INPEX CORPORATION
Public Relations Group, Corporate Communications Unit
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April 5, 2016

Recognition of Impairment Losses, etc. and Revised Financial Forecasts for the Fiscal Year Ended March 31, 2016

Tokyo, Japan - INPEX CORPORATION (INPEX) announced today that it has revised its consolidated financial forecasts for the fiscal year ended March 31, 2016 as follows, in light of impairment losses, etc. and recent performance trends and other factors.

INPEX will recognize impairment losses, etc. on certain upstream assets (*) mainly related to projects currently in production after revaluating the assets of its upstream projects mainly in light of the decline in crude oil prices. As a result, the net income attributable to owners of the parent for the fiscal year ended March 31, 2016 is estimated to be 26.0 billion yen, down 26.0 billion yen from the previous forecast.

1. Revised forecasts for consolidated financial results for the fiscal year ended March 31, 2016

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income attributable to owners of parent (Millions of yen)	Net income per share (Yen)
Previous forecasts (February 4, 2016): A	997,000	364,000	375,000	52,000	35.61
Revised forecasts: B	1,011,000	389,000	379,000	26,000	17.80
Increase (decrease): B-A	14,000	25,000	4,000	(26,000)	
Percentage(%) change	1.4	6.9	1.1	(50.0)	
Reference: Consolidated financial results for the fiscal year ended March 31, 2015	1,171,226	534,886	575,155	77,820	53.29

The forecast for the year-end dividend for the fiscal year ended March 31, 2016 will remain unchanged from the previous forecast at 9 yen per share. (The annual dividend per share will be 18 yen.)

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(*) Impairment losses, etc. on upstream assets

(1) Major assets in question

Impairment tests were conducted on the asset of the Lucius Oil Field at Keathley Canyon Blocks 874/875/918/919 in the U.S. Gulf of Mexico (Lucius Oil Field) held through INPEX's subsidiary Teikoku Oil (North America) Co., Ltd., in light of deteriorating business environments based on such factors as the drop in oil prices. As the recoverable amount of this asset is expected to fall below the carrying amount, INPEX will consequently reduce the carrying amount to the recoverable amount, posting the reductions as impairment losses amounting to approximately 25.5 billion yen.

Also in light of deteriorating business environments based on such factors as the drop in oil prices, INPEX will recognize one-off losses on assets of the following:

- Offshore Angola Block 14 held through INPEX's equity-method affiliate Angola Block 14 B.V.
- Shale Gas Project in Canada held through INPEX's subsidiary INPEX Gas British Columbia Ltd.
- JPDA06-105 Block in the Joint Petroleum Development Area of Timor Sea held through INPEX's subsidiary INPEX Timor Sea, Ltd.

(2) Impact on net income attributable to owners of the parent

(billions of yen)

Projects in question	Impact on net income attributable to owners of the parent
Lucius Oil Field	Approx.(25.5)
Offshore Angola Block 14	Approx.(19.0)
Shale Gas Project in Canada	Approx.(8.0)
JPDA06-105 Block	Approx.(7.5)
Other assets of upstream projects mainly in production	Approx.(7.0)
Total	Approx.(67.0)(*)

Impact on net income attributable to owners of the parent in the amount of 52.0 billion yen in the previous forecasts announced on February 4, 2016	Approx.(37.0)

(*) Of the total impact (-67.0 billion yen) -30.0 billion yen has been already included in the net income attributable to owners of the parent in the forecasts for consolidated financial results for the fiscal year ended March 31, 2016 announced on February 4, 2016.

NB: Forecasts above are based on currently available information and contain many uncertainties. The final results may differ from the forecasts above due to changes in business conditions including oil and natural gas price levels, production and sales plans, project development schedules, government regulations and financial and tax schemes, etc.

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