



Public Relations Group, Corporate Communications Unit
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Partnering in the Abadi Project, the Masela Block, Arafura Sea, Indonesia

INPEX CORPORATION (INPEX) is pleased to announce today that its affiliate INPEX Masela, Ltd. (INPEX Masela) has signed an agreement with Shell Upstream Overseas Services (I) Limited a subsidiary of Royal Dutch Shell plc ("Shell"), to transfer a 30% participating interest in the Masela Block, the Arafura Sea, Indonesia (Abadi Project). This transaction is subject to approval of the Indonesian Government and satisfaction of certain other conditions.

INPEX Masela is the operator with a 90% participating interest in the Masela Block, which measures 3,221km² in a water depth ranging from 300m to 1,000m. The Abadi gas field was discovered in 2000, and the subsequent six appraisal wells and the study results confirmed the sufficient gas reserves for LNG development. In December 2010, the plan of development was approved by the Indonesian Government that the Abadi gas field will be developed in phases and a Floating LNG (FLNG) plant will be constructed and utilized for an annual production of 2.5 million tonnes for the first phase development.

INPEX Masela is currently preparing to award Front-End Engineering and Design (FEED) contracts, which is scheduled for the 1st half of 2012.

Based on the technical characteristics of the Abadi Project, which is a large-scale offshore LNG project, INPEX considers it vital to invite a strategic partner among major oil companies, which has sufficient expertise and experiences of LNG business and, in particular, of large scale offshore gas development activities. As a result, INPEX decided to invite Shell as the strategic partner for Abadi Project. Shell is a world leader of LNG projects and has a particular capability in FLNG technology which will be very valuable to the Abadi Project. In particular, Shell has just demonstrated its leadership and delivery in FLNG activities by reaching a final investment decision on the Prelude FLNG project made in May 2011, the first FLNG project globally to reach development level.

While INPEX Masela will continue to be the Operator of the Abadi Project holding a 60% participating interest, it is expected that the participation of Shell with its extensive expertise and experiences in offshore production, gas liquefaction, LNG shipping and, in



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particular, its FLNG experiences will help ensure the timely delivery of the Abadi project. It will also contribute largely to promote a wider collaborative relationship between INPEX and Shell on the Abadi project and other projects.

INPEX continues to seek support from the Indonesian Government and other stakeholders for a successful commercial production from the Abadi project.

INPEX has a 50% working interest in the Offshore Mahakam Block with the largest gas production in Indonesia. INPEX will be expanding its exploration and development activities in Indonesia as one of the company's core business areas.

(1) Participating Interests

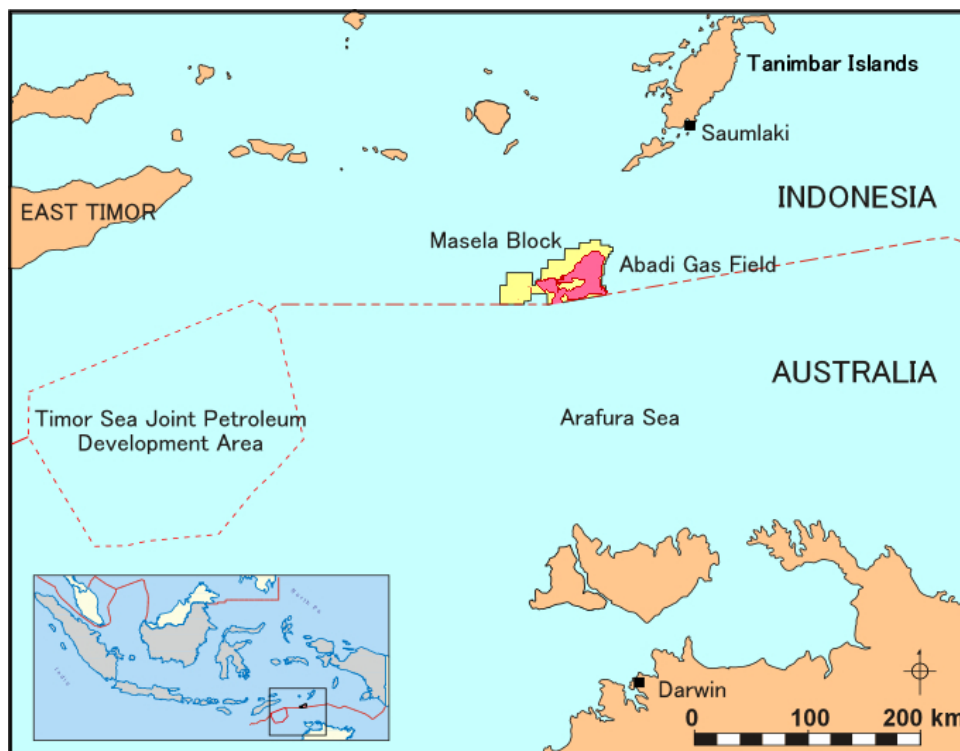
INPEX Masela (Operator)	: 60%
Shell Upstream Overseas Services (I) Limited	: 30%
PT EMP Energi Indonesia (EMPI)	: 10%

(2) Planned Schedule

FEED: Planned to start by the 1st half of 2012



Abadi Project FLNG (image picture)



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