

Appendix : Additional Slides

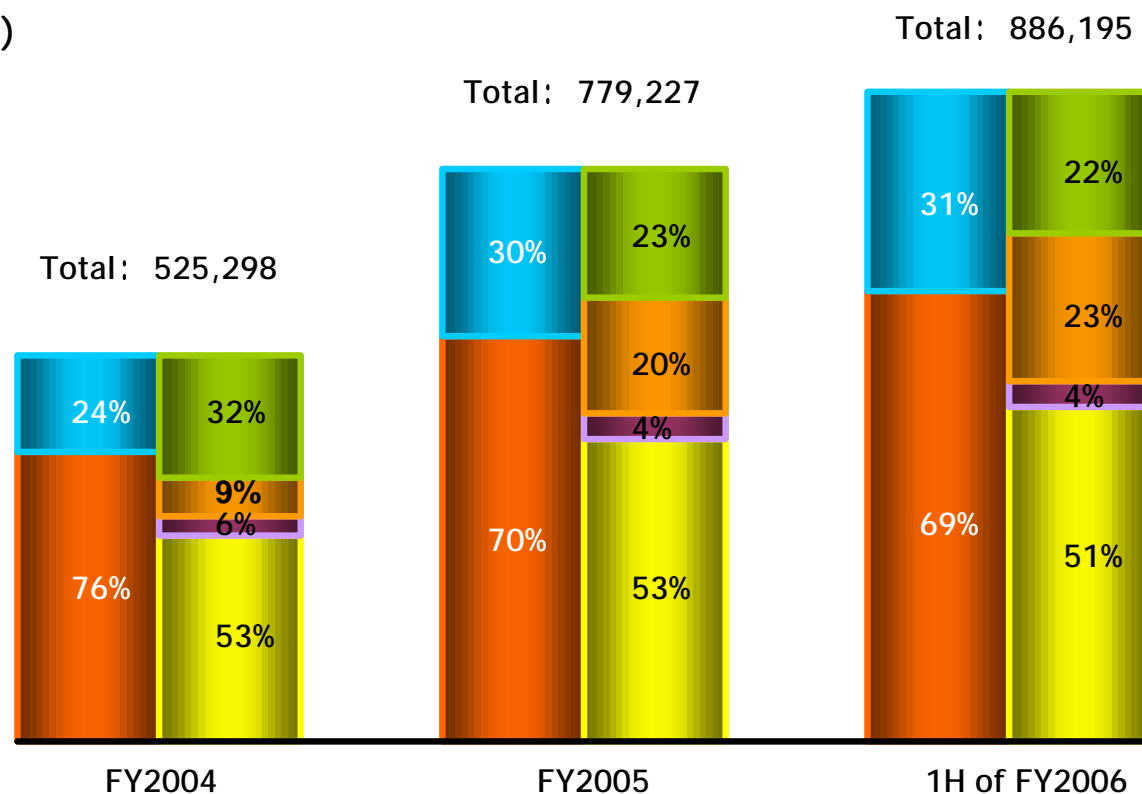
Highlights of the FY2006 Semiannual Non-consolidated Financial Results

| (Billions of yen) | 1H of FY2005 | 1H of FY2006 | Change | % change |
|----------------------------------|-----------------|-----------------|----------|-------------|
| Net sales | 95.2 | 120.2 | 25.0 | 26.3% |
| Operating income | 50.0 | 75.3 | 25.2 | 50.5% |
| Ordinary income | 50.6 | 77.6 | 27.0 | 53.3% |
| Net income | 21.7 | 34.9 | 13.1 | 60.7% |
| Net income per share (¥)* | 11,587.35 | 18,194.20 | 6,606.85 | 57.0% |

*Based on averaged shares outstanding (1H of FY2006: 1,919,832 shares, 1H of FY2005: 1,876,337 shares). Due to increase in shares outstanding during the term (May 17, 2005) caused by stock exchange for acquisition of JODCO, averaged shares outstanding has increased from 1H of FY2005 to 1H of FY2006

Overview of Consolidated Balance Sheets

(Millions of yen)



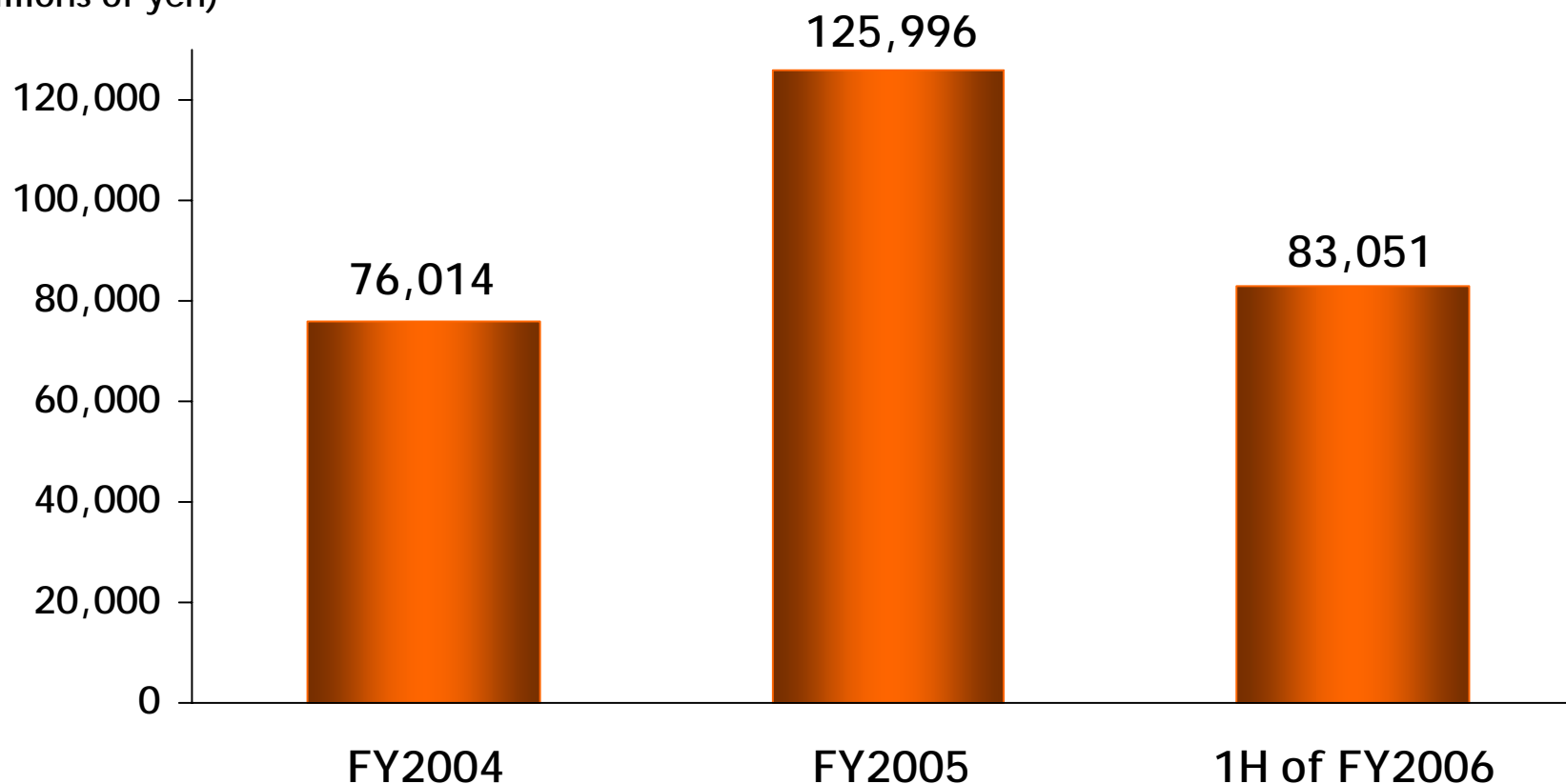
■ Cash and Deposits* + Marketable Securities**
 ■ Other Asset
 ■ Total Debt
 ■ Other Liabilities
 ■ Minority Interests
 ■ Shareholders' Equity

Notes: * Including collateralized fixed-term deposit of JPY 9,140 million for FY2004, of JPY 8,200 millions for FY2005, and of JPY 8,610 million for 1H of FY2006

** Government Bonds, Local Government Bonds and Companies' Bonds (with determinable value)

Earning Before Interest, Depreciation and Amortization, and Exploration (EBIDAX)*

(Millions of yen)

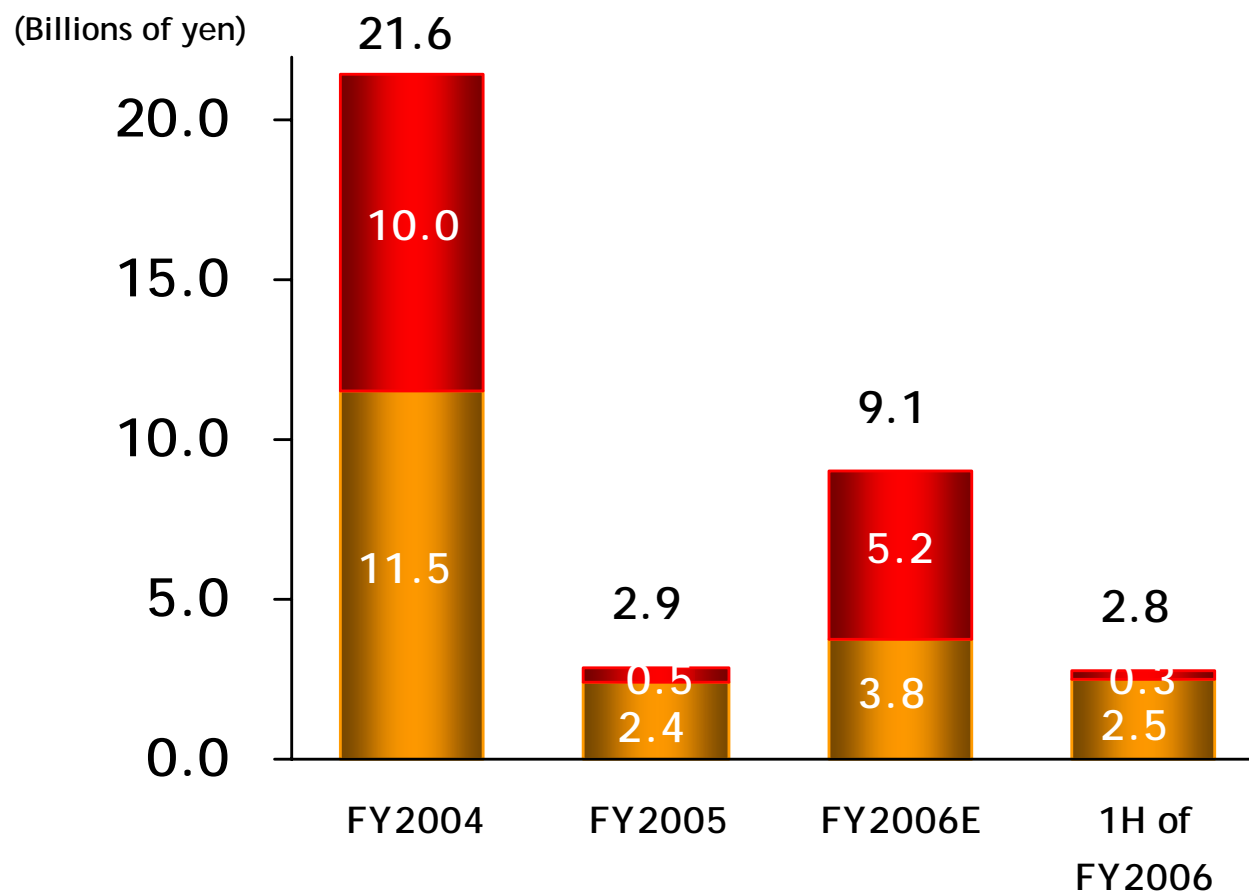


Note: * Net Income + Minority Interests + Deferred Tax + (1 - Tax Rate) x (Interest Expense - Interest Income) + (Depreciation and Amortization + Recovery of Recoverable Accounts under Production Sharing (Capital Expenditure)) + (Exploration Expenses + Provision for Allowance for Recoverable Accounts under Production Sharing) + Amortization of Exploration and Development Right + Foreign Exchange Profit and Loss. Our EBIDAX measures may not be comparable to other similarly titled measures of other companies

Details of EBIDAX Calculation for the 1H of FY2006

| (Millions of yen) | | Source | Notes |
|---|---------------|------------|--|
| Net income | 51,659 | P/L | |
| Minority interests | (27) | P/L | |
| Depreciation equivalent amount | 29,294 | | |
| Depreciation and amortization | 6,610 | C/F | Depreciation under concession agreements and G&A |
| Recovery of recoverable accounts under production sharing (capital expenditure) | 22,684 | C/F | Depreciation under PS contracts |
| Exploration cost equivalent amount | 2,828 | | |
| Exploration expenses | 2,519 | P/L | Exploration expense under concession agreements |
| Provision for allowance for recoverable accounts under production sharing | 309 | P/L | Exploration expense under PS contracts |
| Material non-cash items | (366) | | |
| Deferred income taxes | (5,159) | P/L | |
| Foreign exchange (gain) loss | 4,793 | C/F | |
| Amortization of exploration and development rights | 46 | P/L | Cash expense for acquisitions of assets under exploration phase |
| Net interest expenses (income), after tax | (383) | P/L | After-tax interest expense minus interest income |
| EBIDAX | 83,051 | | |

Estimate of Exploration Cost Equivalent Amount



■ Provision for allowance for recoverable accounts under production sharing (PS contract)

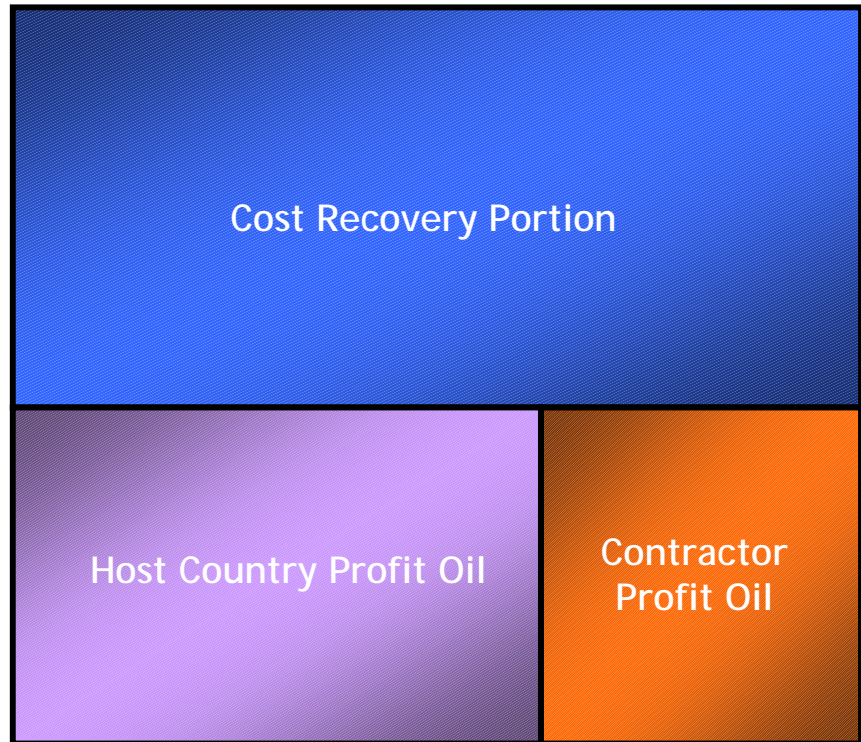
■ Exploration expenses (concession agreement)

INPEX Group Key Contracts

| Field | Country or Region | Contract Type |
|---------------------------------------|-------------------|----------------------|
| Mahakam/Attaka | Indonesia | PS Contract |
| South Natuna Sea Block 'B' | Indonesia | PS Contract |
| Berau (Tangguh) | Indonesia | PS Contract |
| Masela (Abadi)* | Indonesia | PS Contract |
| Bayu-Undan | JPDA | PS Contract |
| WA-10-L (Griffin Fields) | Australia | Concession Agreement |
| WA-285-P (Ichthys)* | Australia | Concession Agreement |
| North Caspian Sea (Kashagan, etc.) | Kazakhstan | PS Contract |
| ACG | Azerbaijan | PS Contract |
| Umm Shaif/Lower Zakum/ Upper Zakum | UAE | Concession Agreement |
| Azadegan* | Iran | Service Contract |

Note: * INPEX group is the operator

Production Sharing Contracts

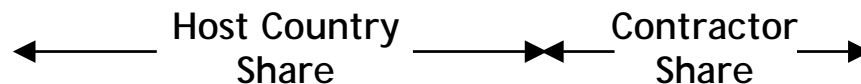


1. Cost Recovery Portion

- Non-capital expenditures incurred for production and recovered during the current period
- Scheduled depreciation of the capital expenditures for the current period and recovered during the current period
- Recoverable costs that have not been recovered in the previous periods

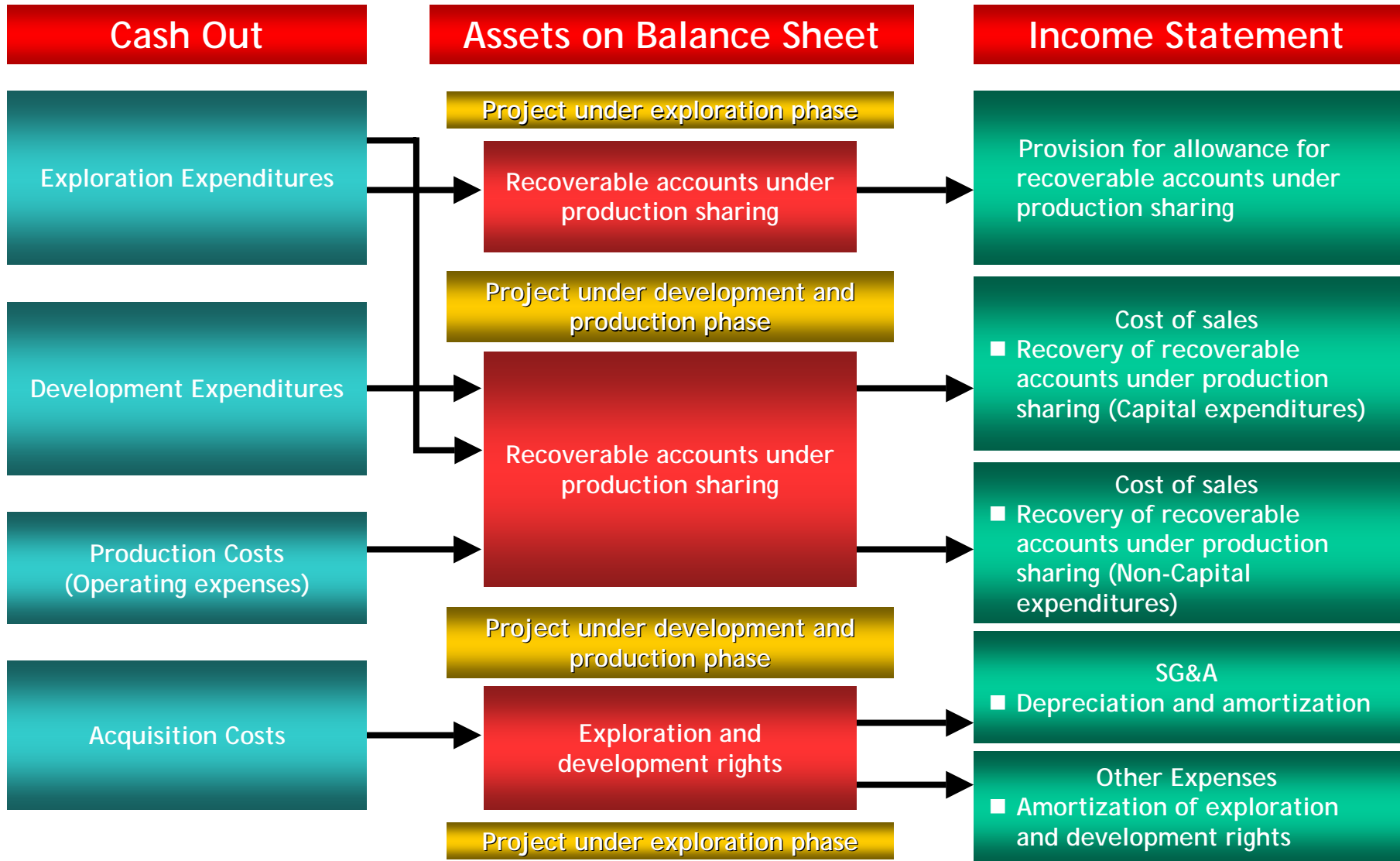


2. Equity Portion (Profit Oil)

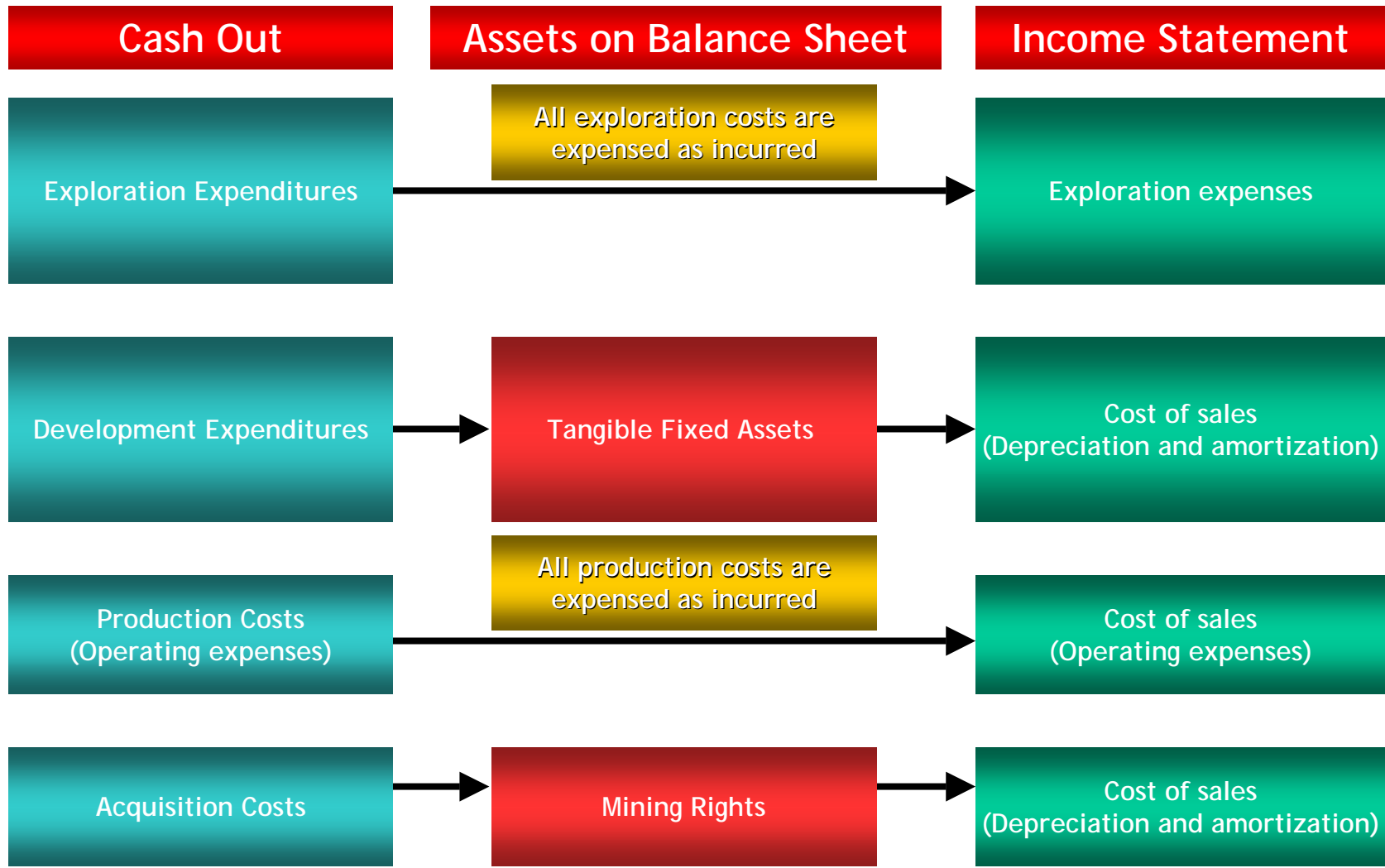


- : Host Country Take
 - : Subject to Tax
 - : Not Subject to Tax
- } Contractor Take

Accounting on Production Sharing Contract



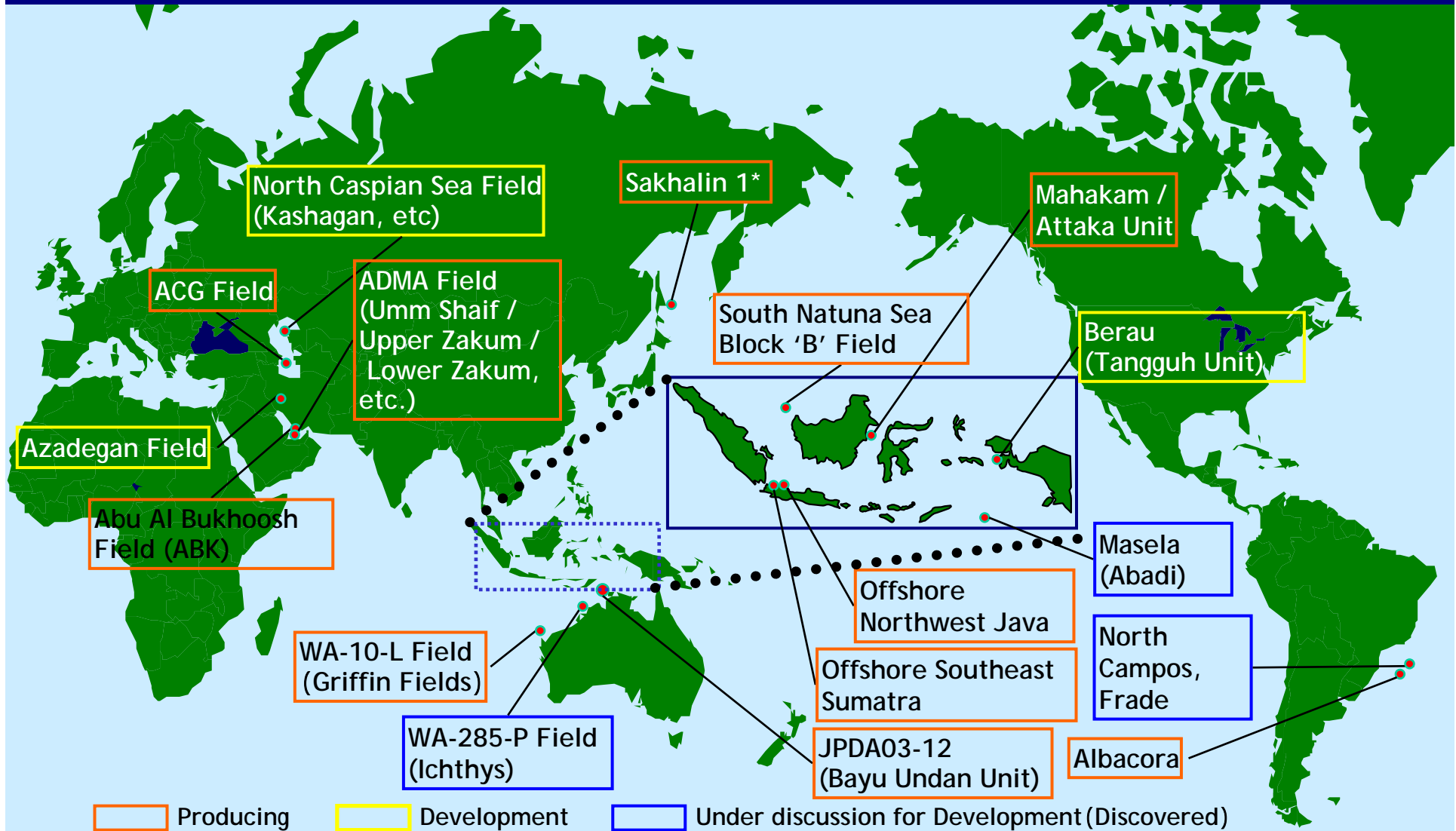
Accounting on Concession Agreement



Change in Fiscal Regime of JODCO

- The government of the United Arab Emirates has decided that the fiscal regime for tax rates, royalty rates and depreciation periods applicable to the Upper Zakum field will be changed from January 2004.
- A fixed margin regime will be applied from January 2006.
- The change to a fixed margin regime have no impact on net sales, but net income decline.
- The Umm Shaif and Lower Zakum fields have been applied for a fixed margin since JODCO participated.
- Net sales and net income changes in relation to crude oil prices on the Umm Al-Dalhk and Satah fields where a fixed margin is not applied.

Geographical Area for the Key Assets



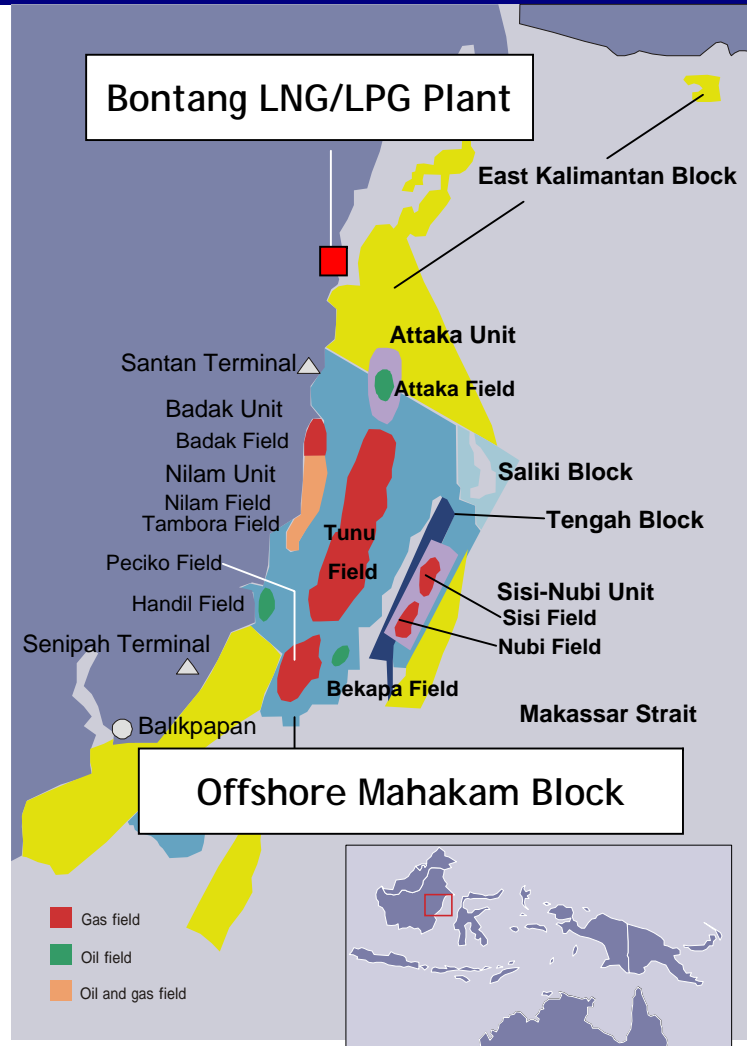
Note: *Currently under discussion on the acquisition of METI holding shares of SODECO

INPEX Group Key Investments

| Company | Field / Project Name | Country | INPEX Ownership | Stage |
|--------------------------------|---------------------------------------|------------|-----------------|----------------------------------|
| <u>Asia / Oceania</u> | | | | |
| INPEX | Mahakam | Indonesia | | Producing |
| INPEX Natuna | South Natuna Block 'B' | Indonesia | 100% | Producing |
| MI Berau B.V. | Berau (Tangguh LNG Project) | Indonesia | 44% | Development |
| INPEX Masela | Masela (Abadi)* | Indonesia | 50% | Under Discussion for Development |
| INPEX Sahul | Bayu-Undan | JPDA | 100% | Producing |
| INPEX Browse | WA-285-P (Ichthys)* | Australia | 100% | Under Discussion for Development |
| <u>The Middle East</u> | | | | |
| JODCO | Umm Shaif / Upper Zakum / Lower Zakum | UAE | 100% | Producing |
| Azadegan | Azadegan* | Iran | 100% | Development |
| <u>The Caspian Sea / Other</u> | | | | |
| INPEX Southwest Caspian Sea | ACG | Azerbaijan | 51% | Producing |
| INPEX North Caspian Sea | Kashagan | Kazakhstan | 45% | Development |

Note: *INPEX group is the operator

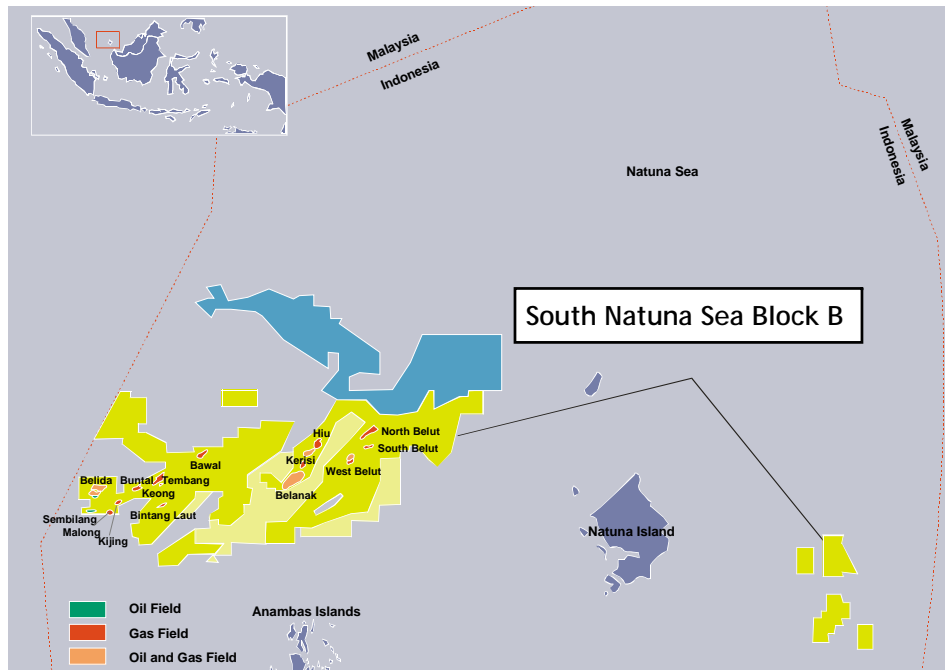
Mahakam INPEX



- **INPEX's Working Interest: 50.0%**
- **Production***
 - **Crude Oil: Approximately 64,000 bbl/d**
 - **Gas: Approximately 2.6 billion cf/d**
- **PSC: Until 2017**
- **Continue development activities to stabilize the supply of gas to Bontang LNG plant**
 - **Gradual development of Tunu / Peciko field**
 - **Additional development of Tambora field**
 - **Development of Sisi-Nubi Unit**

Note: * Based on all blocks; average daily volume 4/2005 – 6/2005

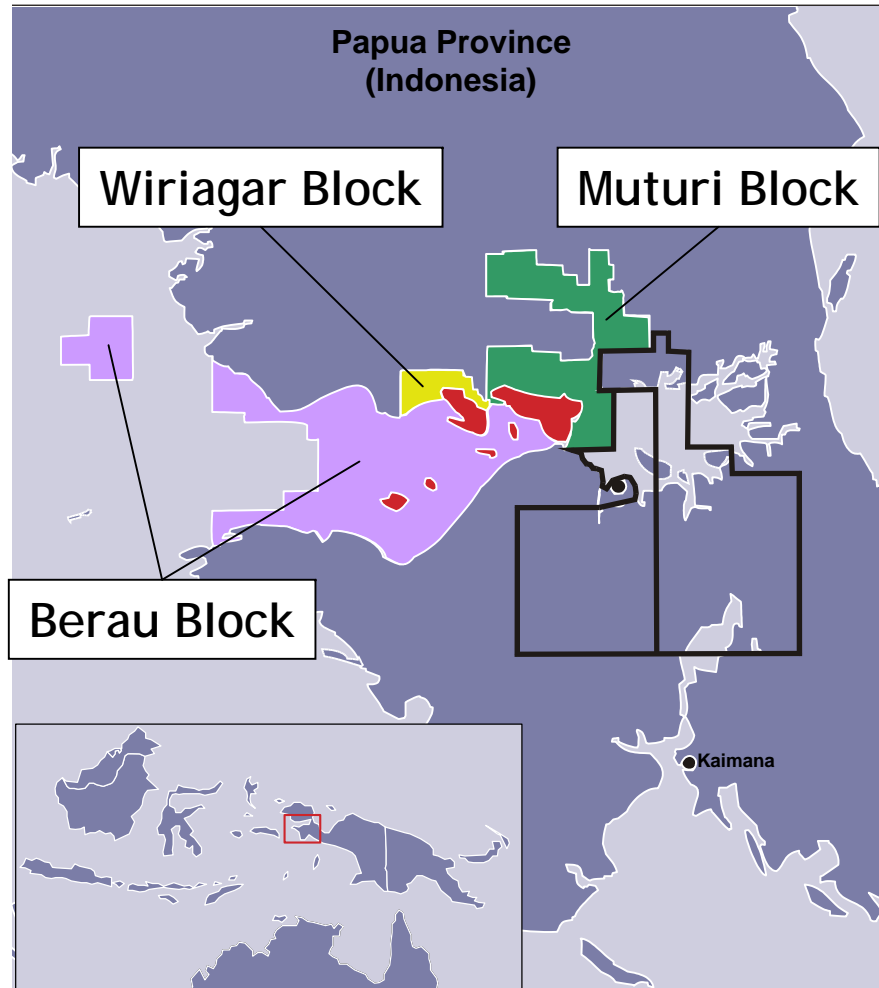
South Natuna Sea Block 'B' INPEX Natuna, Ltd.



- **INPEX's Working Interest: 35.0%**
- **Production*:**
 - **Crude Oil: Approximately 54,000 bbl/d**
 - **Gas: Approximately 360 million cf/d**
- **PSC: Until 2028**
- **Signed a gas sales contract for 22 years from 2001 with SembCorp (Singapore) and for 20 years from 2002 with Petronas (Malaysia)**
- **Belanak commenced production in 2004/12**
- **Planned to produce sequentially in Hiu (2006), Kerisi (2007)**

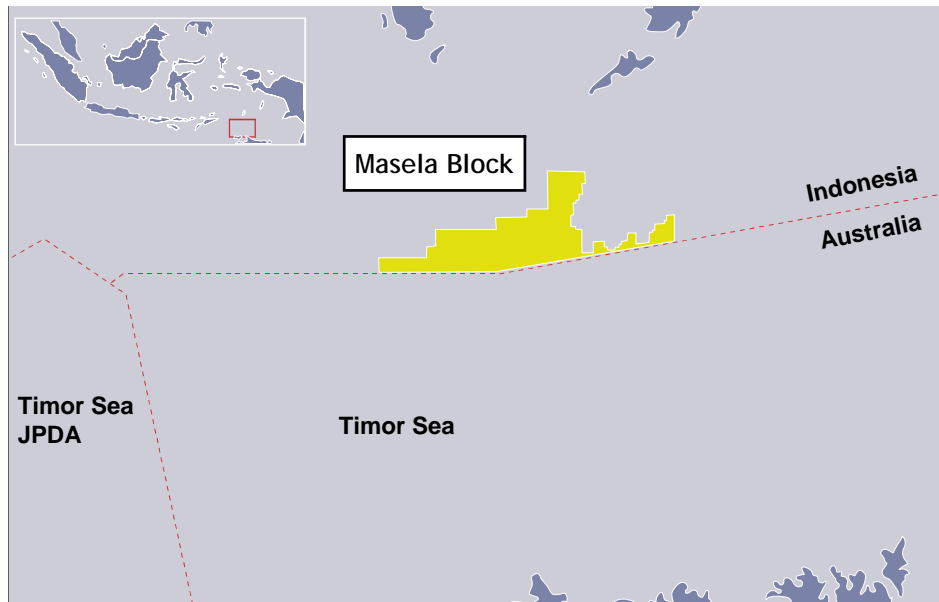
Note: * Based on all blocks; average daily volume 4/2005 – 6/2005

Berau (Tangguh LNG Project) MI Berau B.V.



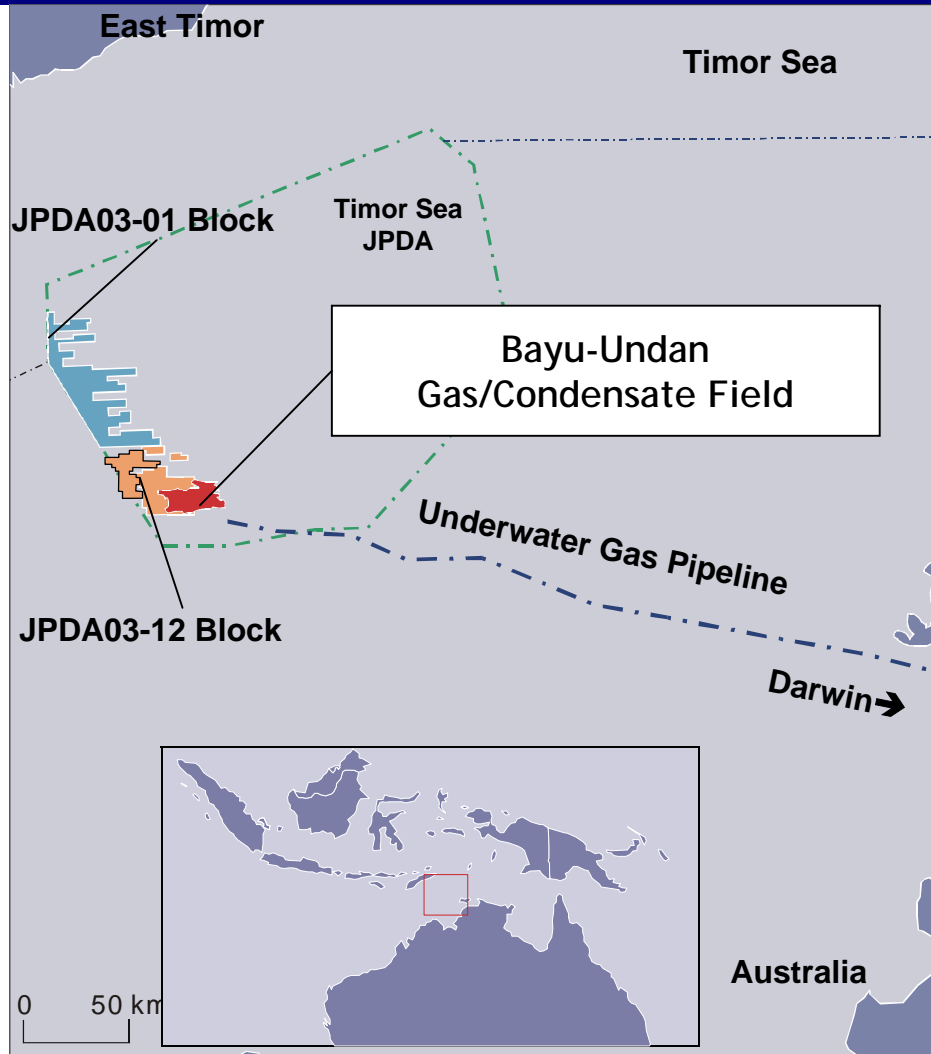
- MI Berau: JV with Mitsubishi Corporation
- MI Berau's Working Interest:
 - Berau: 22.9% (Tangguh Unit: 16.3%)
- PSC: Until 2035
- Development plan and extension of the PS contract were approved by Indonesian government
- LNG plant is scheduled to commence production in the last half of 2008
 - Scheduled to produce 7.6 million tons of LNG per year
 - Signed long-term LNG sales contract for Fujian
 - Signed LNG sales contract with POSCO and K-Power Company of Korea
 - Entered into LNG sales contract with Sempra Energy of the USA

Masela (Abadi) INPEX Masela, Ltd.



- **INPEX's Working Interest: 100.0%**
- **Operator: INPEX**
- **PSC:**
 - **10 years exploration period (until 2008)**
 - **30 years development/production period (until 2028)**
- **Discovered gas in Abadi-1 exploration well in 2000**
- **Confirmed the extension of gas in the Abadi structure by 2 appraisal wells in 2002**
- **Plan to drill 4 appraisal wells in 2006**

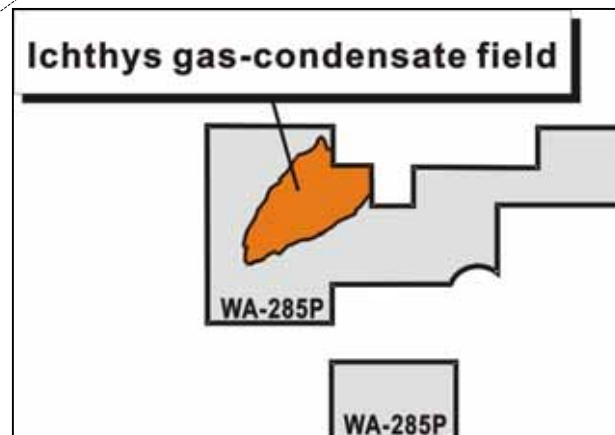
Bayu-Undan INPEX Sahul, Ltd.



- **INPEX's Working Interest: 10.53%**
- **Production*:**
 - **Oil / Condensate: Approximately 39,000 bbl/d**
 - **LPG: Approximately 16,000 bbl/d**
- **PSC: Until 2022**
- **Carrying out phase 1 development for production of condensate and LPG**
 - **Production of condensate and LPG started in February and April 2004 respectively**
- **Phase 2 development is for LNG (starting in 2006)**
 - **Entered into LNG Sales Contract with TEPCO and Tokyo Gas (3 million tons per year for 17 years)**

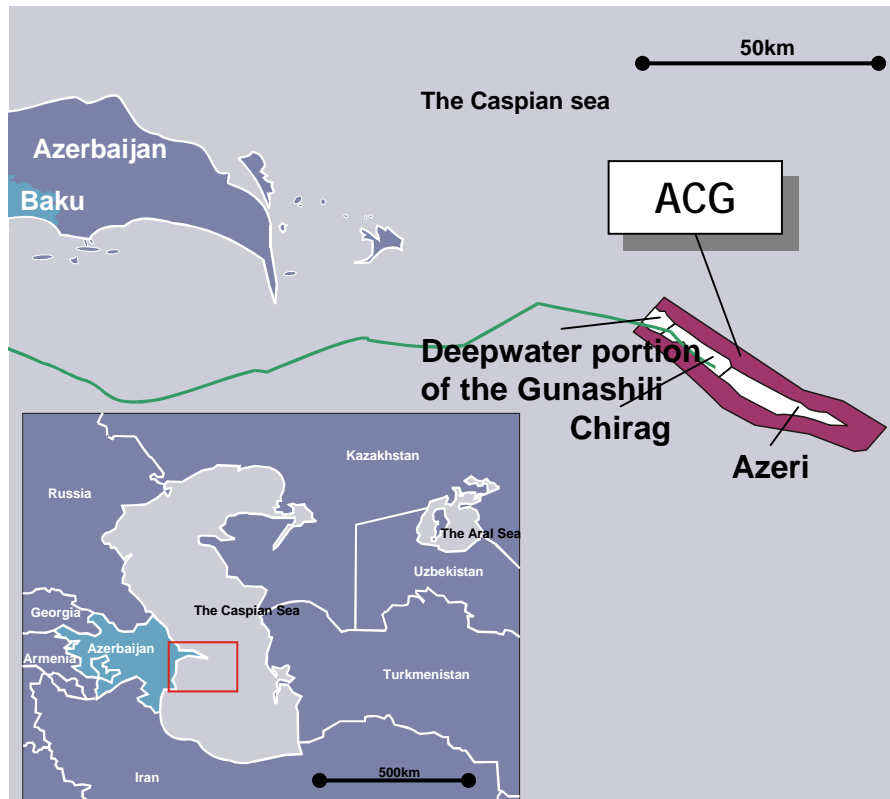
Note: * All field base in JPDA03-12 including Elang Kakatua ; average daily volume 4/2005 – 6/2005

WA-285-P (Ichthys) INPEX Browse, Ltd.



- **INPEX's Working Interest: 100.0%**
- **Operator: INPEX**
- **Concession Contract:**
 - **Exploration Period until September 2009**
 - **Production Period for 21 years from the grant of the production license**
- **Discovered major gas-condensate field, named Ichthys structure, during the first drilling program of three exploration wells conducted from 2000 to 2001**
- **Confirmed continuous distribution of gas and condensate throughout the Ichthys structure by the second drilling program of three exploration wells conducted from 2003 to 2004**
- **Pursuing commencement of gas production targeting at early period from 2010**

ACG INPEX Southwest Caspian Sea, Ltd.

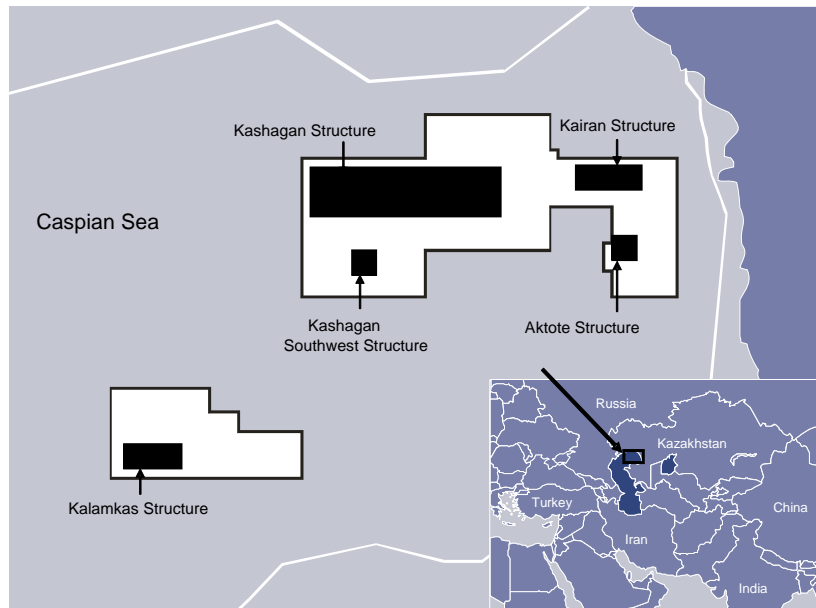


- INPEX's Working Interest: 10.0%
- Production*: Approximately 244,000 bbl/d
- PSC: Until 2024
- Carrying out an early stage oil production in the Chirag oil field and starting oil production in the Central Azeri area in February 2005 (Phase 1)
- BTC pipeline is scheduled to be completed in 2005
- Planning to increase production level to 1 million barrels per day in stages
 - In Phase 2 (West and East Azeri development), production is scheduled to start in 2006
 - In Phase 3 (deepwater portion of Gunashli / West Chirag), production is scheduled to start in 2008

Note: * Based on all blocks; average daily volume 4/2005 – 6/2005

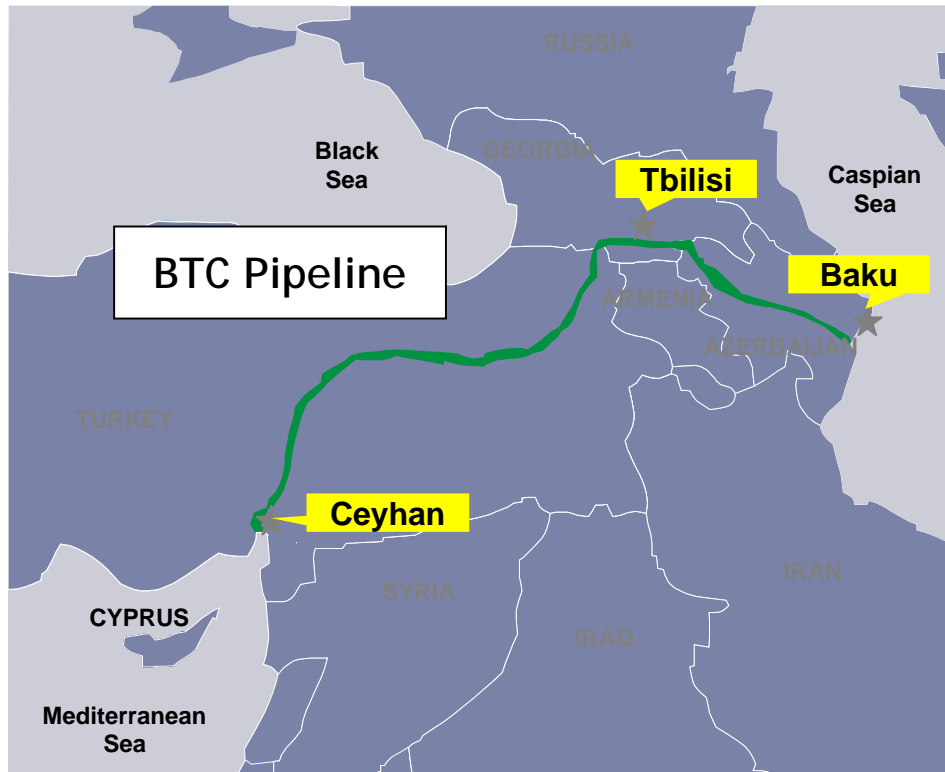
Kashagan, etc. INPEX North Caspian Sea Ltd.

Offshore North Caspian Sea Block



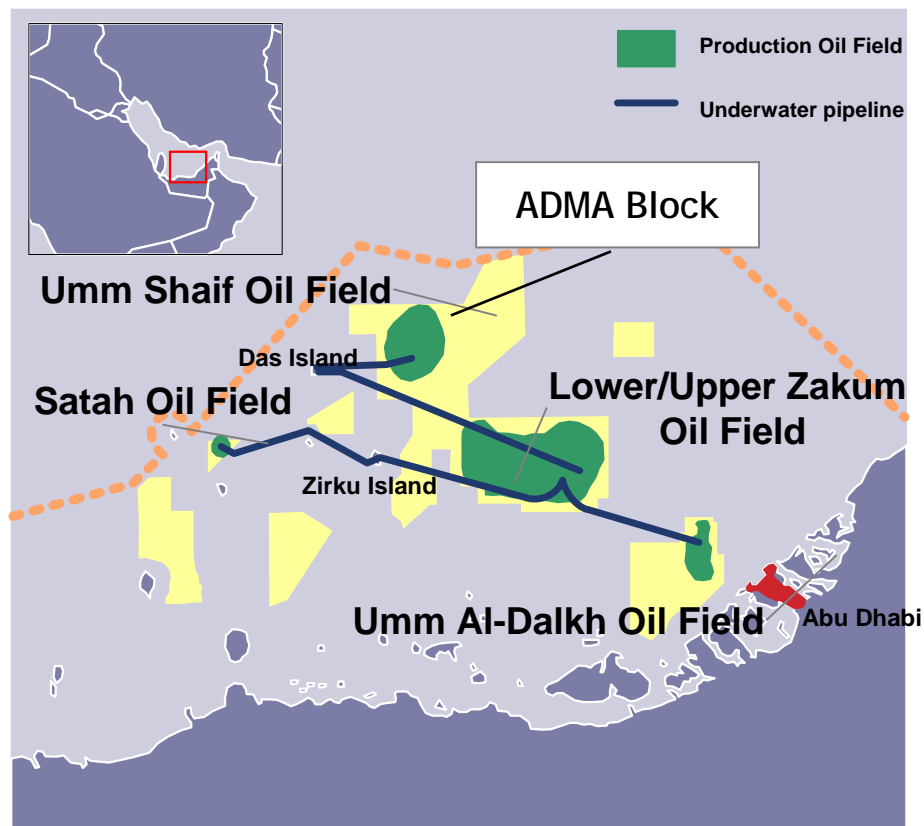
- **INPEX's Working Interest: 8.33%**
- **PSC: Until the end of 2021**
- **Discovered crude oil in the Kashagan in June 2000, then confirmed crude oil / gas in 7 additional exploratory wells by April 2004**
- **In addition to the Kashagan structure, existence of hydrocarbon was confirmed in the Kalamkas, Aktote, Kairan and Southwest Kashagan structures**
- **Kashagan development plan was approved by the Kazakhstan government in February 2004**
 - **Scheduled to start production of 75,000 bbl/d in 2008, then increase the production level to 1.2 million bbl/d in phases by expanding the development area**

BTC(Baku-Tbilisi-Ceyhan) Pipeline Project INPEX BTC Pipeline, Ltd.



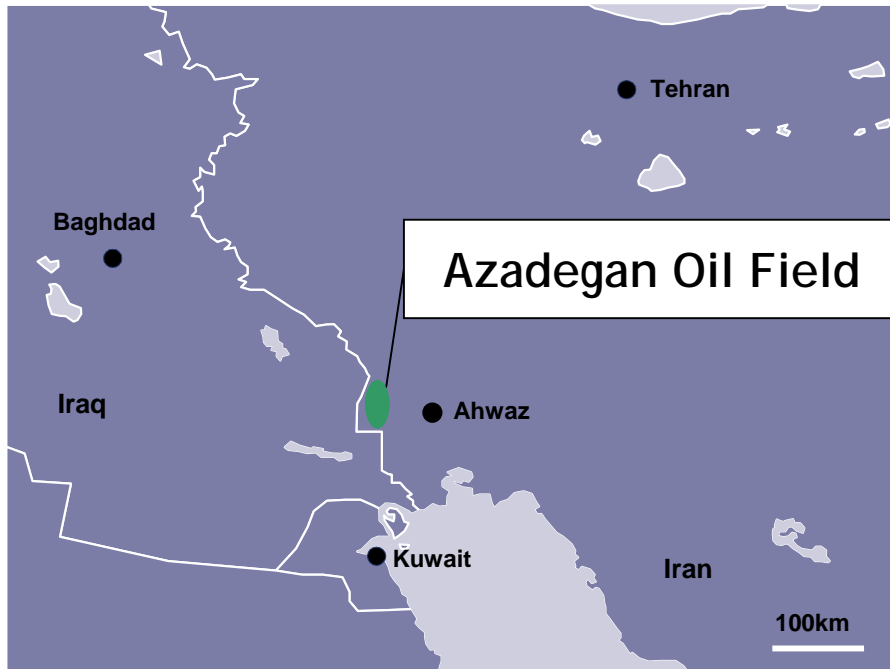
- INPEX's Working Interest: 2.5%
- Obtained stock of the operating company (BTC Co.) through INPEX BTC Pipeline, Ltd. in October 2002
- Participated to secure path for crude oil produced in Caspian Sea in future
- Signed project finance contract to raise capital for the construction of the pipeline in February 2004
 - Currently in construction of the pipeline
 - The pipeline is scheduled to start operation in December 2005

ADMA Japan Oil Development Co., Ltd. (JODCO)



- **Umm Shaif / Lower Zakum**
 - **INPEX’s Working Interest: 12.0%**
- **Upper Zakum / Umm Al-Dalkh / Satah**
 - **INPEX’s Working Interest: Upper Zakum / Umm Al-Dalkh: 12.0%**
 - **Satah: 40.0%**
- **Concession Contract: Until 2018**
- **Continuous development to keep the production level**
 - **Water injections to the main three oil fields (Umm Shaif, Upper / Lower Zakum) have started**
 - **Gas injection to Umm Shaif field has started**

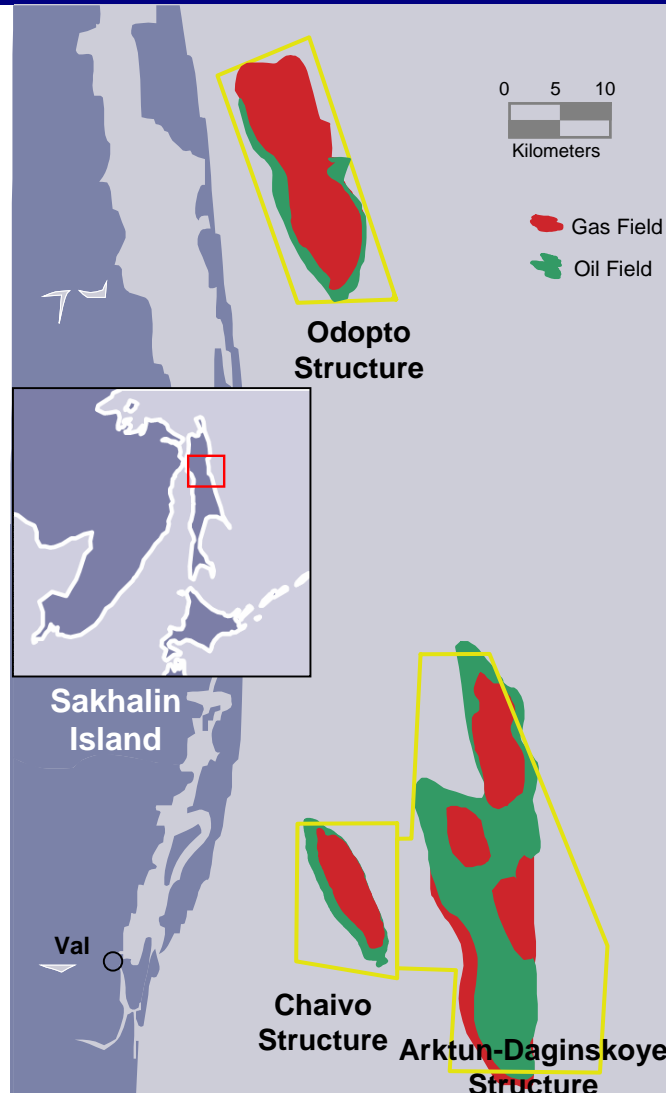
Azadegan



- **INPEX's Working Interest: 75.0%**
- **Target Production*: 150,000 bbl/d (Phase 1)**
- **Joined as the operator**
- **Service Contract (Buyback Contract)**
- **Two Phase Oil Field Development Project**
 - **In phase 1, planned to reach 150 thousand barrels per day in 2008-09**
 - **If we decide to move onto phase 2, planned to reach 260,000 bbl/d with additional 110,000 bbl/d in 2012-13**

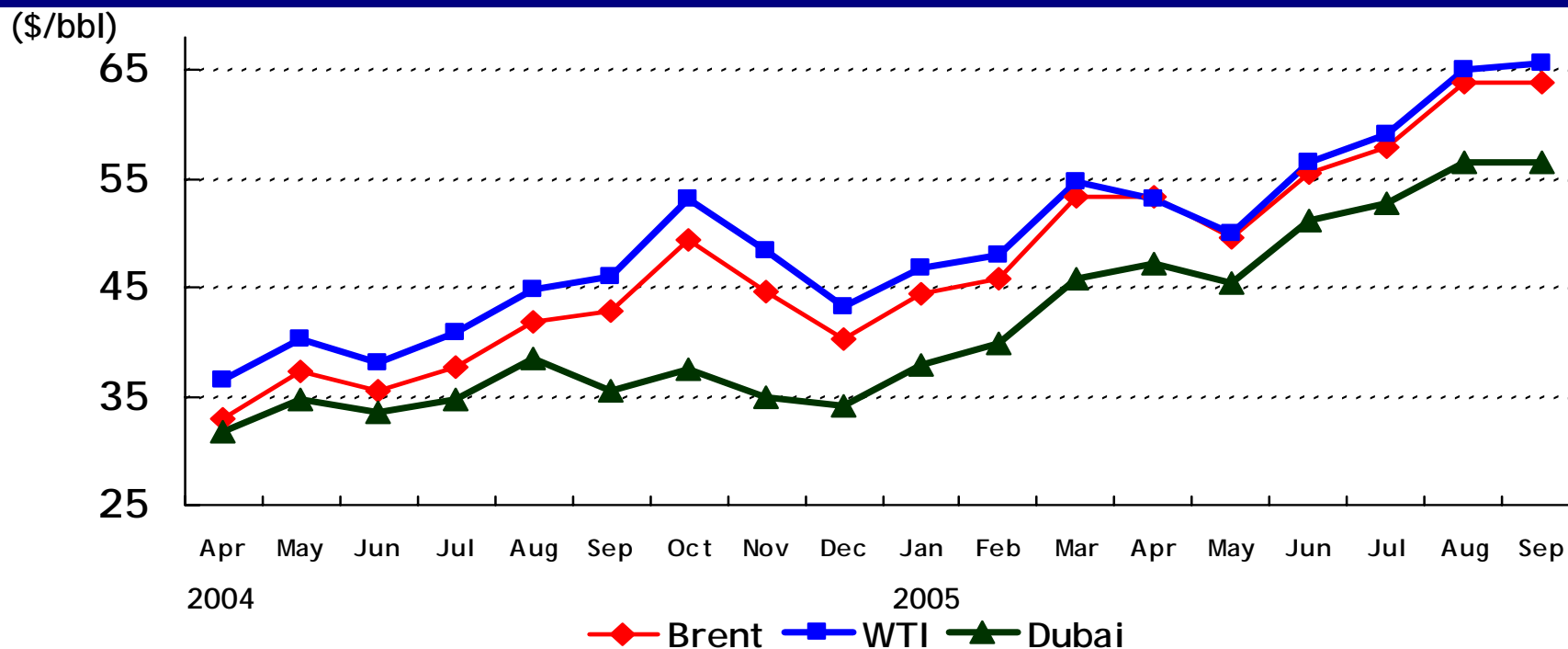
Note: * Based on all blocks; projections at current point in time

Project-Sakhalin I Sakhalin Oil and Gas Development Co.



- **Sakhalin Oil and Gas Development Co. (SODECO):**
INPEX owns 4.3% of the total share (INPEX is in the process to purchase to maximum 33% of the SODECO's share from the Ministry of Economy, Trade and Industry which has inherited a 50% of the SODECO's shares from JNOC)
- **SODECO's Working Interest**
 - Sakhalin I: 30.0%
- **Operator: ExxonMobil**
- **Partners: ONGC Videsh, Sakhalinmorneftegas-Shelf, RN-Astra**
- **PSC: In Dec. 2001, "Commercialized Declaration" of the project was authorized by Russian government and the project moved into development phase for twenty years**
- **Commenced production in 10/2005; full-scale production expected in 2006 (Phase 1)**
- **Performing marketing activity assuming natural gas supply to Japanese, Chinese, and other markets through international pipeline (Phase 2)**

Crude Oil Prices



| | FY2005 | | FY2006 | | | | | | Average through 1H of FY2006 |
|--------------|------------------------------|------------------------|--------|-------|-------|-------|-------|-------|------------------------------|
| | Average through 1H of FY2005 | Average through FY2005 | Apr | May | Jun | Jul | Aug | Sep | |
| Brent | 39.97 | 42.14 | 53.31 | 49.67 | 55.42 | 57.95 | 63.80 | 63.80 | 57.32 |
| WTI | 41.10 | 45.07 | 53.22 | 49.87 | 56.42 | 59.03 | 64.99 | 65.55 | 58.18 |
| Dubai | 34.77 | 36.57 | 47.20 | 45.40 | 51.08 | 52.83 | 56.60 | 56.54 | 51.61 |

*Brent is from IPE, WTI is from NYMEX and Dubai is from Platt's