

January 9, 2009

**Notice of the valuation losses (impairment losses) of securities
at the end of the third quarter of the year ending March 31, 2009**

INPEX CORPORATION (INPEX) hereby announces that, due to the accounting practices requiring to make impairment for the losses of securities whose market value has declined considerably and which is not expected to recover, it records valuation losses (impairment losses) of securities for the first through the third quarters (April 1, 2008 – December 31, 2008) of the year ending March 31, 2009.

In impairment accounting for securities holdings at the end of a fiscal quarter, INPEX applies the quarterly reversal method. Therefore, losses to be recorded for the year ending March 31, 2009 may vary, or no losses may occur for the year depending on the market value of the securities on the last day of the fiscal year.

1. Total amount of valuation losses (impairment losses) of securities for the first through the third quarter of the year ending March 31, 2009

(1) Consolidated	(million yen)
(A) Valuation losses (impairment losses) of securities for the first to the third quarter of the year ending March 31, 2009	30,153*
(B) Net assets for the year ending March 31, 2008 (A / B × 100)	1,238,812 (2.4%)
(C) Ordinary income for the year ending March 31, 2008 (A / C × 100)	685,799 (4.4%)
(D) Net income for the year ending March 31, 2008 (A / D × 100)	173,245 (17.4%)

* The amount of 30,153 million yen includes valuation losses (impairment losses) of 5,108 million yen for securities held by the wholly owned subsidiaries for the first through the second quarter of the year ending March 31, 2009.

(2) Non-consolidated

We merged wholly owned subsidiaries, INPEX CORPORATION and Teikoku Oil Co., Ltd., on October 1, 2008 and changed the corporate name from INPEX Holdings Inc. to INPEX CORPORATION (INPEX). “Non-consolidated company” was INPEX Holdings Inc. on March 31, 2008 (the reference date for the above criteria (B), (C) and (D)). It was a pure holding company and, on the reference date of March 31, 2008, did not have the securities impaired this time. Main functions of INPEX Holdings Inc. were management of its group and not conducting businesses directly. Thus, we consider that comparing the non-consolidated valuation losses of 25,044 million yen at this time with the ordinary income or net income for the year ended March 31, 2008 is not necessarily appropriate (Please note that the difference between 25,044 million yen and the consolidated valuation loss of 30,153 million yen occurred as the valuation loss (impairment losses) of 5,108 million yen for the first to the second quarter financial results for the year ending March 31, 2009). However, for your reference, respective ratios under the above criteria (B), (C) and (D) for non-consolidated loss of 25,044 million yen are respectively 3.1% against net assets of 811,888 million yen, 159.1% against ordinary income of 15,738 million yen and 160.8% against net income of 15,576 million yen.

Note :

- 1) Our fiscal closing date is March 31.
- 2) INPEX has an accounting policy to make impairment if a current value of securities with market value declines more than 30% compared with the purchase price and which is not expected to recover.

2. Outlook

INPEX will record the above losses as other expenses (30,153 million yen for the consolidated basis and 25,044 million yen for the non-consolidated basis) in the third quarter financial results for the year ending March 31, 2009. In the consolidated basis, an amount of 5,108 million yen is already recorded in the second quarter financial results for the year ending March 31, 2009. INPEX does not change the consolidated financial forecast at this time, because the third quarter financial results are currently being calculated and effects other than the above losses will be also considered. INPEX will revise and release the consolidated financial forecast in a timely manner.