

INPEX acquires Shale Gas Project interest from Nexen, Canada

INPEX CORPORATION (INPEX) is pleased to announce that through INPEX Gas British Columbia Ltd.^(*), it has agreed in principle to acquire a 40% participating interest in the shale gas projects in the Horn River, Cordova and Liard basins from Nexen Inc. (Nexen), a Canadian exploration and production company. This is the first case and it is a major milestone for INPEX to participate in a shale gas development and production project. This transaction is subject to the satisfaction of certain conditions precedent.

^(*)INPEX Gas British Columbia Ltd. is jointly established by INPEX and JGC Corporation with the purpose of promoting the shale gas projects in the Horn River, Cordova and Liard basins

The Horn River, Cordova and Liard basins are located in northeast corner of British Columbia, about 1,000km north-northwest of Calgary, Alberta, Canada. These three basins are considered to contain high potential of large-scale shale gas reserves. The joint venture lands are comprised of Horn River 366km², Cordova 333km², and Liard 517km², forming relatively large portions of each basin. In the Horn River basin, production has already started and it now produces shale gas of approximately 50 million standard cubic feet per day (8,000 barrels of oil equivalent per day). In the Horn River and Cordova basins, we envision a full-scale production of the shale gas is expected to be up to 1,250 million standard cubic feet per day (200,000 barrels of oil equivalent per day).



Left: Well pads in the Horn River Basin in February 2010 at 8 well pad drilling. It came onstream in October 2010

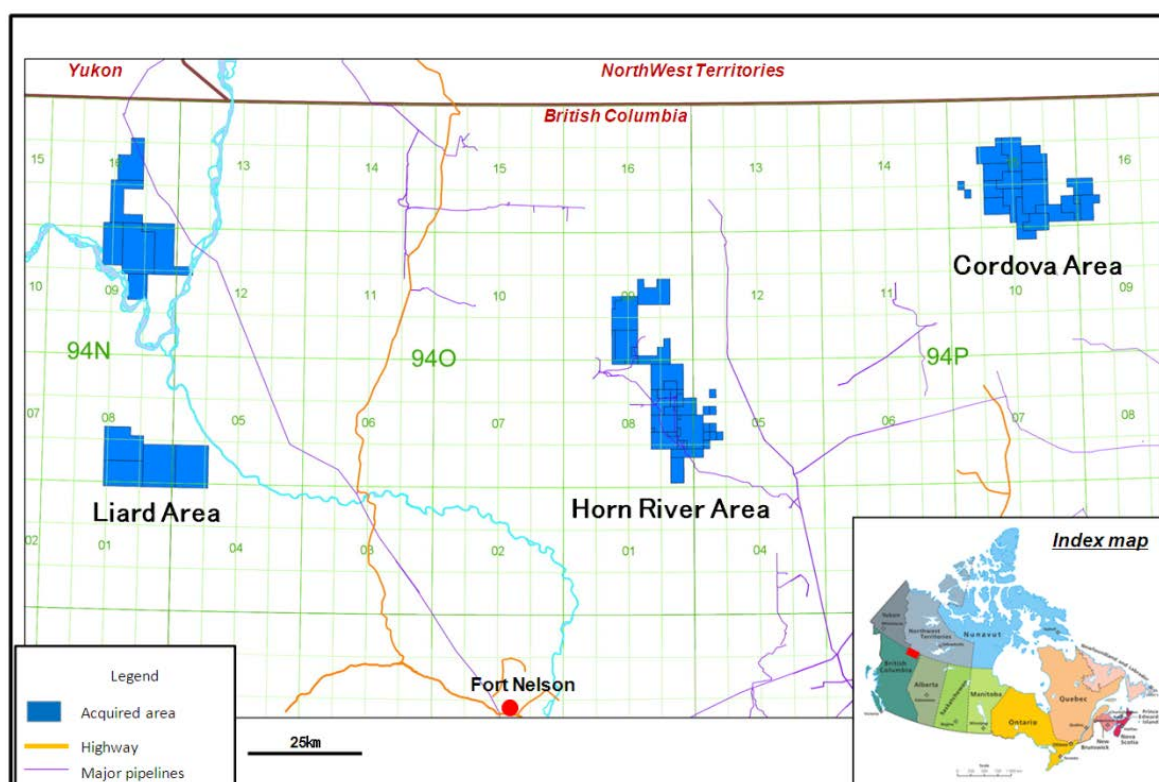


Right: Frac operations in the Horn River Basin in August 2011 at 9 well pad drilling. It came onstream in October 2011

In the Horn River and Cordova basins, INPEX and Nexen will proceed with appraisal and development of the resource. In the Liard basin, INPEX and Nexen will conduct the necessary evaluation activities for further shale gas development.

INPEX plans to dispatch its experts as secondees to this project, which help the project benefit from INPEX's wide range of gas development experiences around the world. Thus, INPEX is going to be involved in this promising shale gas development and production opportunity.

INPEX is seeking to expand global E&P activities as one of the fundamental strategies, and the acquisition of the shale gas project will meet a strategic objective to strengthen INPEX's natural gas asset portfolio. INPEX continues to aggressively pursue oil and gas exploration and production projects targeting also unconventional hydrocarbon resources by acquiring expertise and knowledge of shale gas development projects brought by this opportunity.





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About Shale Gas

Shale gas, being one of natural gas resources, is tightly locked in very small spaces within the shale rock formations. Nowadays advanced technologies such as horizontal well drilling and multi-stage hydraulic fracturing are utilized to recover shale gas. This enables to economically produce gas from the shale formations and, thus the shale gas development projects are boosting.

About Nexen

Nexen Inc. is an independent, Canadian-based global energy company, listed on the Toronto and New York stock exchanges under the symbol NXY. Nexen is focused on three growth strategies: oil sands and shale gas in Western Canada and conventional exploration and development primarily in the North Sea, offshore West Africa and deepwater Gulf of Mexico. Nexen adds value for shareholders through successful full-cycle oil and gas exploration and development, leadership in ethics, integrity, governance and environmental stewardship.

Detail of this transaction of the project

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|------------------------|---|
| Basin | Horn River 366km ² Cordova 333km ² Liard 517km ² |
| Participating Interest | Nexen 60% (Operator) INPEX Gas British Columbia Ltd. ^(*) 40% ^(*) INPEX 82%, Canadian Subsidiary of JGC Corporation 18% |
| Location | 1,000km north-northwest of Calgary, Alberta, Canada |

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