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Financial Results  
for the year ended March 31, 2010

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INPEX CORPORATION

May 14, 2010

# Agenda



- Financial Results for the year ended March 31, 2010
- Consolidated Financial Forecasts for the year ending March 31, 2011
- Corporate Overview
- Outlook

# Cautionary Statement



This presentation includes forward-looking information that reflects the plan and expectations of the Company. Such forward-looking information is based on the current assumptions and judgments of the Company in light of the information currently available to it, and involves known and unknown risk, uncertainties, and other factors. Such risks, uncertainties and other factors may cause the Company's performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation:

- Price volatility and change in demand in crude oil and natural gas
- Foreign exchange rate volatility
- Change in costs and other expenses pertaining to the exploration, development and production

The Company undertakes no obligation to publicly update or revise the disclosure of information in this presentation (including forward-looking information) after the date of this presentation.

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Financial Results for the year ended March 31, 2010

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Masahiro Murayama

Director, Managing Executive Officer

Head of Finance & Accounting Division

# Highlights of the Consolidated Financial Results for the year ended March 31, 2010



	Mar. '09	Mar. '10	Change	%Change
Net Sales (Billions of yen)	1,076.1	840.4	(235.7)	(21.9%)
Crude Oil Sales	650.3	486.9	(163.4)	(25.1%)
Natural Gas Sales (including LPG)	398.2	326.4	(71.8)	(18.0%)
Others	27.5	27.0	(0.4)	(1.6%)
Operating Income (Billions of yen)	663.2	461.6	(201.5)	(30.4%)
Ordinary Income (Billions of yen)	616.1	442.0	(174.1)	(28.3%)
Net Income (Billions of yen)	145.0	107.2	(37.8)	(26.1%)
Net income per share (Yen)	61,601.60	45,553.56	(16,048.04)	(26.1%)

Average number of shares issued and outstanding during the year ended March 31, 2010(consolidated): 2,353,494

# Crude Oil Sales



	Mar. '09	Mar. '10	Change	%Change
Net Sales (Billions of yen)	650.3	486.9	(163.4)	(25.1%)
Sales volume (Mbbl)	75,427	76,095	668	0.9%
Average unit price of overseas production (\$/bbl)	82.70	68.40	(14.30)	(17.3%)
Average unit price of domestic production (¥/kl)	65,829	41,470	(24,359)	(37.0%)
Average exchange rate (¥/\$)	103.17	92.66	(10.51) Yen appreciation	(10.2%) Yen appreciation
Sales volume by region (Mbbl)	Mar. '09	Mar. '10	Change	%Change
Japan	241 (38 thousand kl)	208 (33 thousand kl)	(33) (-5 thousand kl)	(13.7%)
Asia/Oceania	12,958	15,295	2,337	18.0%
Eurasia (Europe/NIS )	8,664	11,556	2,892	33.4%
Middle East/Africa	52,641	47,293	(5,348)	(10.2%)
Americas	923	1,743	819	88.8%
Total	75,427	76,095	668	0.9%

# Natural Gas Sales (excluding LPG)



	Mar. '09	Mar. '10	Change	%Change
Net Sales (Billions of yen)	382.4	307.8	(74.5)	(19.5%)
Sales volume (MMcf)	401,076	416,684	15,609	3.9%
Average unit price of overseas production (\$/Mcf)	9.22	7.43	(1.79)	(19.4%)
Average unit price of domestic production (¥/ m <sup>3</sup> )	37.39	38.41	1.02	2.7%
Average exchange rate (¥/\$)	102.47	92.64	(9.83) Yen appreciation	(9.6%) Yen appreciation

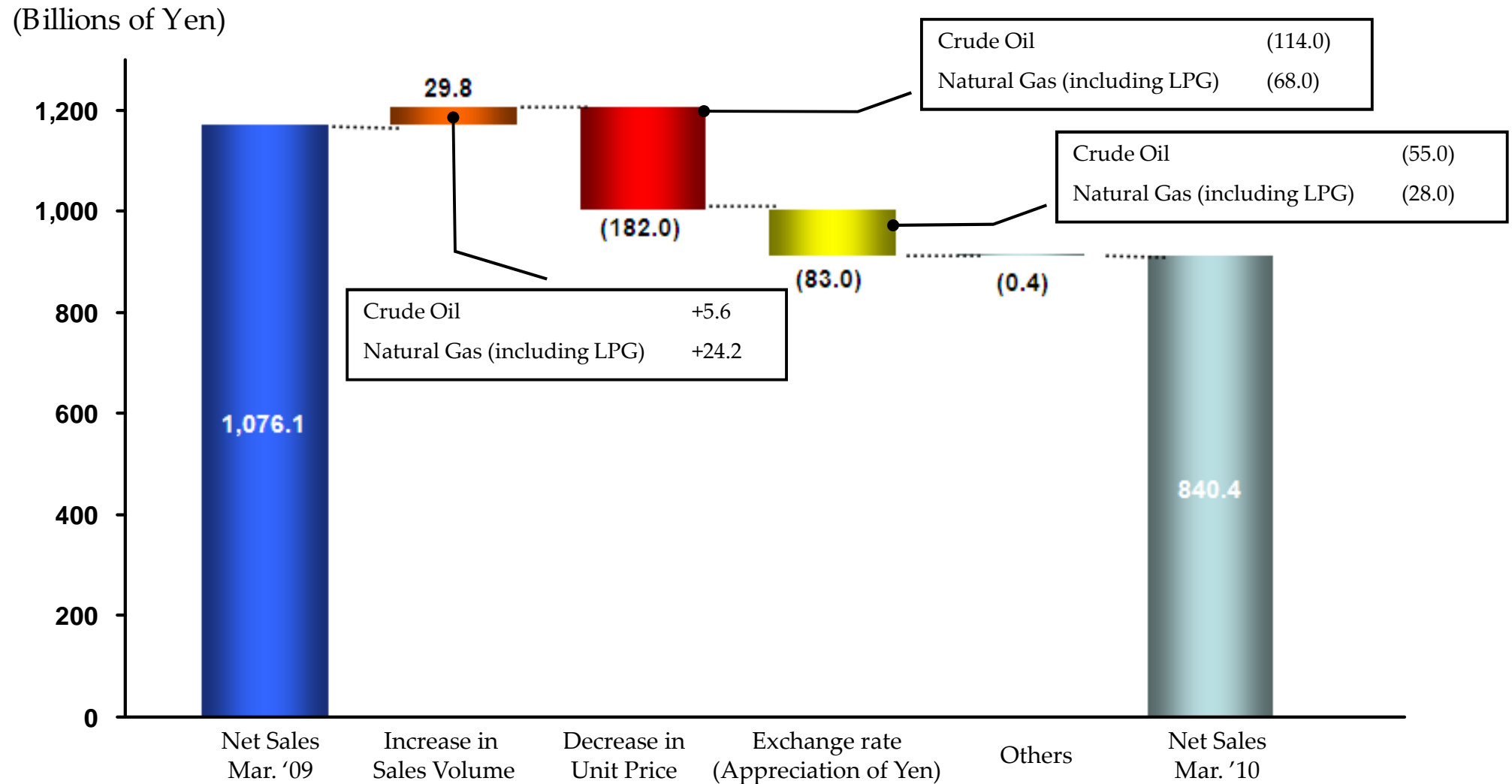
Sales volume by region (MMcf)	Mar. '09	Mar. '10	Change	%Change
Japan	60,629 (1,625 million m <sup>3</sup> )*	61,459 (1,647 million m <sup>3</sup> )*	830 (+22 million m <sup>3</sup> )	1.4%
Asia/Oceania	310,744	324,364	13,620	4.4%
Eurasia (Europe/NIS )	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	29,703	30,861	1,159	3.9%
Total	401,076	416,684	15,609	3.9%

(FYI) LPG Sales

\* 43.12MJ / 1m3

	Mar. '09	Mar. '10	Change	%Change
Net Sales (Billions of yen)	15.8	18.5	2.6	16.8%

# Analysis of Net Sales Decrease





# Statements of Income



(Billions of Yen)	Mar. '09	Mar. '10	Change	%Change
Net Sales	1,076.1	840.4	(235.7)	(21.9%)
Cost of Sales	319.0	298.1	(20.8)	(6.5%)
Exploration expenses	25.9	15.7	(10.2)	(39.5%)
Selling, general and administrative expenses	67.8	64.8	(2.9)	(4.4%)
Operating Income	663.2	461.6	(201.5)	(30.4%)
Other income	32.0	21.4	(10.5)	(33.0%)
Other expenses	79.1	41.1	(38.0)	(48.0%)
Ordinary Income	616.1	442.0	(174.1)	(28.3%)
Income taxes-current	488.2	322.9	(165.2)	(33.8%)
Income taxes-deferred	(17.8)	2.1	20.0	(111.9%)
Minority interests	0.7	9.6	8.9	-
Net Income	145.0	107.2	(37.8)	(26.1%)

Crude Oil sales : 486.9  
(Change) (163.4)  
Natural Gas sales\* : 326.4  
(Change) (71.8)

Cost of sales for  
Crude Oil : 180.8  
(Change) (39.8)  
Cost of sales for  
Natural Gas\* : 98.6  
(Change) +17.7

Due mainly to a decrease in exploration expenditures for Ichthys and its surrounding oil fields

\* Including LPG

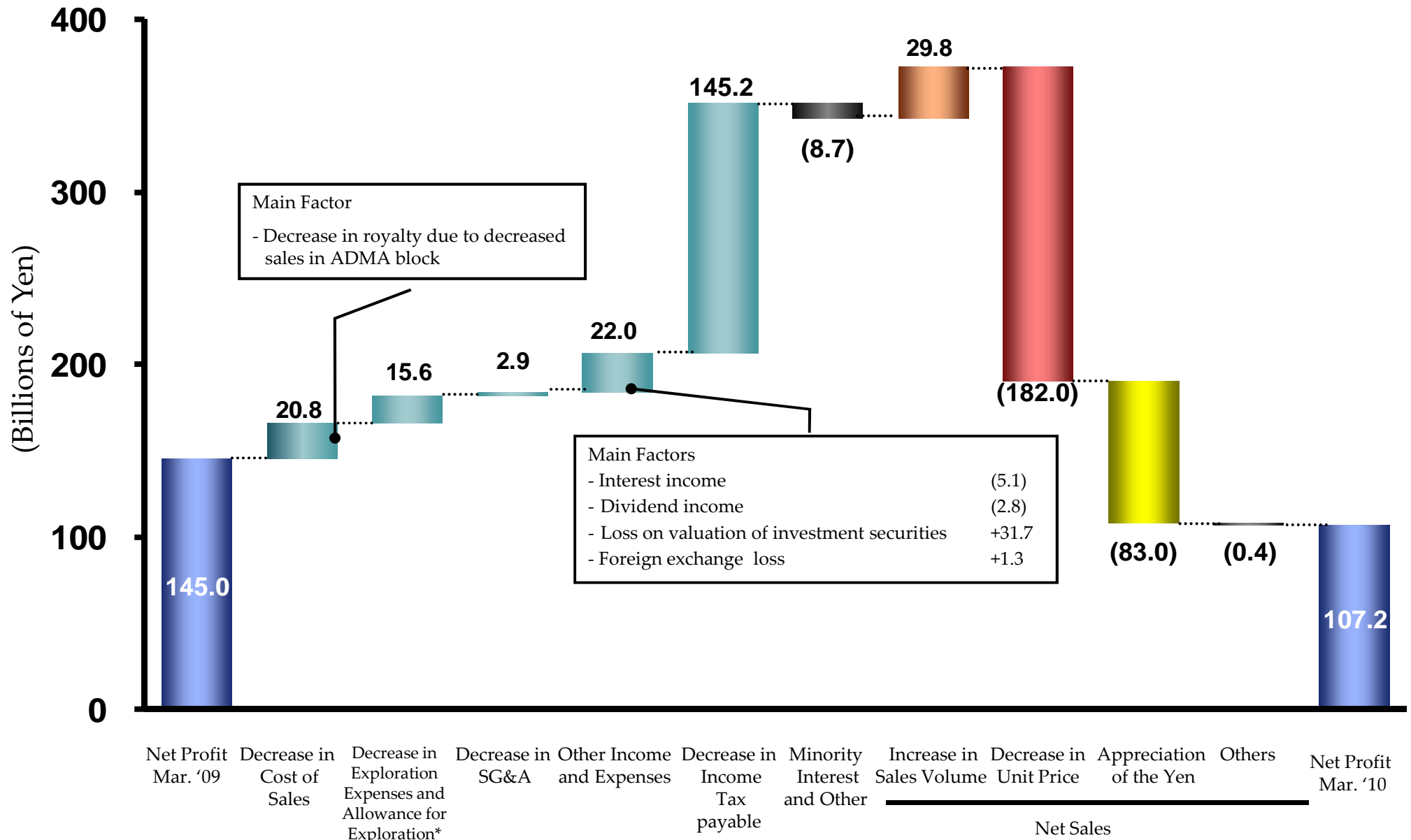
# Other Income/Expenses



(Billions of Yen)	Mar. '09	Mar. '10	Change	%Change
Other income	32.0	21.4	(10.5)	(33.0%)
Interest income	9.5	4.3	(5.1)	(54.3%)
Dividend income	12.3	9.4	(2.8)	(23.2%)
Equity in earnings of affiliates	0.9	-	(0.9)	(100.0%)
Other	9.2	7.6	(1.5)	(17.0%)
Other expenses	79.1	41.1	(38.0)	(48.0%)
Interest expense	3.9	1.2	(2.6)	(67.6%)
Provision for allowance for recoverable accounts under production sharing	16.6	6.0	(10.6)	(63.8%)
Provision for exploration projects	3.3	8.5	5.2	153.8%
Loss on valuation of investment securities	31.7	-	(31.7)	(100.0%)
Foreign exchange loss	14.5	13.2	(1.3)	(9.0%)
Equity in losses of affiliates	-	1.9	1.9	-
Other	8.8	10.0	1.2	13.8%

Due mainly to a decrease in exploration expenditures for Abadi project

# Analysis of Net Profit Decrease



\*Provision for allowance for recoverable accounts under production sharing and Provision for exploration projects

# Balance Sheets



(Billions of yen)	Mar. '09	Mar. '10	Change	%Change	
Current assets	411.1	492.8	81.7	19.9%	Investment in Naoetsu LNG Receiving Terminal and Ichthys, etc.
Tangible fixed assets	297.6	358.0	60.4	20.3%	
Intangible assets	253.6	239.2	(14.4)	(5.7%)	
Recoverable accounts under production sharing	453.9	514.6	60.7	13.4%	Investment in Kashagan Oil Field, etc
Other	439.5	503.8	64.3	14.6%	
Less allowance for recoverable accounts under production sharing	(87.8)	(94.8)	(7.0)	8.0%	
<b>Total assets</b>	<b>1,768.0</b>	<b>2,013.7</b>	<b>245.7</b>	<b>13.9%</b>	
Current liabilities	206.0	227.9	21.8	10.6%	
Long-term liabilities	199.9	295.2	95.3	47.7%	Increase in long-term debt of Inpex North Caspian Sea, Ltd, etc.
Total net assets	1,362.0	1,490.6	128.5	9.4%	
(Minority interests)	90.9	103.1	12.1	13.4%	
<b>Total liabilities and net assets</b>	<b>1,768.0</b>	<b>2,013.7</b>	<b>245.7</b>	<b>13.9%</b>	
Net assets per share (Yen)	540,100	589,549	49,449	9.2%	

# Statements of Cash Flows



(Billions of Yen)	Mar. '09	Mar. '10	Change	%Change
Income before income taxes and minority interests	616.1	442.0	(174.1)	(28.3%)
Depreciation and amortization	42.9	40.3	(2.6)	(6.1%)
Recovery of recoverable accounts under production sharing (capital expenditures)	45.7	45.6	(0.0)	(0.2%)
Recoverable accounts under production sharing (operating expenditures)	(27.0)	(14.9)	12.0	(44.5%)
Income taxes paid	(530.7)	(305.1)	225.5	(42.5%)
Other	83.3	33.5	(49.7)	(59.7%)
<b>Net cash provided by operating activities</b>	<b>230.3</b>	<b>241.3</b>	<b>11.0</b>	<b>4.8%</b>
Purchase of tangible fixed assets	(88.6)	(87.5)	1.0	(1.2%)
Purchases of marketable securities/investment securities and proceed from sales of marketable securities/investment securities (Net)	(28.5)	(54.9)	(26.3)	92.4%
Investment in recoverable accounts under production sharing (capital expenditures)	(108.2)	(91.6)	16.6	(15.4%)
Other	(14.7)	(17.6)	(2.9)	20.2%
<b>Net cash used in investing activities</b>	<b>(240.1)</b>	<b>(251.8)</b>	<b>(11.6)</b>	<b>4.8%</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(46.0)</b>	<b>68.9</b>	<b>115.0</b>	<b>(249.6%)</b>
Cash and cash equivalents at end of the period	162.8	216.3	53.5	32.9%

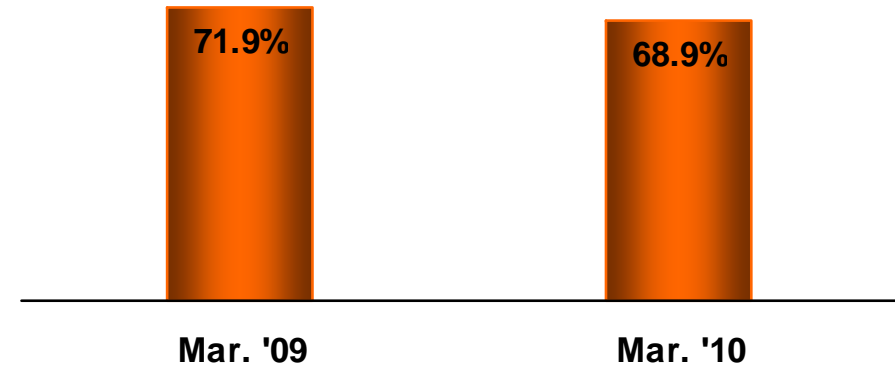
# Financial Indices



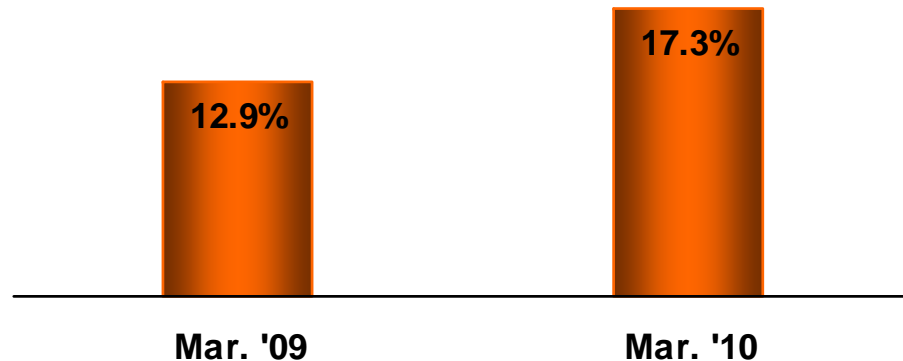
## Net Debt/Total Capital Employed (Net)\*



## Equity Ratio\*\*



## D/E Ratio\*\*\*



\* Net Debt/Total Capital Employed (Net) = (Interest-bearing debt - Cash and deposits - Public and corporate bonds and other debt securities (with determinable value) - MMF, Short-term bonds with repurchase agreements and Certificate of deposit)/(Net assets + Interest-bearing debt - Cash and deposits - Public and corporate bonds and other debt securities (with determinable value) - MMF, Short-term bonds with repurchase agreements and Certificate of deposit)

\*\* Equity Ratio = (Net assets - Minority interests)/Total assets

\*\*\* D/E Ratio = Interest-bearing debt/ (Net asset - Minority interests)

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Consolidated Financial Forecasts  
for the year ending March 31, 2011

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Masahiro Murayama  
Director, Managing Executive Officer  
Head of Finance & Accounting Division

# Consolidated Financial Forecasts for the year ending March 31, 2011



	1st Half	2nd Half	Full year
Brent oil price (\$/bbl)	77.5	77.5	77.5
Average exchange rate (¥/\$)	90.0	90.0	90.0

Full Year	Mar. '10 (Actual)	Mar. '11 (Forecasts)	Change	% Change
Net Sales (Billions of yen)	840.4	863.0	22.6	2.7%
Operating Income (Billions of yen)	461.6	451.0	(10.6)	(2.3%)
Ordinary Income (Billions of yen)	442.0	433.0	(9.0)	(2.0%)
Net Income (Billions of yen)	107.2	102.0	(5.2)	(4.9%)

## 1st Half

Net Sales (Billions of yen)	392.6	428.0	35.4	9.0%
Operating Income (Billions of yen)	202.2	219.0	16.8	8.3%
Ordinary Income (Billions of yen)	193.3	213.0	19.7	10.2%
Net Income (Billions of yen)	47.6	48.0	0.4	0.7%

Cash dividends per share (yen)	1st Half	2,500	3,000
	2nd Half	3,000	3,000
	Full year	5,500	6,000



# Sales and Investment plan for the year ending March 31, 2011



		Mar. '10 (Actual)	Mar. '11 (Forecasts )	Change	% Change
Sales Volume	Crude oil (Mdbl) <sup>1</sup>	76,095	74,374	(1,721)	(2.3%)
	Natural gas (MMcf) <sup>2</sup>	416,684	397,743	(18,941)	(4.5%)
	Overseas	355,225	335,550	(19,675)	(5.5%)
	Japan	61,459 (1,647 million m <sup>3</sup> )	62,193 (1,666 million m <sup>3</sup> )	734 (+19 million m <sup>3</sup> )	1.2%
	LPG (Mdbl) <sup>3</sup>	3,377	2,627	(750)	(22.2%)

(Billions of yen)	Mar. '10 (Actual)	Mar. '11 (Forecasts)	Change	% Change
Development expenditure	202.0	234.0	32.0	15.8%
Other capital expenditure	46.5	21.0	(25.5)	(54.8%)
Exploration expenditure <sup>4</sup>	33.6	56.0	22.4	66.7%
<i>Exploration expenses and Provision for explorations<sup>5</sup></i>	35.7	47.3	11.6	32.5%
<i>(Minority Interest Portion)<sup>6</sup></i>	4.8	15.5	10.7	222.9%

Note 1 CF for domestic crude oil sales and petroleum products : 1kl=6.29bbl

2 CF for domestic natural gas sales : 1m3=37.32cf

3 CF for domestic LPG sales : 1t=10.5bbl

4 Including acquisition costs

5 "Provision for allowance for recoverable accounts under production sharing" + "Provision for exploration projects" + "Provision for investments in exploration" as shown in Statements of Income

6 Capital increase from minority shareholders

# Net Income Sensitivities



- Estimated Impact of crude oil price and foreign exchange fluctuation on consolidated net income for the year ending March 31, 2011

(Billions of yen)

Brent Crude Oil Price; \$1/bbl increase (decrease)	+2.1 (2.1)
Exchange Rate; ¥1 depreciation (appreciation) against the U.S. dollar	+2.2 (2.2)

Note: The actual impact will depend on changes in production volumes, capital expenditures and the recovery of costs, and may not be constant depending on the absolute level of oil prices and the exchange rate

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# Corporate Overview

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Naoki Kuroda  
Representative director, President

# FY 2010/03 Corporate Highlights

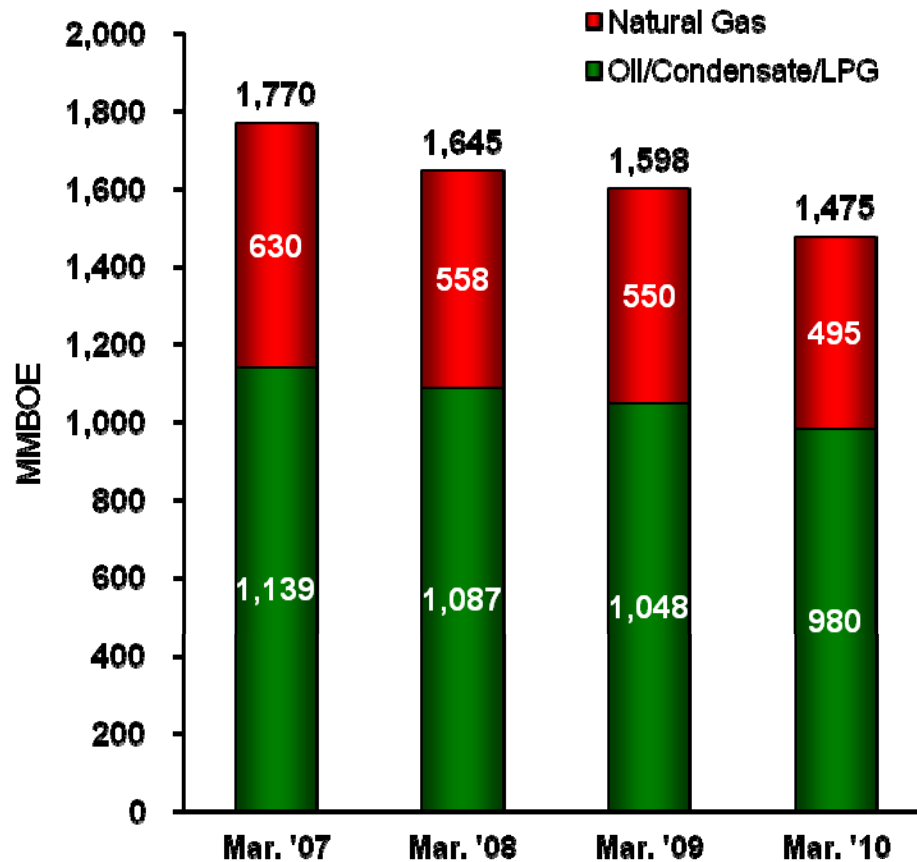


- Net profit down by 26% : under severe business environment such as drop in average oil prices -18%, yen appreciation -10%
- Proved + probable reserves declined by approximately 8% : due mainly to the loss of produced volumes and impact of change in oil prices.
- Net Production Volume stayed flat : additional production in Frade Block, Van Gogh and Tangguh Unit are almost equal to the decrease in production caused mostly by OPEC quota.
- Acquired new exploration blocks(Brazil), the right to study for development(Venezuela).
- Deeply committed to preparation work for Ichthys and Abadi LNG projects as well as development work for Kashagan project.
- Improvement for the Gas Supply Chain (Naoetsu LNG Receiving Terminal and Shin Oumi Line)
- Moving forward for new energy and renewable energy (ELLY Power, DB Masdar Clean Tech Fund)

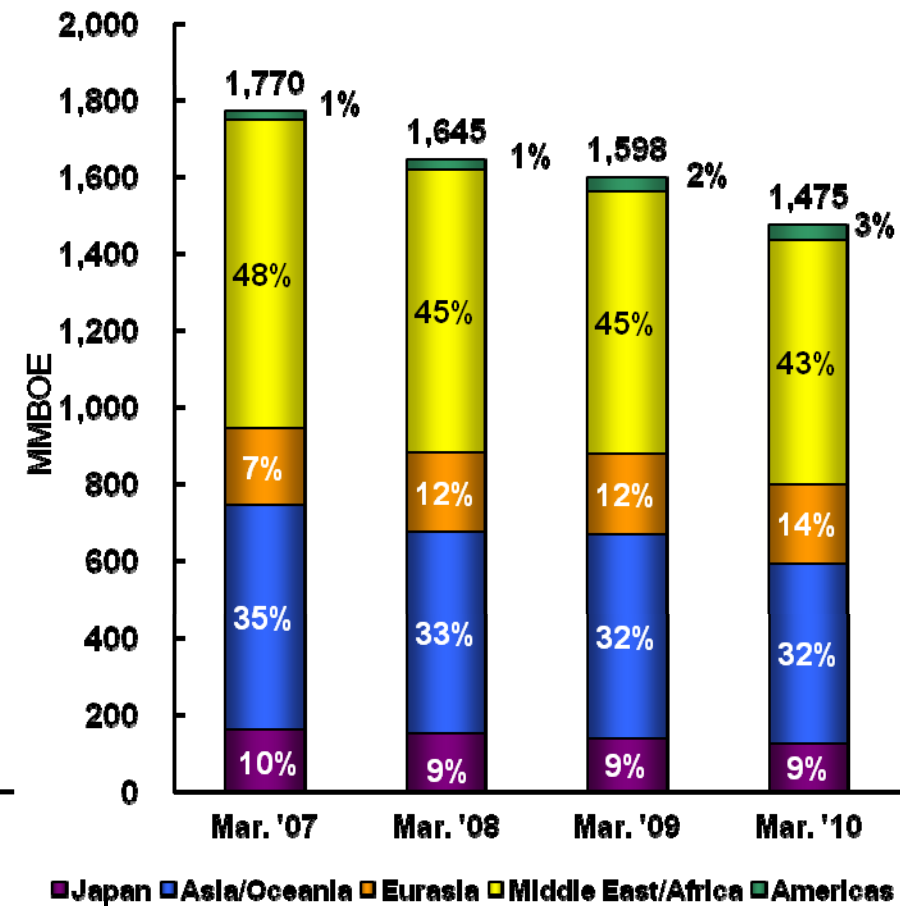
# Proved Reserves\*



## By Resource Type

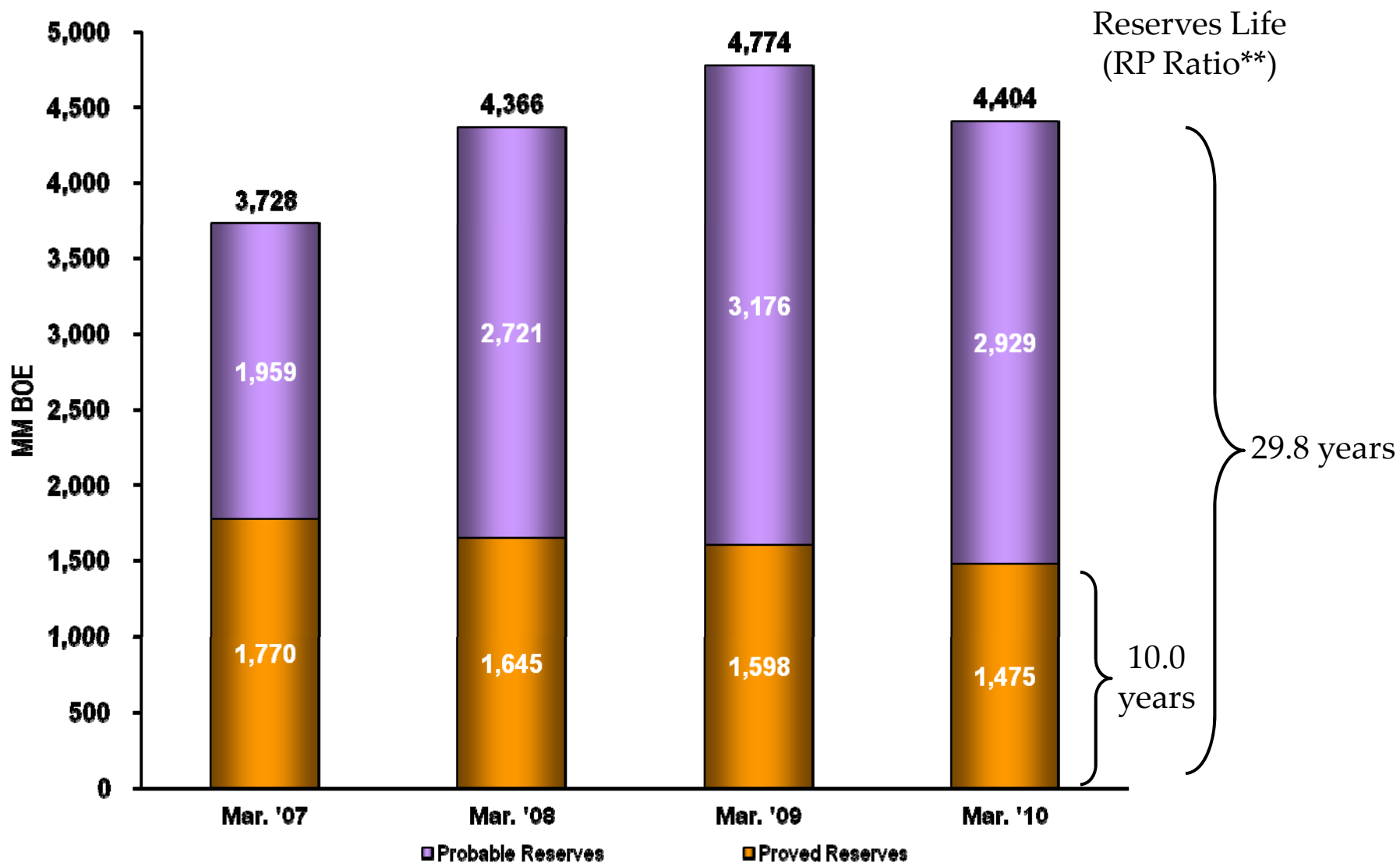


## By Region



Note: \* Proved reserve volumes are based on the reserves report (preliminary) by DeGolyer and MacNaughton applying SEC regulations. Reserves that DeGolyer and MacNaughton did not evaluate are excluded. Volumes attributable to the equity method affiliates are included.

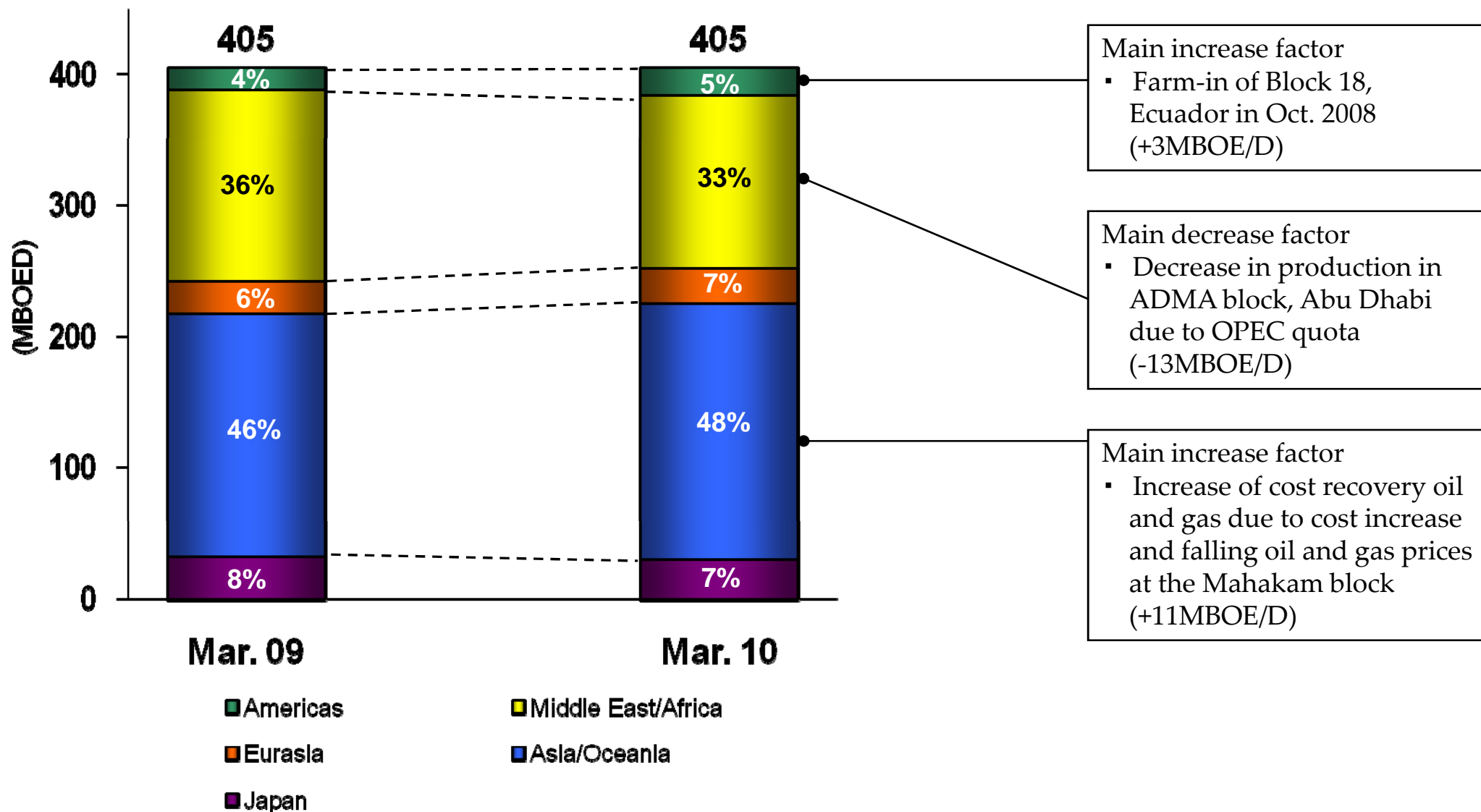
# Proved + Probable Reserves\*



\* Proved reserve volumes are based on the reserves report (preliminary) by DeGolyer and MacNaughton applying SEC regulations. Probable reserve volumes are based on the reserves report (preliminary) by DeGolyer and MacNaughton applying SPE/WPC/AAPG/SPEE guideline (SPE-PRMS). Reserves that DeGolyer and MacNaughton did not evaluate are excluded. Volumes attributable to the equity method affiliates are included.

\*\* Reserve Life = Proved (+Probable) Reserves as of March 31, 2010 / Production for the year ended March 31, 2010 (RP Ratio: Reserve Production Ratio)

# Net Production\* (FY Mar. 2010)

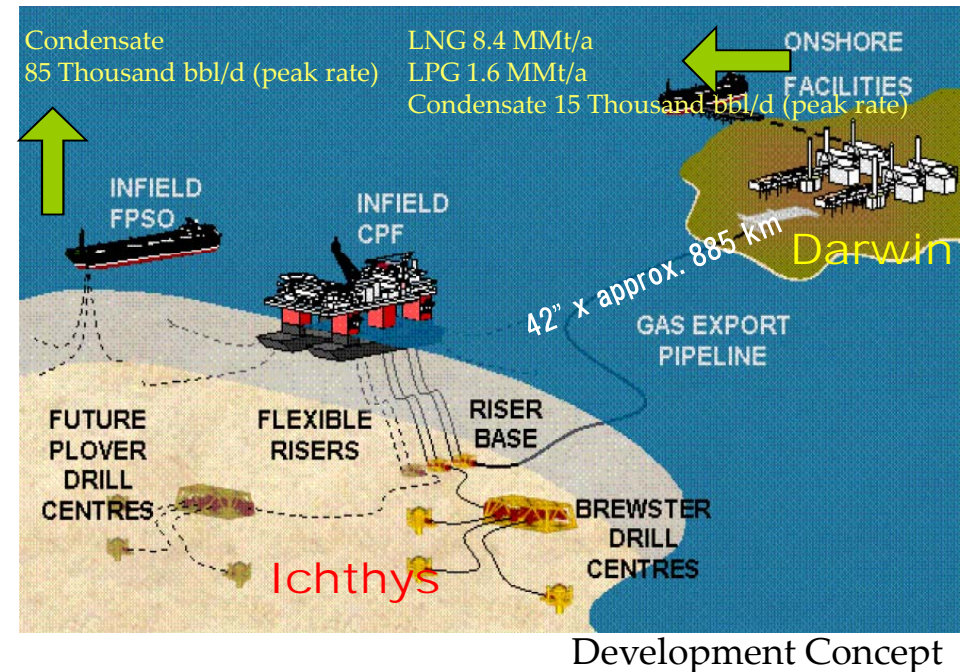


\* The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of our group.

# Ichthys Project



- FEED work in progress
  - Onshore (natural gas liquefaction plant)
  - Offshore (Offshore facilities & pipeline)
- Application for production license
  - ✓ Submitted Preliminary Field Development Plan to the authority in March 2010.
- Environmental Assessment
  - ✓ Draft EIS (Environmental Impact Statement) was submitted to Northern Territory and Commonwealth governments in April 2010.
  - ✓ Approval for publication of the draft EIS for public review and comment was obtained on May 7, 2010, from Commonwealth Minister for Environmental Protection, Heritage and the Arts.
- Gas Marketing Activities
  - ✓ Targeted marketing to Japanese buyers
  - ✓ Negotiation is ongoing for obtaining LNG purchase commitment as early as possible.



- Production volume (expected):
  - Approx. 8.4 MM t/a of LNG
  - Approx. 1.6 MM t/a of LPG
  - Approx. 100,000 bbl/d of condensate (Peak Rate)
- FID target: 2011 4Q
- Production start target: 2016 4Q



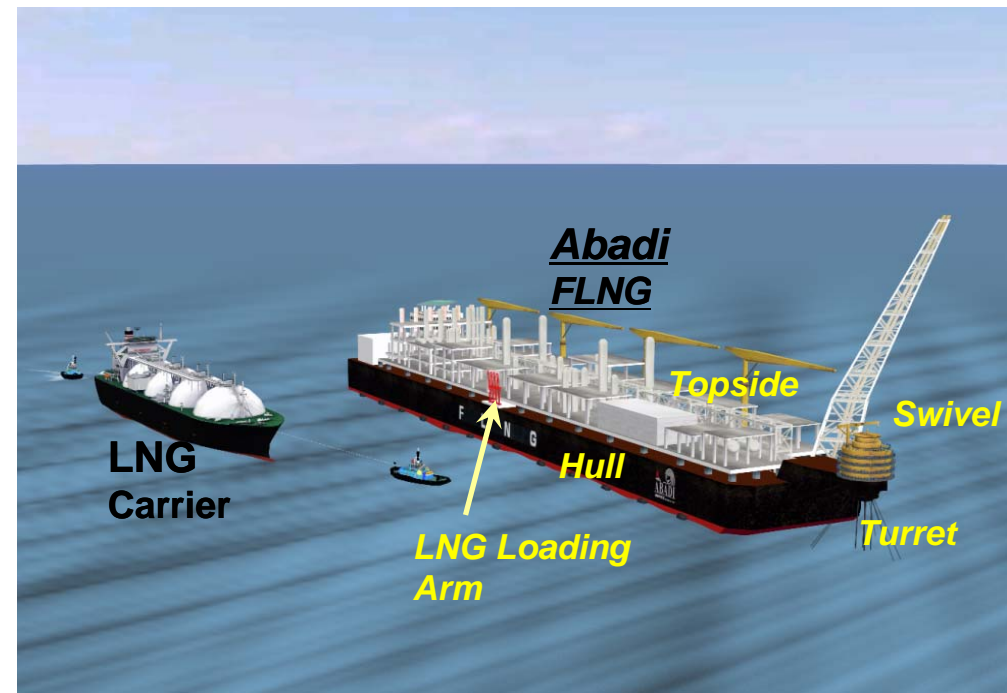
# Abadi Project



- The Plan Of Development (POD) was approved by the Indonesian Government.
- Working on the preparation for FEED
- Started AMDAL/IESIA(International Environmental & Social Impact Assessment)
- Transfer a 10% participating interest to an Indonesian company (PT EMP Energi Indonesia)\*

\*In November 2009, INPEX signed an agreement with PT EMP Energi Indonesia to transfer a 10% participating interest. The transaction is subject to certain conditions precedent.

- A third-party evaluation on the POD being conducted by the Indonesian Government.



Development Concept as approved in the POD\*\*

- Floating LNG
- Initial development focusing on the North block
- LNG production of 4.5MMt/a
- Condensate production of 13,000 bbl/d
- Production start-up : targeted 2016

\*\* Approved POD may be adjusted according to the progress of the third-party evaluation on the POD

# Domestic Natural Gas Business



## ■ Domestic Natural Gas Sales

- FY 2010/03 : approx. 1,710 MM m<sup>3</sup>\*
- Volume increased by approx. 1 %.  
(Decreased sales by 90MM m<sup>3</sup> to Shizuoka Gas Co. while direct sales increased)
- FY 2011/3 (E) : approx. 1,730 MM m<sup>3</sup>\*
- Volume increase by approx.1%  
(Decreased sales to Shizuoka Gas Co. will be offset by increase of direct sales and supply start by Shin Oumi Line.)

\* 1m<sup>3</sup> =41,6805MJ

- Rise in average Sales Price is expected from implementing new pricing formula for buyers
- Establishment of Gas Supply Chain : Naoetsu LNG Receiving Terminal going to the second stage of construction  
(Construction of tanker berth, and main and tie-in gas pipeline will start for the Naoetsu LNG Receiving Terminal)



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# Outlook

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Naoki Kuroda  
Representative director, President

# Investment Plan



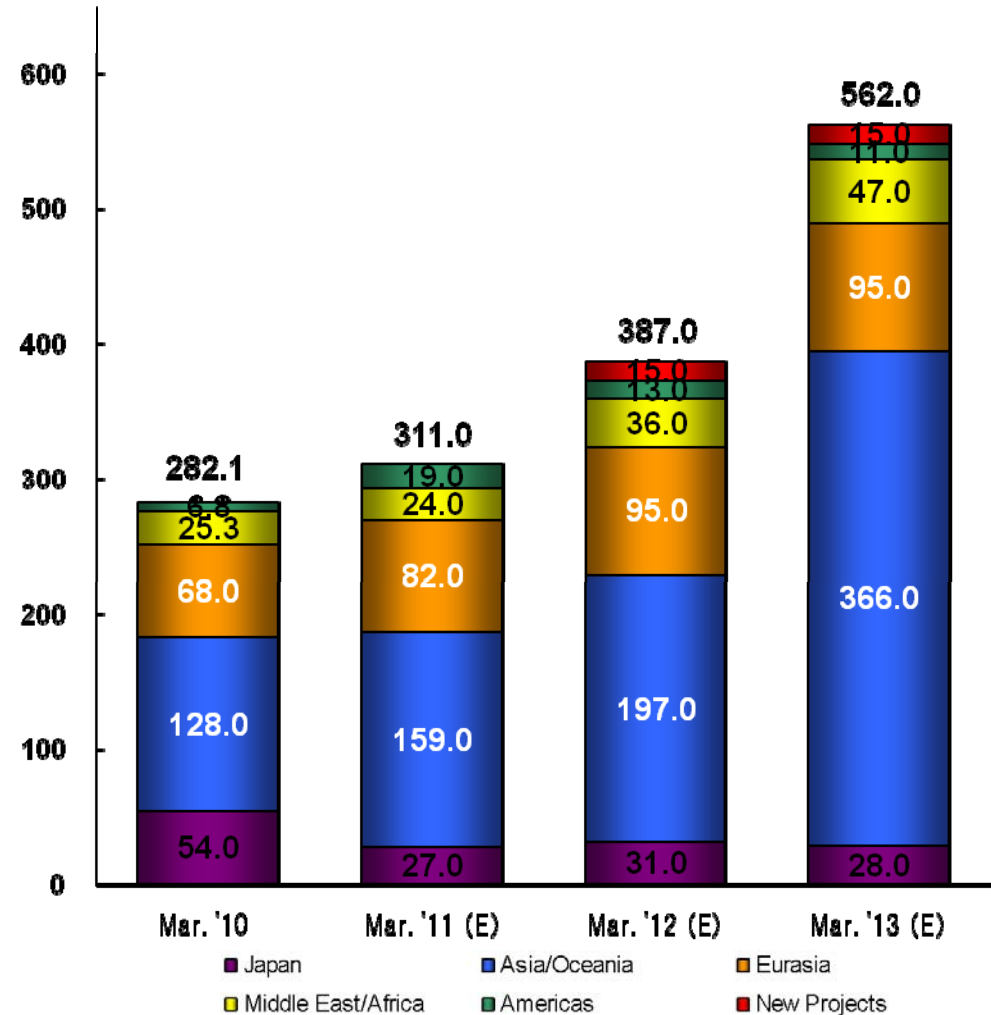
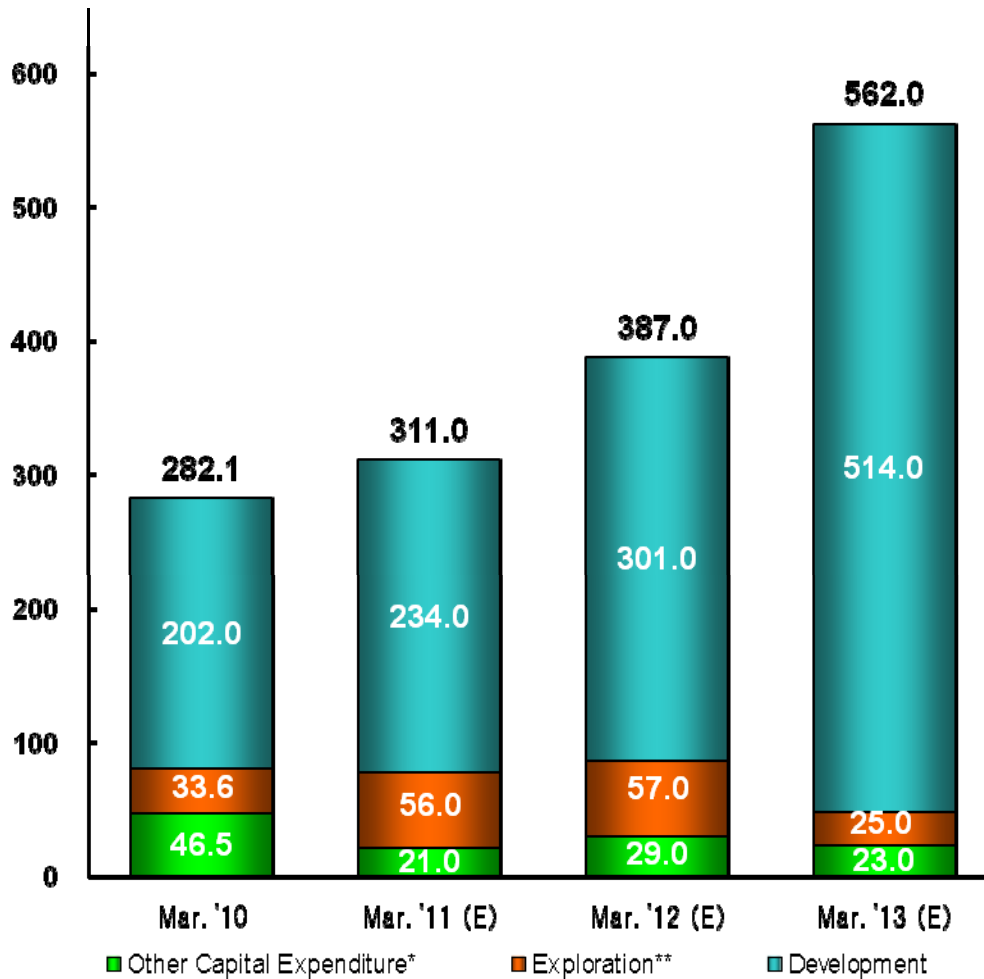
To invest approx. 4 trillion yen in the next 7 years for development activities etc.

## By Activity

## By Region

(Billions of Yen)

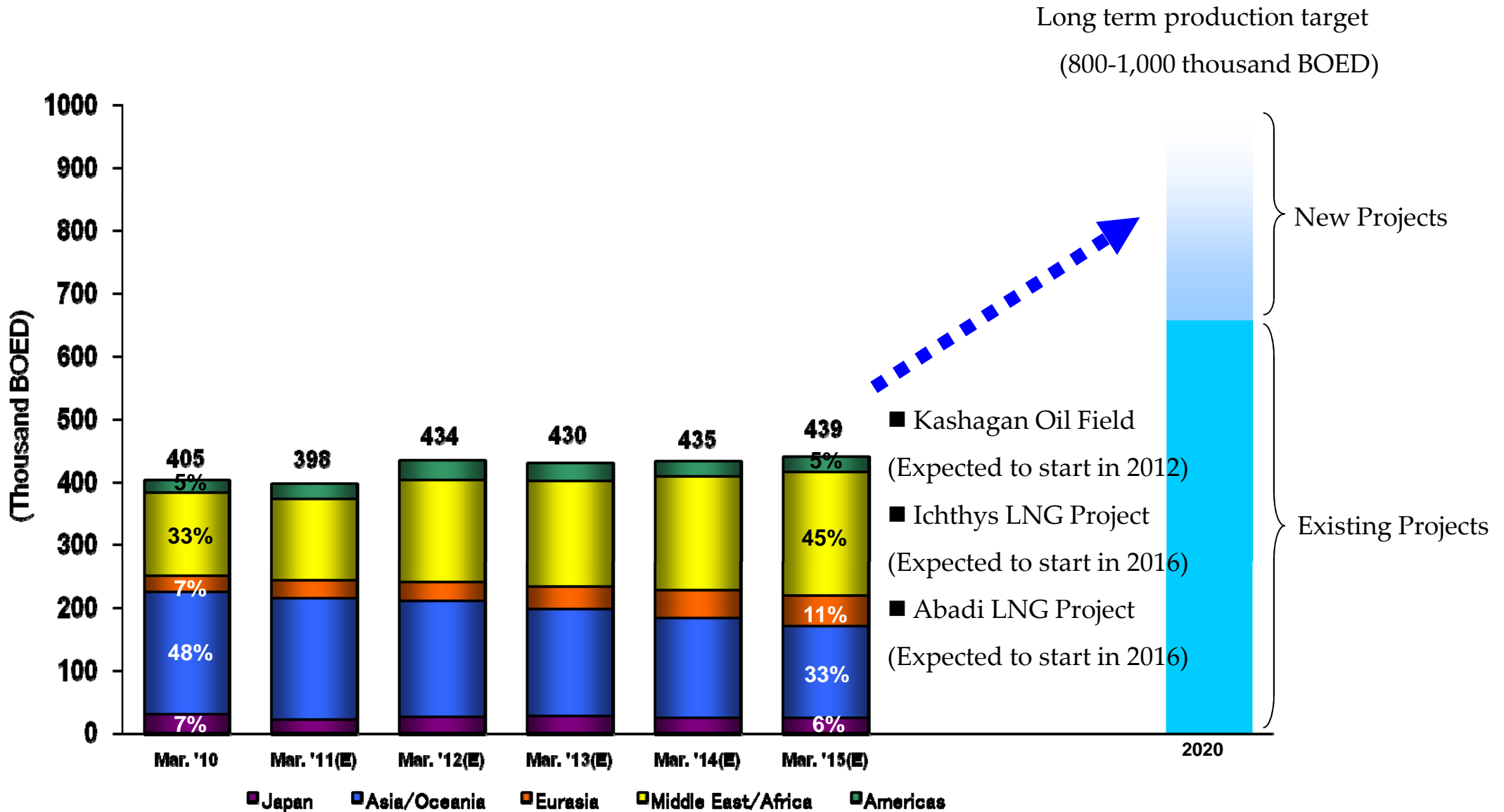
(Billions of Yen)



\* Mainly investments in Naoetsu LNG Receiving Terminal and domestic pipeline network, etc

\*\* Including Acquisition Costs

# Net Production\* Volume Projection



Note: Assuming oil prices (Brent) of \$77.5 in the year ending March 31, 2011 or later in the light of the recent market conditions.

\* The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of our group.