



Public Relations Group, Corporate Communications Unit
Akasaka Biz Tower, 5-3-1 Akasaka, Minato-ku, Tokyo 107-6332 JAPAN

21 December 2010

**Government Approval of the Development Plan of the Abadi Gas Field
in the Masela Block, the Arafura Sea, Indonesia**

INPEX CORPORATION (INPEX) is pleased to announce today that the Plan of Development (POD) for the Abadi gas field in the Masela Block, the Arafura Sea, Indonesia, was approved by the Indonesian Government. The project has been undertaken by INPEX Masela, Ltd., a subsidiary of INPEX, as the operator, and its project partner PT EMP Energi Indonesia (EMPI), a subsidiary of PT Energi Mega Persada Tbk. The approved POD envisions the adoption of the Floating LNG (liquefied natural gas) for an optimal method for the commercial development.

INPEX submitted a POD in September 2008 to BPMigas, the Indonesian authority for oil and gas upstream business, and was later given an government approval in principle. INPEX then discussed with the Indonesian Government the most optimal development plan based on the results of the third-party evaluation conducted by the Indonesian Government. It has now been concluded that the Abadi gas field will be developed in phases and that one FLNG plant will be constructed and utilized for the annual LNG production of 2.5 million ton for the first phase development.

INPEX Masela and EMPI will proceed to the FEED (Front End Engineering and Design) in a timely manner in order for an early start up of the commercial LNG production.

INPEX continues to seek support from the Indonesian Government and other stakeholders for an early and optimal commercial gas production from the Abadi project.



Public Relations Group, Corporate Communications Unit
Akasaka Biz Tower, 5-3-1 Akasaka, Minato-ku, Tokyo 107-6332 JAPAN

About the Abadi Project:

A gas field and LNG development project for the Abadi gas field located in the Masela Block in the Arafura Sea in the eastern part of Indonesia. The entire area of the Block is 3,221 km² and the water depth ranging from 300 to 1,000m.

INPEX Masela has explored the Block as the operator, and the field was discovered at the exploratory well Abadi-1 drilled in 2000. Subsequently, appraisal works were conducted, including the drilling of the six appraisal wells, and confirmed the sufficient volumes of gas reserves for an LNG development project.

Project participants

INPEX Masela : 90%, Operator
EMPI : 10%

Why one FLNG plant for 2.5 million ton will be constructed and utilized during the first phase of the Abadi gas field development

(1) Technical reference will now be available with other FLNG projects utilizing the similar-sized FLNG facilities, (2) it will be easier to secure the necessary insurance capacity, and (3) a more competitive environment can be exerted among the potential contractors that are eligible for manufacturing the FLNG facilities.

The estimated reserve volumes of the Abadi gas field remain unchanged as previously estimated.

About INPEX:

INPEX is committed to developing two large scale LNG projects: the Abadi project and the Ichthys project offshore Western Australia. These two projects will greatly contribute to a stable and efficient supply of energy to Japan.

INPEX has been expanding its exploration and development activities in Indonesia as one of its international core business areas. INPEX is conducting production activity in the Offshore Mahakam Block with the largest gas production in Indonesia. INPEX will proceed with the Abadi project which will further expand its exploration, development and production activities in Indonesia.

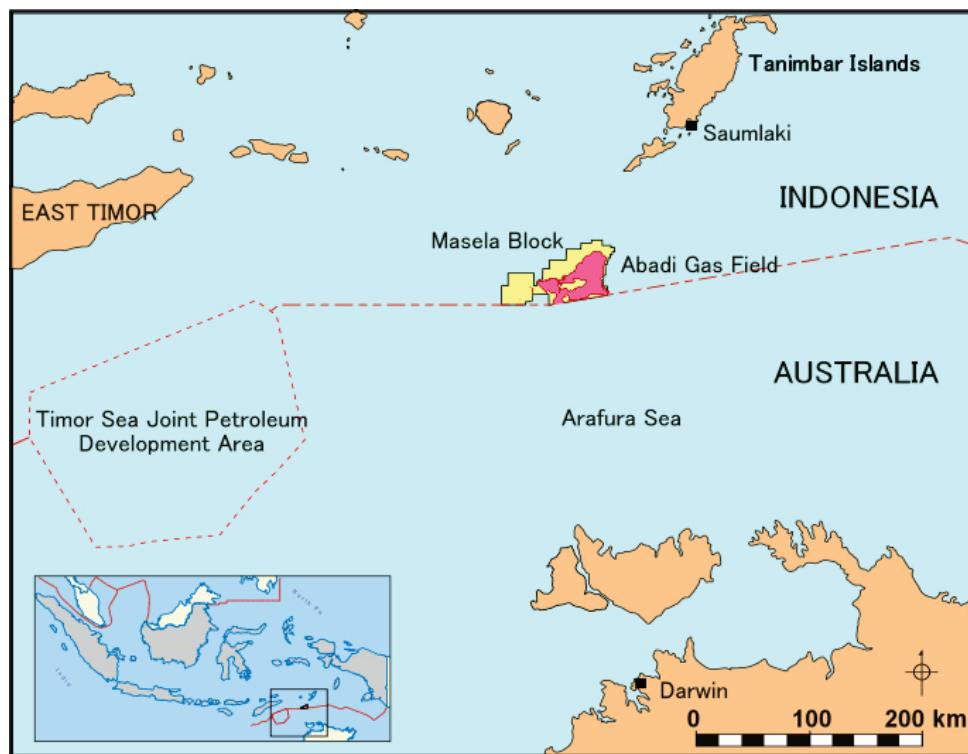
INPEX

INPEX CORPORATION

Public Relations Group, Corporate Communications Unit
Akasaka Biz Tower, 5-3-1 Akasaka, Minato-ku, Tokyo 107-6332 JAPAN



Abadi Project FLNG (image picture)



Media Contact: INPEX Tokyo Office, Public Relations Group, Tel) +81-3-5572-0233