Q4 2016
- **Interest owned:** INPEX 76%, TOTAL 24%
- **Project status:** Preparation for development

INPEX is working closely with the Australian Federal and Northern Territory Governments and other Australian stakeholders, as well as people associated with the project, to ensure that the Ichthys Project proceeds as planned.

We are currently proceeding with front-end engineering and design (FEED) activity, securing government approval, LNG marketing activities and finance activities, with an FID target of Q4 2011. After FID, we will begin with detailed engineering work on both the onshore and offshore facilities, followed by equipment procurement and the construction of the LNG plant and other facilities. The target date for production startup is Q4 2016.

In August 2004, INPEX was granted Major Project Facilitation status for the Ichthys Project by the Federal Minister for Industry, Tourism and Resources. This status recognizes the fact that this project would contribute to the long-term economic development of Australia.

**Environmental Assessment Report**

Special Report 1: Ichthys LNG Project

Project Development Concept

Offshore Production Facilities
These are composed of a central processing facility (CPF) for the separation of natural gas and condensate and a floating production and offloading (FPSO) vessel for the storage and offloading of condensate.
- Condensate: 85 thousand bbl/d (peak rate)

Onshore Facilities
These are composed of the LNG plant and onshore storage facilities. The planned site for these facilities is Blaydin Point, which is across the harbour from Darwin.
- LNG: 8.4 million tons/year
- LPG: 1.6 million tons/year
- Condensate: 15 thousand bbl/d (peak rate)

Outline of Development Concept

Gas Liquefaction Plant
The gas liquefaction plant will extract condensate and LPG from the natural gas pumped via the pipeline. Using two trains, the liquefaction plant will then cool the remaining natural gas to –162°C to form LNG. It will handle shipments of approximately 8.4 million tons/year of LNG, 1.6 million tons/year of LPG and 15,000 bpd of condensate.

Project History

1998
- Participated in an open bid, permit acquired

2000 – 2001
- Submitted a bid for WA-285-P in an open bid process conducted by the Australian Federal Government; a permit was assigned
- First drilling campaign: Confirmed the presence of gas and condensate in all three exploratory wells
- Second drilling campaign: Drilled three exploratory wells to verify reserves, confirmed the areal extension of the reservoir and the presence of gas and condensate
- Appraisal of recoverable reserves: Confirmed the extension of the Ichthys gas-condensate pool through further drilling of two wells

2003 – 2004
- Preparation for development: Started FEED activities for the onshore LNG plant, the offshore production facilities and the pipeline in 2009
- Invitation to tender (ITT) for the CPF issued in November 2010
- Preparatory work for the EPC procurement phase of the onshore LNG plant began in December 2010
- Engineering work for the LNG plant completed in March 2011 / Preparatory work underway / Major engineering work in process at offshore facilities

2007 – 2008
- Government approvals: Invitation to tender (ITT) for the CPF issued in November 2010
- Preparatory work for the EPC procurement phase of the onshore LNG plant began in December 2010
- Engineering work for the LNG plant completed in March 2011 / Preparatory work underway / Major engineering work in process at offshore facilities
- Government approvals: Invitation to tender (ITT) for the CPF issued in November 2010
- Preparatory work for the EPC procurement phase of the onshore LNG plant began in December 2010
- Engineering work for the LNG plant completed in March 2011 / Preparatory work underway / Major engineering work in process at offshore facilities

2009 – 2011
- Preparation for development: Invitation to tender (ITT) for the CPF issued in November 2010
- Preparatory work for the EPC procurement phase of the onshore LNG plant began in December 2010
- Engineering work for the LNG plant completed in March 2011 / Preparatory work underway / Major engineering work in process at offshore facilities
- Government approvals: Preparatory work for the EPC procurement phase of the onshore LNG plant began in December 2010
- Engineering work for the LNG plant completed in March 2011 / Preparatory work underway / Major engineering work in process at offshore facilities

Future Milestones
- Q4 2011: Final investment decision (FID)
- Q4 2016: Production start