

September 1, 2014

**INPEX to Transfer Participating Interest in
Deep-water Block S, Offshore Malaysia to Santos**

[INPEX CORPORATION](#) (INPEX) announced today that through its wholly-owned subsidiary, INPEX Offshore Northwest Sabah, Ltd. (INPEX Sabah), it has reached an agreement to transfer a 25% participating interest in the Deep-Water Block S (the Block) to Santos, a major Australian oil and gas exploration and production company.

The Block is an offshore block located in East Malaysia, where INPEX Sabah conducts exploration activities as an operator.

The Block covers an area of 574km² with a water depth ranging from 200m to 1,500m. The Block lies in the Sabah basin where large reserves of oil and natural gas, such as the Kikeh and the Gumusut-Kakap oil fields were discovered.

INPEX acquired the Block as an operator in January 2012 together with PETRONAS Carigali. After the acquisition of the Block, INPEX Sabah conducted a three-dimensional seismic survey and geological and geophysical studies. Based on the result of the studies, INPEX is planning to drill wildcat wells this year for new discovery of oil and natural gas deposits.

Santos conducts oil and gas exploration and production activities mainly in the Asian and Oceania regions and has extensive business experience in Australia. INPEX and Santos are jointly engaged in many oil and gas exploration and production activities such as the Bayu-Undan Project in the Joint Petroleum Development Area between Australia and Timor-Leste and several exploration permits adjacent to the Ichthys LNG project in the north-western Australia. This agreement with Santos regarding the Block will further strengthen the relationship between INPEX and Santos.

<Details of the offshore deep-water Block S, State of Sabah (Borneo Island) >

Project	Deep-water Block S
Acquisition Date	17 th January, 2012
Area	574km ²

Location	East Malaysia		
Water Depth	200~1,500m		
Participation Interests	INPEX Offshore North West Sabah, Ltd.	50%	(Operator)
	PETRONAS CARIGALI Sdn. Bhd.	25%	
	Santos	25%	

<Details of other Malaysian project that INPEX participates in>

Project	Deep-water Block R		
Acquisition Date	17 th January, 2012		
Area	672km ²		
Location	East Malaysia		
Water Depth	100~1,400m		
Participation Interests	JX Nippon Oil & Gas Exploration (Deepwater Sabah), Limited	37.5%	(Operator)
	INPEX Offshore South West Sabah, Ltd.	37.5%	
	PETRONAS CARIGALI Sdn. Bhd.	25%	

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