

October 17, 2001

INPEX to Expand Its Exploration Activities in Australia.

1. Firming in to VIC/P42 and VIC/P45, Gippsland Basin in Australia.

[VIC/P42]

INPEX CORPORATION (INPEX) announced that its wholly owned subsidiary INPEX ALPHA, Ltd (INPEX ALPHA) acquired a 50% interest in August 2001 in the VIC/P42 Exploration Permit located in Bass Strait, offshore Victoria, Australia from Bass Strait Oil Company Ltd. (BSOC). BSOC (operator) holds the remaining 50% interest.

The VIC/P42 permit covers an area of 1,876km² with a water depth ranging from 50m to 80m. In May 1998, BSOC was awarded 100% interest in the permit by the Victoria Government. The exploration permit is valid until January 2006 and currently in the second permit year for the exploration. The first exploratory well Meleville 1 is scheduled to be drilled within this year. INPEX has an option to obtain Operatorship in the permit after the third permit year.

[VIC/P45]

INPEX also announced that INPEX ALPHA acquired a 40% interest in October 2001 in VIC/P45 Exploration Permit located in Bass Strait, offshore Victoria, Australia from BHP Billiton Petroleum Pty Ltd. (BHP Billiton). BHP Billiton (operator) holds the remaining 60% interest.

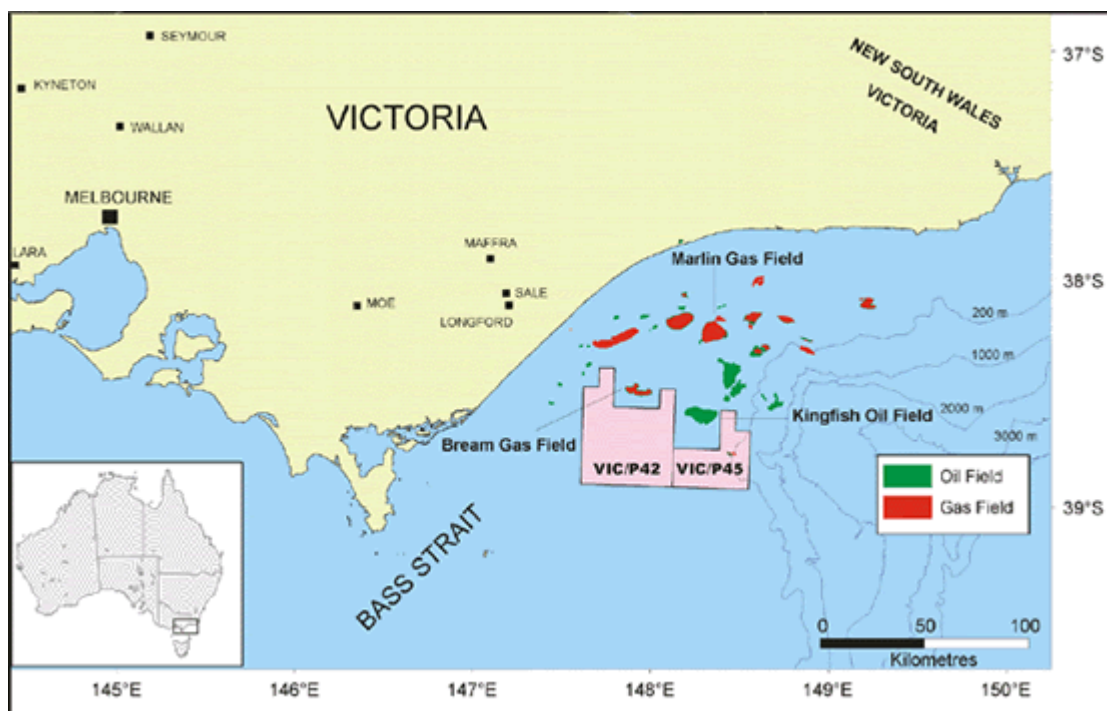
VIC/P45 permit covers an area of 870km² with a water depth ranging from 70m to 900m. The exploration permit is valid until May 2006 and the first exploratory well will be drilled within the first half of next year.

INPEX and BHP Billiton have agreed to continue to seeking further exploration and development opportunities in Australia.

[Potential for offshore Victoria]

Both permits are in the offshore Gippsland Basin, which is the most prolific hydrocarbon basin where many large oil and gas fields such as Kingfish have been discovered and further potential for exploration and development still remain.

Australia is one of the core areas for E&P activity of INPEX. INPEX ALPHA is producing oil in Griffin field, Western Australia, and also holds discovered and undeveloped oil and gas fields such as Vincent field in Western Australia.



2. Discoveries of Natural Gas and Condensate in Exploration Permit WA-285-P, Offshore Western Australia.

INPEX CORPORATION (INPEX), through its wholly owned subsidiary, INPEX BROWSE, LTD., with its operating office in Perth, has been conducting exploratory operations as the operator in the WA-285-P Exploration Permit since August 1998. This project is carried out for the first time in Australia under the operatorship of INPEX. The WA-285-P is located in the Browse Basin, on the North West Shelf of Western

Australia, approximately 440km north of Broome and 800km southwest of Darwin. It encompasses an area of 5,050 square km with water depths ranging from 90 to 340 metres.

Seismic acquisition and geological and geophysical studies were undertaken in 1999 and early 2000. Subsequently, INPEX BROWSE, LTD. conducted a three-well drilling program in the northwestern part of the permit area, from March 2000 to February 2001. Natural gas and condensate were discovered and flowed by drill stem tests in all three wells.

The results of the wells, named after fossil fish, are confirmed as follows:

Dinichthys-1:

Field results for this well have been previously released. This well flowed gas at the rate of 21.3 million cubic feet (3,791 barrels oil equivalent) per day, accompanied by 933 barrels of condensate per day, through a 40/64 inch choke. Operational constraints prevented higher flow rates.

Titanichthys-1:

The well flowed gas at the rate of 40.6 million cubic feet (7,227 barrels oil equivalent) per day, accompanied by 2,305 barrels of condensate per day, through a 1 inch choke.

Gorgonichthys-1:

The gas column intersected in Dinichthys 1 and Titanichthys 1 was confirmed in Gorgonichthys 1. In addition, an extensive gas column was tested in the deeper formation where test has not been carried out in Dinichthys-1 and Titanichthys-1 with a flow of gas at the rate of 30.5 million cubic feet (5,429 barrels oil equivalent) of gas per day, accompanied by 202 barrels of condensate per day, through a 56/64 inch choke.

Currently, geological, economics, and engineering studies are proceeding for the evaluation of these discoveries. In addition, an extensive program of 3D seismic acquisition is ongoing in the permit area. Based on result, appraisal drilling will be carried out in 2003.

