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INPEX and Partners Make Final Investment Decision on Further Development at ACG Oil Fields in Caspian Sea, Republic of Azerbaijan

TOKYO, JAPAN - [INPEX CORPORATION](#) (INPEX) announced today that it and its consortium partners have reached a final investment decision (FID) on the further development (“the Project”) of the Azeri-Chirag-Deepwater Gunashli (ACG) oil fields in the Azerbaijan sector of the Caspian Sea through the commissioning and deployment of a new production platform. Through its subsidiary, INPEX Southwest Caspian Sea, Ltd., INPEX holds a participating interest in the ACG oil fields where it is currently engaged in the development and production of crude oil.

The project involves targeting new crude oil production by installing one new platform in between multiple existing platforms within the ACG Block. The new platform is expected to commence production activities in 2023.

In September 2017, INPEX and its partners entered into an amended agreement with the State Oil Company of the Azerbaijan Republic (SOCAR) to extend the term of the Production Sharing Agreement (PSA) for the ACG oil fields until December 31, 2049, [as announced on September 14, 2017](#). The realization of the Project is expected to increase the volume of the ACG Block’s proven reserves as well as the value of the consortium’s operations.

The ACG oil fields are located in the Caspian Sea approximately 100 kilometers east of Baku, the capital of the Republic of Azerbaijan. The ACG oil fields currently produce crude oil at a rate of approximately 584,000 barrels per day (average rate for 2018) from three oil fields (Azeri Oil Field, Chirag Oil Field and Deepwater Gunashli Oil Field). Crude oil produced from the ACG oil fields is transported through the Baku-Tbilisi-Ceyhan pipeline (BTC pipeline) to Ceyhan on the Mediterranean coast of the Republic of Turkey, from where it is shipped to customers.

Going forward, INPEX will continue to enhance project value including maintaining its production and increasing proved reserves from the ACG oil fields.

The project is aligned to INPEX’s pursuit of the “sustainable growth of oil and natural gas E&P

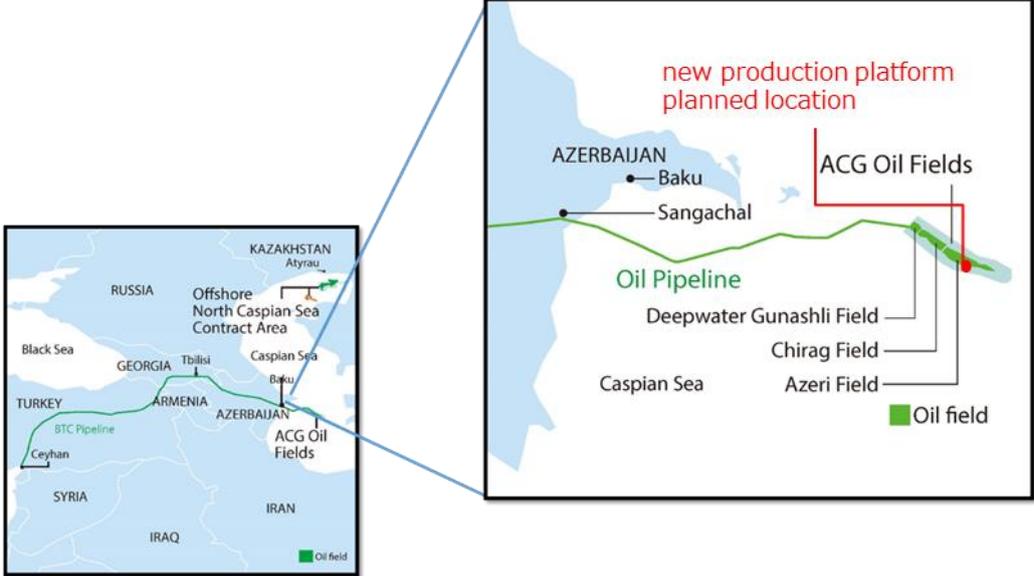
activities,” one of the medium- to long-term growth targets outlined in the company’s [VISION 2040](#). INPEX will continue to be proactively engaged in the exploration, development and production of hydrocarbon resources in the Republic of Azerbaijan.

The impact of this matter on the company’s consolidated financial results is minimal.

About INPEX

INPEX CORPORATION is Japan’s largest exploration and production (E&P) company, and a mid-tier E&P player just behind the world’s oil majors. INPEX is currently involved in approximately 70 projects across more than 20 countries, including the Ichthys LNG Project in Australia as Operator. Through sustainably growing its oil and gas development business, developing a global gas value chain business and reinforcing its renewable energy initiatives, INPEX aims to become a leading energy company and continue providing a stable and efficient supply of energy to its customers. For more information, visit <https://www.inpex.co.jp/english/index.html>.

Location of the ACG oil fields



About the ACG oil fields

Title	ACG oil fields
Location	Approximately 100 kilometers east of Baku
Surface area	432.4km ²
Water depth range	100~400 meters

Production rate	584,000 barrels per day (average rate for 2018)	
Contract expiration	December 31, 2049	
Shareholders and shareholding ratio	BP (Operator):	30.37%
	SOCAR:	25.00%
	Chevron:	9.57%
	INPEX:	9.31%
	Equinor:	7.27%
	ExxonMobil:	6.79%
	TPAO:	5.73%
	Itochu:	3.65%
	ONGC:	2.31%

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