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## **INPEX Submits Revised Plan of Development for Abadi LNG Project, Masela Block, Indonesia**

**TOKYO, JAPAN** - [INPEX CORPORATION](#) (INPEX) today announced that through its subsidiary INPEX Masela, Ltd., it has submitted a revised Plan of Development (POD) for Abadi LNG Project (hereinafter “Project”) incorporating a carbon capture and storage (CCS) component to Indonesian government authorities (hereinafter “authorities”) on behalf of the joint venture composed of INPEX and Shell.

In February 2022, INPEX announced its long-term strategy [INPEX Vision @2022](#) towards a net zero carbon society by 2050. As part of this initiative, the company has been in dialogue with the authorities to ensure the Project’s competitiveness and sustainability from a long-term perspective for the duration of the energy transition, and to render the Project clean and capable of responding to changes in the external environment.

As a result, INPEX amended the revised POD to include plans to neutralize all carbon dioxide (CO<sub>2</sub>) emitted from natural gas production at the Abadi Gas Field through the introduction of CCS. In addition, other circumstances facilitating the Project’s implementation have been restored, enabling the submission of the revised POD at this time.

In March 2023, Indonesia enacted a Ministerial Regulation of Energy and Mineral Resources on Carbon Capture, Utilization and Storage (CCS/CCUS) in the oil and gas business. Accordingly, the Project is expected to be the first CCS project to be carried out as a cost recovery<sup>1</sup> business based on the production sharing contract framework governing upstream oil and gas projects in Indonesia.

Going forward, INPEX expects to sequentially resume activities associated with the Project, including various on-site activities, and prepare to begin FEED work subject to the authorities’ approval of the revised POD and taking into account other circumstances concerning the Project’s development status. Thereafter, INPEX expects to complete the necessary preparations including marketing and financing activities and proceed with the Project aiming to reach a final investment decision (FID) in the latter half of the 2020s and commence production in the early 2030s as outlined in [INPEX Vision@2022](#).

The Project is expected to be INPEX’s second self-operated, large-scale natural gas development project following the Ichthys LNG Project in Australia. The Project’s annual LNG production volume is expected to reach 9.5 million tons, equivalent to more than 10 percent of Japan’s annual LNG imports. The Abadi Gas Field is expected to contribute to improving energy security in Indonesia, Japan, and other Asian countries, based on its world-leading gas field properties and plentiful



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reserves enabling efficient development and its CCS component allowing the stable supply of clean energy over the long term.

In addition, the Project is expected to contribute significantly to the much needed economic development of the eastern part of Indonesia in particular, and to achieving Indonesia's goal of reaching net zero CO2 emissions by 2060.

Items raised in this announcement have no impact on INPEX's consolidated financial results.

#### <sup>1</sup> Cost recovery in production sharing contracts (PSCs)

PSCs generally stipulate that an oil and natural gas development company undertakes exploration and development work at its own cost as a contractor of the government of an oil-producing country, and is entitled to the recovery of the exploration and development cost in the production stage through a portion of the produced hydrocarbons. The remaining portions are then shared between the oil-producing country and the contractor in accordance with a predetermined allocation ratio. In Indonesia government approval is required when determining the extent of allowable cost recovery, where a greater extent leads to improved cash flow and project economics for the contractor.

#### **About INPEX**

INPEX CORPORATION is Japan's largest exploration and production (E&P) company, and is currently involved in projects across multiple continents, including the Ichthys LNG Project in Australia as Operator. By thoroughly making its oil and gas business cleaner while expanding its 5 net zero business areas, INPEX aims to provide a stable supply of diverse and clean energy sources including oil, natural gas, hydrogen and renewables as a pioneer in energy transformation. For more information, visit <https://www.inpex.co.jp/english/index.html>.

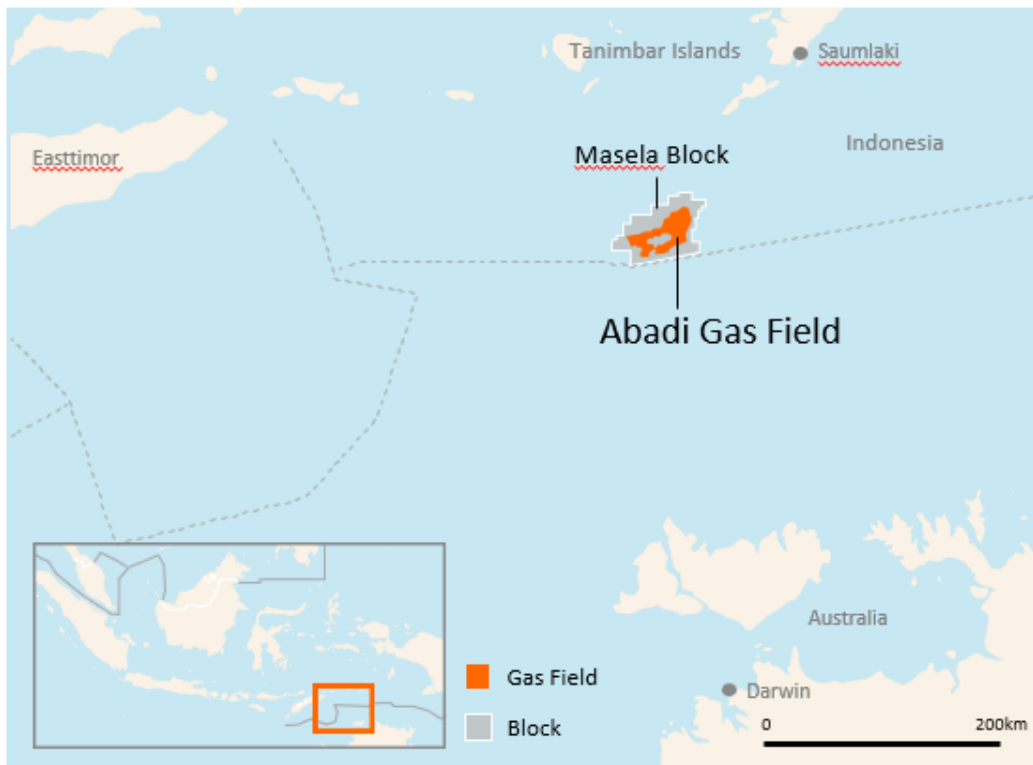
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【Reference】

<Details of Abadi LNG Project>

Block	Masela Block, Indonesia
Term of the Revised PSC	Until November 15, 2055
Contract area	Approximately 2,503 square kilometers
Water depth range	400 – 800 meters
Block location	150 kilometers offshore Saumlaki in Maluku Province
Production Capacity	Total output of natural gas (LNG equivalent) 10.5 million tons per year including - Approximately 9.5 million tons of LNG per year - Local gas supply via pipeline Up to approximately 35,000 barrels of condensate per day
Participating Interest	- INPEX (INPEX Masela, Ltd.): 65% (Operator) - Shell (Shell Upstream Overseas Ltd.): 35%
Others	The Project was listed by the Indonesian government as a national strategic project in June 2017 and as a priority infrastructure project in September 2017.

【Location of Masela Block】



Map includes provisional maritime boundaries