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Australia/Japan: INPEX signs Heads of Agreement on LNG sales with two Japanese Utility Companies for the Prelude FLNG Project

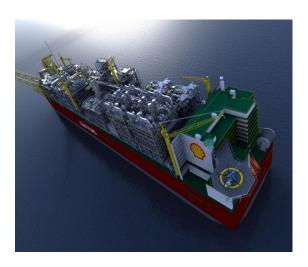
INPEX CORPORATION (INPEX) is pleased to announce that it has signed Heads of Agreements (HOAs) today with Japan's Tokyo Electric Power Company, Inc. (TEPCO) and Japan's Shizuoka Gas Company, Ltd. (Shizuoka Gas) for the sales and purchase of Liquefied Natural Gas (LNG) from the Prelude FLNG project (The Project) in Australia.

INPEX is the parent company of INPEX Oil & Gas Australia Pty Ltd. (IOGA), a holder of an equity interest of 17.5% in The Project. The Project is being developed by a subsidiary of Royal Dutch Shell plc (Shell) utilizing Floating LNG (FLNG) technology.

This is the first time for INPEX to sell LNG produced from an FLNG project and represents an important milestone.







Prelude FLNG Project, FLNG (Image)

The Project is located in Block WA-44-L, approximately 475km north-northeast of Broome, off the coast of Western Australia, consisting of the Prelude and the Concerto gas fields. These gas fields will be developed utilizing FLNG technology, and will produce at least 3.6 MTPA of LNG, 0.4 MTPA of LPG (liquefied petroleum gas) and approximately 36,000 barrels per day of condensate at peak.

INPEX acquired a 17.5% participating interest in the Project in June 2012. Shell holds



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a 67.5% majority participating interest as the Operator while Korea Gas Corporation holds a 10% participating interest and Taiwan's CPC Corporation holds a 5% participating interest.

Shell made the final investment decision on The Project in May 2011. The hull of the FLNG facility was floated out from a dry dock in December 2013 representing an important technology milestone. The development of the Prelude gas field is proceeding smoothly, and is targeting a production start-up in 2017 around 10 years after the Prelude gas field was discovered in early 2007.

Under the HOAs, INPEX has reached agreement for IOGA's equity portion of The Project's LNG output (approximately 0.63MTPA), with TEPCO to purchase approximately 0.56 MTPA of LNG and Shizuoka Gas to purchase approximately 0.07 MTPA of LNG for 8 years commencing in 2017, both using "Delivered Ex Ship" trade terms. The sales volume of LNG to each buyer shown above is the expected plateau volume. As all of the IOGA's equity portion of LNG from the Project will be delivered into Japan for these two Japanese utility companies, it will significantly contribute to Japan's stable energy supply.

INPEX will continue to negotiate with TEPCO and Shizuoka Gas with regard to the finalization and execution of the LNG Sales and Purchase Agreements.

INPEX is engaged in many significant natural gas projects worldwide including the world-scale Ichthys LNG Project in Australia and the Abadi LNG Project in Indonesia as Operator. These projects will meet a growing demand for natural gas which is an environmentally friendly fuel and will contribute to securing a stable supply of energy.

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