
Financial Results

for the nine months ended December 31, 2018

INPEX CORPORATION

February 12, 2019

Cautionary Statement

This presentation includes forward-looking information that reflects the plans 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 risks, 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 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.

Subsidiaries and Affiliates



64 consolidated subsidiaries

Major subsidiaries	Country/region	Ownership	Stage	Accounting term
Japan Oil Development Co., Ltd.	UAE	100%	Production	March (provisional settlement of account)
JODCO Onshore Limited	UAE	51 %	Production	December
JODCO Lower Zakum Limited	UAE	100%	Production	December
INPEX Sahul, Ltd.	Timor Sea Joint Petroleum Development Area	100%	Production	December
INPEX Ichthys Pty Ltd	Australia	100%	Production	March (provisional settlement of account)
INPEX Southwest Caspian Sea, Ltd.	Azerbaijan	51%	Production	March (provisional settlement of account)
INPEX North Caspian Sea, Ltd.	Kazakhstan	51%	Production	March (provisional settlement of account)
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	*	December
INPEX Gas British Columbia Ltd.	Canada	45.09%	Production/ Evaluation	December

20 equity method affiliates

*Prelude FLNG Project has commenced production of gas from the wellhead as announced on December 26, 2018.

Major affiliates	Country/region	Ownership	Stage	Accounting term
MI Berau B.V.	Indonesia	44%	Production	December
Angola Block 14 B.V.	Angola	49.99%	Production	December
INPEX Offshore North Campos, Ltd.	Brazil	37.5%	Production	December
Ichthys LNG Pty Ltd	Australia	62.245%**	Production	March (provisional settlement of account)

** INPEX reached an agreement with TOTAL to acquire a portion (4%) of the participating interest held by TOTAL as announced on December 13, 2018. Completion of the acquisition is subject to the fulfillment of certain conditions.

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Highlights of the Consolidated Financial Results for the nine months ended December 31, 2018



	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change
Net sales (Billions of yen)	703.6	700.5	(3.1)	(0.4%)
Crude oil sales	531.2	580.8	49.6	9.3%
Natural gas sales (including LPG)	162.4	107.4	(55.0)	(33.9%)
Others	9.9	12.2	2.2	22.3%
Operating income (Billions of yen)	287.8	352.6	64.7	22.5%
Ordinary income (Billions of yen)	308.2	378.0	69.7	22.6%
Net income attributable to owners of parent (Billions of yen)	53.4	62.6	9.1	17.2%
Net income per share (Yen)	36.57	42.87	6.30	17.2%

Average number of INPEX shares issued and outstanding during the nine months ended December 31, 2018: 1,460,278,450

Average crude oil price (Brent) (\$/bbl)	54.79	73.13	18.34	33.5%
Average exchange rate (¥/\$)	111.69	111.15	0.54yen appreciation	0.5% appreciation

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Crude Oil Sales

	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change
Net sales (Billions of yen)	531.2	580.8	49.6	9.3%

Sales volume (thousand bbl)	87,781	73,053	(14,728)	(16.8%)
Average unit price of overseas production (\$/bbl)	53.86	71.96	18.10	33.6%
Average unit price of domestic production (¥/kl)	40,112	54,273	14,161	35.3%
Average exchange rate (¥/\$)	111.83	110.43	1.40yen appreciation	1.3% appreciation

Sales volume by region (thousand bbl)	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change
Japan	703 (111.8 thousand kl)	589 (93.6 thousand kl)	(114) (-18.2 thousand kl)	(16.3%)
Asia & Oceania	6,135	2,811	(3,325)	(54.2%)
Eurasia (Europe & NIS)	10,250	11,167	917	8.9%
Middle East & Africa	69,378	57,718	(11,660)	(16.8%)
Americas	1,314	770	(544)	(41.4%)
Total	87,781	73,053	(14,728)	(16.8%)

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Natural Gas Sales (excluding LPG)

	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change
Net sales (Billions of yen)	156.9	106.3	(50.5)	(32.2%)

Sales volume (million cf)	213,169	143,409	(69,759)	(32.7%)
Average unit price of overseas production (\$/thousand cf)	5.07	2.92	(2.15)	(42.4%)
Average unit price of domestic sales (¥/m ³)	46.09	51.55	5.46	11.8%
Average exchange rate (¥/\$)	111.16	109.63	1.53yen appreciation	1.4% appreciation

Sales volume by region (million cf)	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change
Japan	54,859 (1,470million m ³ *)	57,014 (1,528million m ³ *)	2,155 (+58million m ³ *)	3.9%
Asia & Oceania	122,453	52,354	(70,100)	(57.2%)
Eurasia (Europe & NIS)	5,688	7,424	1,737	30.5%
Middle East & Africa	-	-	-	-
Americas	30,168	26,617	(3,551)	(11.8%)
Total	213,169	143,409	(69,759)	(32.7%)

*1m³=41.8605MJ

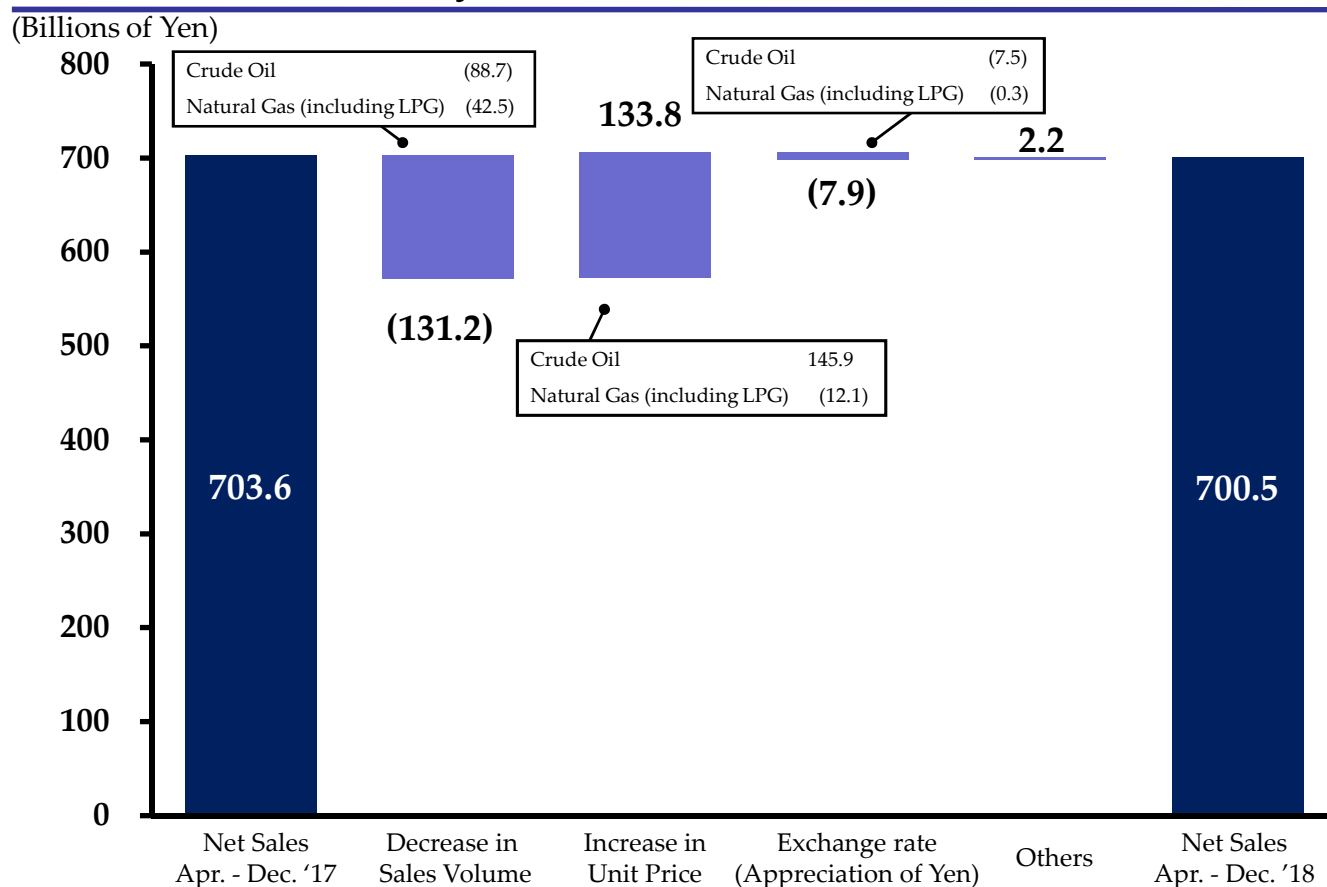
(FYI) LPG Sales

	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change
Net Sales (Billions of yen)	5.4	1.0	(4.4)	(81.1%)

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Analysis of Net Sales Decrease

INPEX



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Statement of Income

INPEX

(Billions of Yen)	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change	
Net sales	703.6	700.5	(3.1)	(0.4%)	Decrease in sales volume : (131.2) Increase in unit price : +133.8 Exchange rate (Appreciation of yen) : (7.9) Others : +2.2
Cost of sales	354.6	291.0	(63.6)	(17.9%)	
Gross profit	349.0	409.4	60.4	17.3%	
Exploration expenses	1.7	3.4	1.7	99.9%	
Selling, general and administrative expenses	59.3	53.3	(6.0)	(10.1%)	
Operating income	287.8	352.6	64.7	22.5%	Cost of sales for Crude Oil : 219.9 (Change) (32.0) Cost of sales for Natural Gas* : 62.2 (Change) (31.5) * Including LPG
Other income	30.8	45.6	14.7	48.0%	
Other expenses	10.4	20.2	9.7	93.8%	
Ordinary income	308.2	378.0	69.7	22.6%	Main factors for change : Equity in earnings of affiliates +15.0 Gain on reversal of allowance for recoverable accounts under production sharing (11.2)
Total income taxes	248.7	306.3	57.6	23.2%	
Net income (loss) attributable to non-controlling interests	6.1	9.0	2.9	48.3%	
Net income attributable to owners of parent	53.4	62.6	9.1	17.2%	Main factors for change : Interest expense +5.3 Provision for allowance for recoverable accounts under production sharing +3.2

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Other Income/Expenses

INPEX

(Billions of Yen)	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change
Other income	30.8	45.6	14.7	48.0%
Interest income	5.8	6.7	0.8	15.3%
Dividend income	2.7	2.2	(0.5)	(18.3%)
Equity in earnings of affiliates	2.6	17.6	15.0	567.7%
Gain on reversal of allowance for recoverable accounts under production sharing	11.2	-	(11.2)	(100.0%)
Foreign exchange gain	0.7	3.2	2.4	328.7%
Other	7.5	15.6	8.1	107.4%
Other expenses	10.4	20.2	9.7	93.8%
Interest expense	5.0	10.4	5.3	106.1%
Provision for allowance for recoverable accounts under production sharing	-	3.2	3.2	-
Other	5.3	6.5	1.1	22.2%

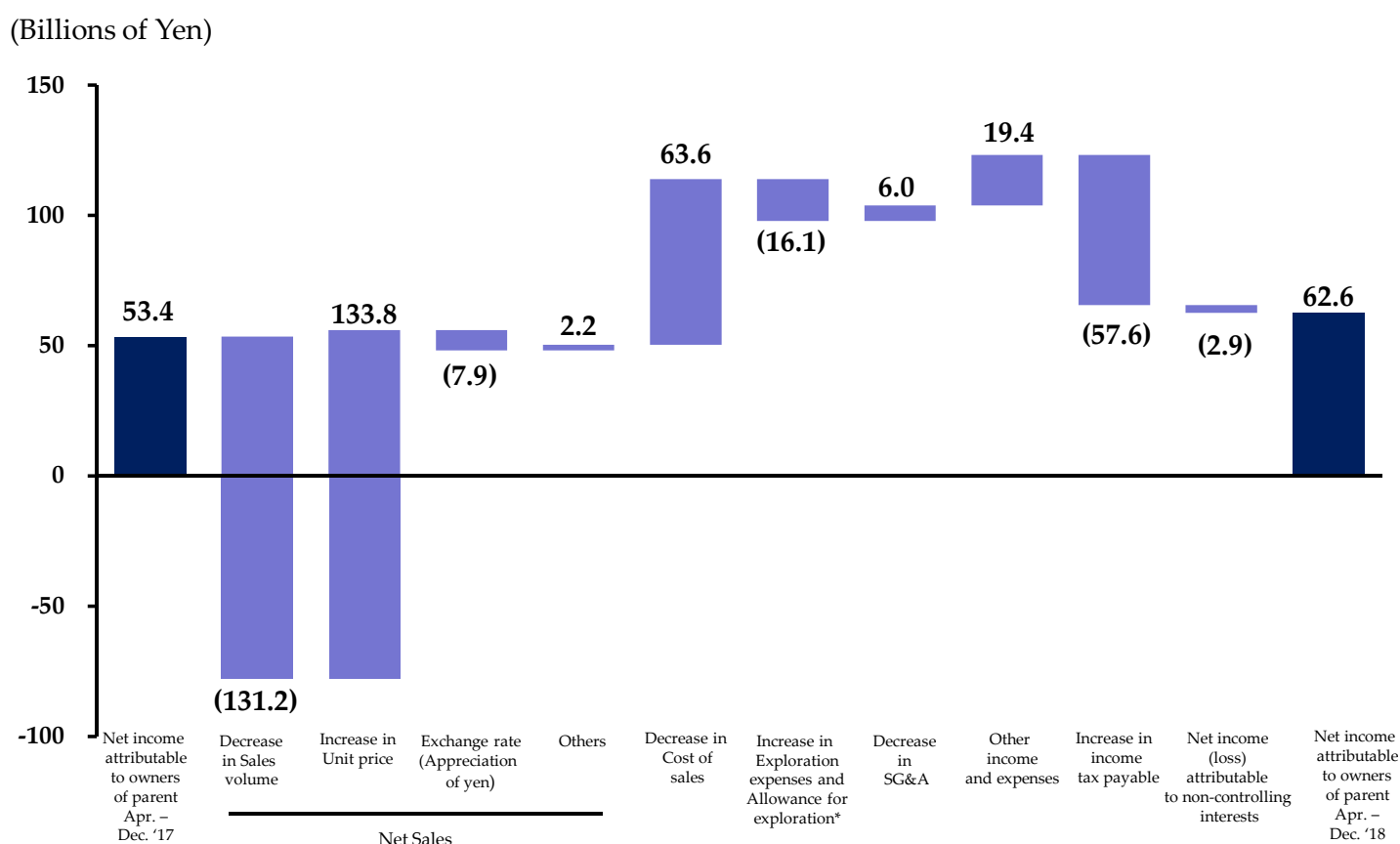
Profit increase in affiliates accounted for by the equity method

Compensation for termination of Ecuador's Block 18

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Analysis of Net Income Increase

INPEX



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*Provision for (gain on reversal of) allowance for recoverable accounts under production sharing

Revisions of Financial Forecasts for the year ending March 31, 2019



- Assumptions

(November 7, 2018)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	75.4	70.0	72.7
Exchange rate (yen/US\$)	110.3	110.0	110.1

↓

(February 12, 2019)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	75.4	64.3*1	69.9
Exchange rate (yen/US\$)	110.3	111.5*2	110.9

*1 3rd quarter (Actual) : US\$ 68.6/bbl, 4th quarter (Forecast) : US\$60.0/bbl *2 3rd quarter (Actual) : ¥112.9/US\$, 4th quarter (Forecast) : ¥110.0/US\$

- Financial Forecasts for the year ending March 31, 2019

	Previous forecasts (November 7, 2018)	Revised forecasts (February 12, 2019)	Change	% Change
Net sales (billions of yen)	1,001.0	971.0	Δ30.0	Δ3.0%
Operating income (billions of yen)	476.0	466.0	Δ10.0	Δ2.1%
Ordinary income (billions of yen)	487.0	493.0	6.0	1.2%
Net income attributable to owners of parent (billions of yen)	60.0	82.0	22.0	36.7%

- Dividend per share

	End of 2Q	End of fiscal year (forecast)
Year ending March 31, 2019 (yen)	9	15(Ordinary dividend 9, Commemorative dividend 6)

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Appendix

LPG Sales

	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change
Net sales (Billions of yen)	5.4	1.0	(4.4)	(81.1%)
Sales volume (thousand bbl)	1,094	168	(926)	(84.6%)
Average unit price of overseas production (\$/bbl)	44.65	55.10	10.45	23.4%
Average unit price of domestic production (¥/kg)	73.49	78.84	5.35	7.3%
Average exchange rate (¥/\$)	112.06	111.22	0.84yen appreciation	0.7% appreciation

Sales volume by region (thousand bbl)	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change
Japan	4 (0.4 thousand ton)	3 (0.3 thousand ton)	(0) (-0.0 thousand ton)	(11.9%)
Asia & Oceania	1,090	165	(925)	(84.9%)
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	-	-	-	-
Total	1,094	168	(926)	(84.6%)

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Balance Sheet

(Billions of yen)	Mar. '18	Dec. '18	Change	%Change
Current assets	466.3	455.0	(11.3)	(2.4%)
Tangible fixed assets	2,044.6	2,297.1	252.5	12.4%
Intangible assets	541.5	532.4	(9.0)	(1.7%)
Recoverable accounts under production sharing	589.0	584.3	(4.7)	(0.8%)
Other	692.4	1,037.3	344.8	49.8%
Less allowance for recoverable accounts under production sharing	(81.6)	(84.8)	(3.2)	4.0%
Total assets	4,252.3	4,821.4	569.0	13.4%
Current liabilities	305.4	484.3	178.9	58.6%
Long-term liabilities	788.0	1,087.1	299.0	37.9%
Total net assets	3,158.8	3,249.9	91.0	2.9%
(Non-controlling interests)	242.1	251.5	9.4	3.9%
Total liabilities and net assets	4,252.3	4,821.4	569.0	13.4%
Net assets per share (Yen)	1,997.24	2,053.36	56.12	2.8%

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 62.245%)

(Billions of yen)

- Current assets : 83.0
- Fixed assets : 3,813.8
- Total assets : 3,896.9
- ※Fixed assets include interest expense which are not included in CAPEX, and capitalized costs before FID.

Total shareholders' equity : +36.1
Accumulated other comprehensive income (Billions of yen) : +45.5

- Unrealized holding gain (loss) on securities : (7.5)
- Unrealized gain (loss) from hedging instruments : (4.9)
- Translation adjustments : +58.0

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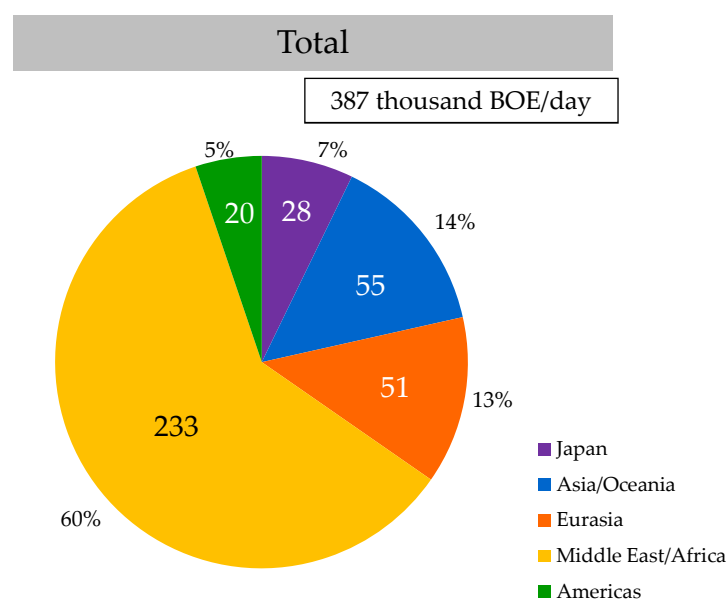
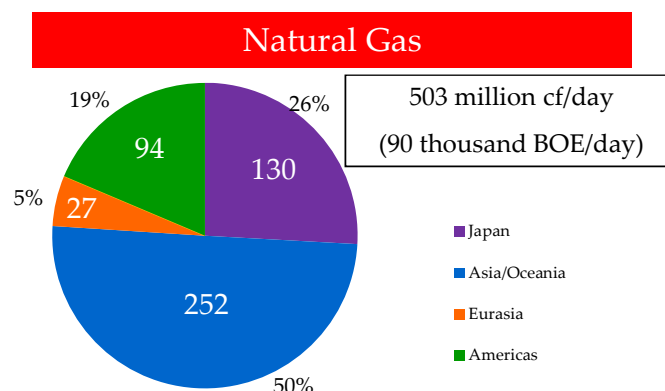
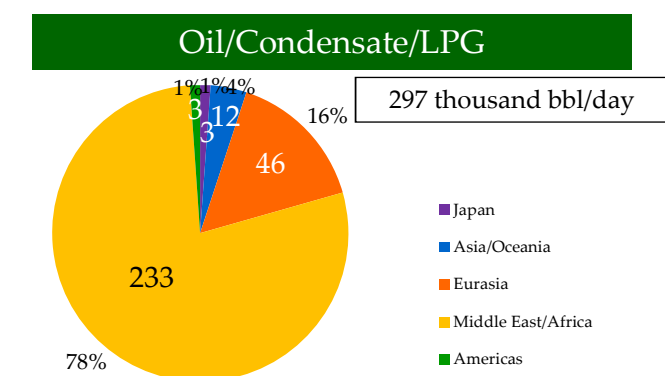
Statement of Cash Flows



(Billions of Yen)	Apr. - Dec. '17	Apr. - Dec. '18	Change	%Change
Income before income taxes	308.2	378.0	69.7	22.6%
Depreciation and amortization	69.7	69.4	(0.2)	(0.4%)
Recovery of recoverable accounts under production sharing (capital expenditures)	52.2	24.3	(27.8)	(53.4%)
Recoverable accounts under production sharing (operating expenditures)	4.8	5.6	0.8	16.9%
Income taxes paid	(228.4)	(281.5)	(53.1)	23.3%
Accounts receivable-trade / Accounts payable-trade	(22.2)	(51.0)	(28.8)	130.0%
Other	27.5	(9.6)	(37.1)	-
Net cash provided by (used in) operating activities	211.9	135.1	(76.7)	(36.2%)
Payments for time deposits / Proceeds from time deposits	317.1	(16.6)	(333.8)	-
Payments for purchases of tangible fixed assets	(204.3)	(163.4)	40.9	(20.1%)
Payments for purchases of investment securities	(128.4)	(83.6)	44.8	(34.9%)
Investment in recoverable accounts under production sharing (capital expenditures)	(19.8)	(27.4)	(7.6)	38.4%
Long-term loans made / Collection of long-term loans receivable	(111.9)	(262.8)	(150.8)	134.7%
Payments for purchases of mining rights	(0.7)	(105.8)	(105.0)	-
Other	12.1	20.0	7.9	65.3%
Net cash provided by (used in) investing activities	(136.1)	(639.8)	(503.6)	369.9%
Net cash provided by (used in) financing activities	14.5	447.6	433.1	-
Cash and cash equivalents at end of the period	407.9	218.1	(189.7)	(46.5%)

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Net Production* (Apr. 2018 – Dec. 2018)



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

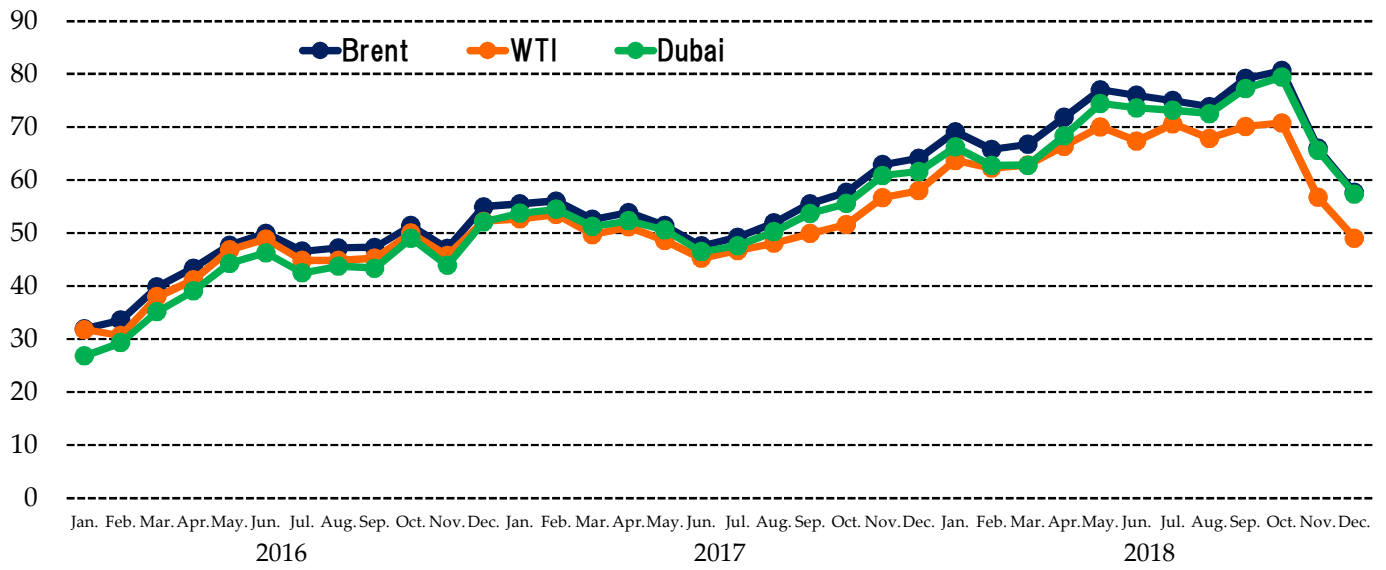
Reference information: 20 LNG cargos from the Ichthys LNG Project have been shipped from the Darwin Terminal to date, of which 11 LNG cargos shipped from the Darwin Terminal by the end of 2018.

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Crude Oil Price Movements



(US\$/bbl)



	Apr.- Dec. 2017	Apr. 2017 - Mar. 2018	2018										Apr. - Dec. 2018
	Average	Average	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Average	
Brent	54.79	57.85	71.76	77.01	75.94	74.95	73.84	79.11	80.63	65.95	57.67	73.13	
WTI	50.63	53.69	66.33	69.98	67.32	70.58	67.85	70.09	70.76	56.69	48.98	65.40	
Dubai	53.19	55.86	68.27	74.41	73.59	73.12	72.49	77.25	79.39	65.56	57.32	71.27	