

8 August 2005

Execution of LNG Sales and Purchase Agreement of Bayu-Undan

INPEX CORPORATION announces that the LNG Sales and Purchase Agreement (SPA) of Bayu-Undan project between Darwin LNG Pty Ltd which is the joint venture vehicle of the project partners, and Tokyo Electric Power Company (TEPCO) / Tokyo Gas has been executed in Darwin, Australia on 8 August, 2005. The Bayu-Undan field is located in the Joint Petroleum Development Area (JPDA) between East Timor and Australia.

Followed the Heads of Agreement signed between Darwin LNG and TEPCO/Tokyo Gas in March 2002, the parties have executed the SPA as the formal and entire agreement to set detailed terms and conditions of the sales and purchase of the LNG. The natural gas produced from the field will be delivered to the LNG plant in Darwin through the offshore pipeline and Darwin LNG will exports 3 million tons of LNG per year to TEPCO and Tokyo Gas from 2006 to 2022 under the SPA.

INPEX has convinced the Bayu-Undan project contributes to establish the expanding energy market in Asia Pacific, especially with LNG as a clean energy.

The execution of the SPA will enhance INPEX's LNG projects development and activities in the Oceania as one of its core areas.

Supplemental Information

- 1 Bayu-Undan gas condensate field is located at the 500km northwest of Darwin with water depths at 80m. The field straddles both contract areas of JPDA03-12 and JPDA03-13 and the parties of both areas have established the Bayu-Undan Unit for the purpose of development and production from the field.
- 2 INPEX Sahul, Ltd. holds a 19.07% participating interest in JPDA03-12 and a 10.53% in the Bayu-Undan Unit. The other parties to the Bayu-Undan Unit are the operator ConocoPhillips (48.47%), Eni (12.04%), Santos (10.64%), Tokyo Timor Sea Resources (TEPCO/Tokyo Gas 10.08%) and Petroz (8.25%). INPEX DLNGPL Pty Ltd, which is the subsidiary company wholly owned by INPEX CORPORATION, participates with the same share (10.53%) of the Bayu-Undan Unit, in the joint venture for the construction and operation of the offshore pipeline from the field to Darwin and invests in Darwin LNG Pty Ltd, which constructs and operates the LNG plant.
- 3 Bayu-Undan field has been producing condensate and LPG since 2004 by the gas recycling method.

The field produces 69,000 bpd of condensate and 39,000 bpd of LPG as of July 2005. The Elang Kakatua and the Kakatua North fields located in JPDA 03-12 produce 3,600 bpd of crude as of July 2005.

- 4 INPEX, through its subsidiaries, is involved in the business in the Oceania as one of its core areas.
Since 1994, INPEX Alpha, Ltd. has been engaged in the producing project of Griffin field, offshore Western Australia as well as the other 7 exploration and development projects in Western Australia, Victoria and Tasmania.
INPEX Browse, Ltd. as the operator with a 100% participating interest discovered the Ichthys gas-condensate field in the WA-285-P, offshore Western Australia and is conducting an appraisal work for the future development of the field.
INPEX Timor Sea, Ltd. discovered crude oil in the structures in the JPDA03-01 area and is conducting an appraisal work for the future development.

Bayu-Undan Field

