

June 22, 2006

INPEX Holdings Inc.
Sojitz Corporation

Final Investment Decision on the Frade Field in the Federal Republic of Brazil
- First Oil Production in Brazil by Japanese Companies -

INPEX Holdings Inc. and Sojitz Corporation made the final investment decision on June 15, 2006, concerning the Frade Field Development Project participated in through FJPL (Frade Japão Petróleo Limitada), a Brazilian entity established by INPEX Offshore North Campos, Ltd., which is a joint venture company established by INPEX Holdings Inc., Sojitz Corporation and Japan Oil, Gas and Metals National Corporation. Upon this decision, development activities will be started towards the commencement of oil production in the field in April 2009.

In the project to develop the Frade Field in the Campos Basin off the Federal Republic of Brazil, operations are being carried out by an international consortium composed of FJPL, Chevron (the operator) and Brazil's national oil company Petrobras, with each holding a participating interest of 18.3%, 51.7% and 30%, respectively. The Frade Field was discovered in 1986. Through the signing of a Participation Agreement with Petrobras, FJPL participated in the project in July 1999 when the field was in the exploration/evaluation stage.

The Frade Field is located a distance of 120 kilometers offshore in a deep-water area at a depth of 1,050 to 1,300 meters. The field is expected to contain approximately 300 million barrels of recoverable reserves and the production capacity is estimated at 100,000 barrels per day. The project has adopted the development concept of a subsea completion well and FPSO (Floating Production Storage and Offloading) systems. The total capital investment is projected at 2.4 billion US dollars.

With this final investment decision, the first crude oil production in Brazil by Japanese companies will be realized based on the oil development project in which these Japanese companies hold an interest. INPEX Holdings Inc. and Sojitz Corporation will continuously strive to engage fully in the development activities of the Frade Field to achieve the commencement of steady production, and will further endeavor to explore oil development projects in Brazil.

Footnotes

1. The shareholders of INPEX Offshore North Campos, Ltd. are: Japan Oil, Gas and Metals National Corporation (JOGMEC) (50%), INPEX Corporation (INPEX Holdings Inc.) (37.5%), and Sojitz Corporation (12.5%).

2. FJPL is actually a wholly-owned subsidiary of INPEX Offshore North Campos, Ltd. FJPL was established in July 1999.

3. INPEX Holdings Inc. and Sojitz Corporation have participated in the project since the then Indonesia Petroleum, Ltd. and Nissho Iwai Corporation were jointly assigned an interest in the Frade Block by Petrobras, which owned a 100% interest in the Block at that time.

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Location of Frade Field, Brazil

