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Financial Results  
for the year ended March 31, 2011

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INPEX CORPORATION

May 12, 2011

# Agenda



- Financial Results for the year ended March 31, 2011
- Consolidated Financial Forecasts for the year ending March 31, 2012
- Corporate Overview
- Outlook

# Cautionary Statement



This presentation includes forward-looking information that reflects the plan and expectations of the Company. Such forward-looking information is based on the current assumptions and judgments of the Company in light of the information currently available to it, and involves known and unknown risk, uncertainties, and other factors. Such risks, uncertainties and other factors may cause the Company's performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation:

- Price volatility and change in demand in crude oil and natural gas
- Foreign exchange rate volatility
- Change in costs and other expenses pertaining to the exploration, development and production

The Company undertakes no obligation to publicly update or revise the disclosure of information in this presentation (including forward-looking information) after the date of this presentation.

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Financial Results for the year ended March 31, 2011

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Masahiro Murayama

Director, Managing Executive Officer

Head of Finance & Accounting Division

# Highlights of the Consolidated Financial Results for the year ended March 31, 2011



	Mar. '10	Mar. '11	Change	%Change
Net Sales (Billions of yen)	840.4	943.0	102.6	12.2%
Crude Oil Sales	486.9	557.9	70.9	14.6%
Natural Gas Sales (including LPG)	326.4	356.2	29.8	9.1%
Others	27.0	28.9	1.8	6.7%
Operating Income (Billions of yen)	461.6	529.7	68.0	14.7%
Ordinary Income (Billions of yen)	442.0	508.5	66.5	15.1%
Net Income (Billions of yen)	107.2	128.6	21.4	20.0%
Net income per share (Yen)	45,553.56	40,832.40	(4,721.16)	(10.4%)

Average number of shares issued and outstanding during the year ended March 31, 2011(consolidated): 3,151,894

Average crude oil price (Brent) (\$/bbl)	70.39	87.24	16.85	23.9%
Average exchange rate (¥/\$)	92.90	85.72	7.18 Yen appreciation	7.7% Yen appreciation

# Crude Oil Sales



	Mar. '10	Mar. '11	Change	%Change
Net Sales (Billions of yen)	486.9	557.9	70.9	14.6%
Sales volume (thousand bbl)	76,095	76,651	556	0.7%
Average unit price of overseas production (\$/bbl)	68.40	84.34	15.94	23.3%
Average unit price of domestic production (¥/kl)	41,470	49,957	8,488	20.5%
Average exchange rate (¥/\$)	92.66	85.56	7.10 Yen appreciation	7.7% Yen appreciation
Sales volume by region (thousand bbl)	Mar. '10	Mar. '11	Change	%Change
Japan	208 (33 thousand kl)	156 (25 thousand kl)	(52) (-8 thousand kl)	(24.9%)
Asia/Oceania	15,295	18,004	2,708	17.7%
Eurasia (Europe/NIS )	11,556	9,056	(2,500)	(21.6%)
Middle East/Africa	47,293	48,396	1,103	2.3%
Americas	1,743	1,040	(703)	(40.3%)
Total	76,095	76,651	556	0.7%

# Natural Gas Sales (excluding LPG)



	Mar. '10	Mar. '11	Change	%Change
Net Sales (Billions of yen)	307.8	334.6	26.7	8.7%
Sales volume (MMcf)	418,927	401,228	(17,699)	(4.2%)
Average unit price of overseas production (\$/Mcf)	7.43	9.10	1.67	22.5%
Average unit price of domestic sales(¥/ m <sup>3</sup> )	37.05	41.73	4.68	12.6%
Average exchange rate (¥/\$)	92.64	85.68	6.96 Yen appreciation	7.5% Yen appreciation

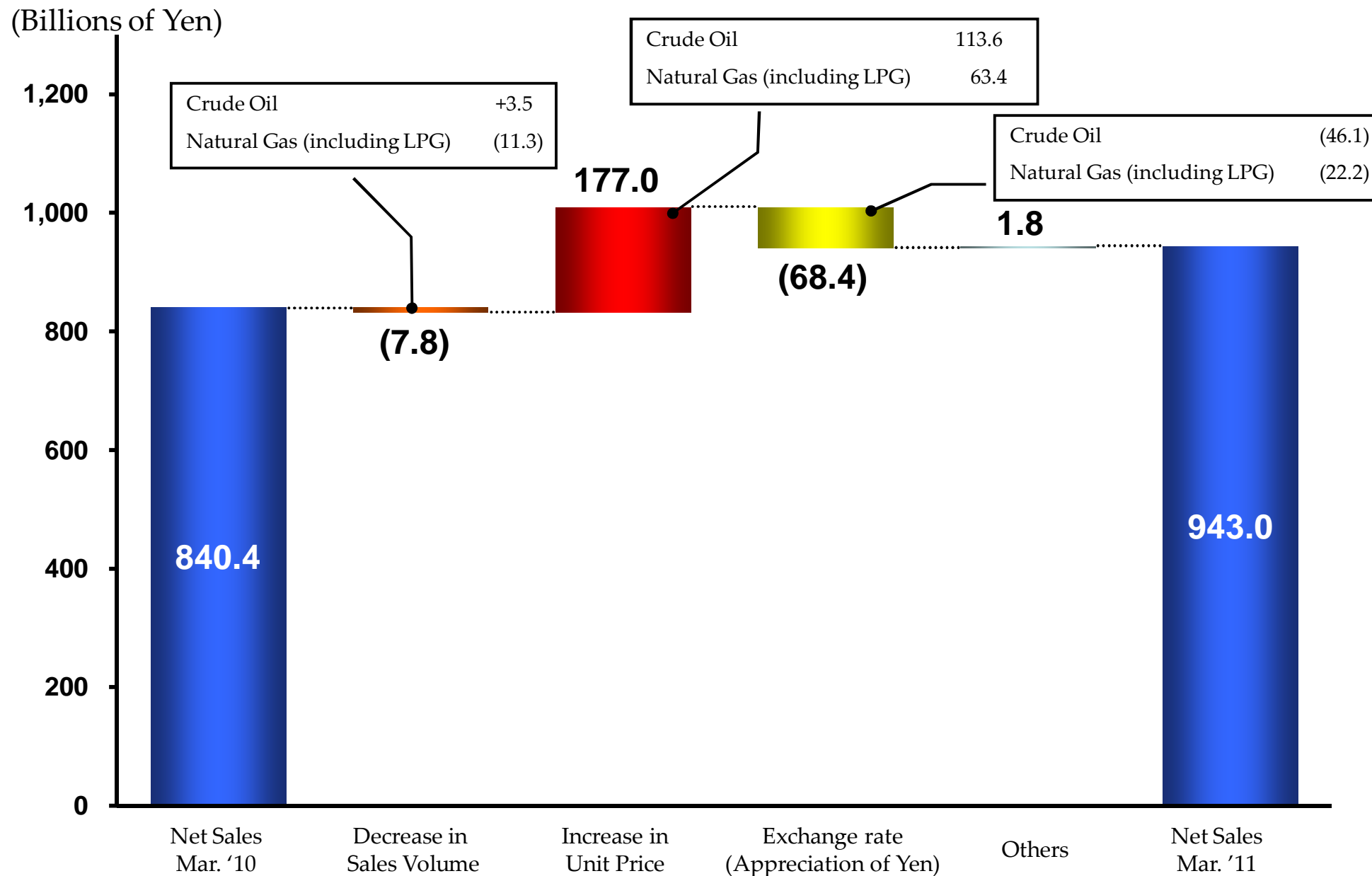
Sales volume by region (MMcf)	Mar. '10	Mar. '11	Change	%Change
Japan	63,702 (1,707 million m <sup>3</sup> *)	64,253 (1,722 million m <sup>3</sup> *)	551 (15 million m <sup>3</sup> *)	0.9%
	Purchased Volume: 122 million m <sup>3</sup> *	Purchased Volume: 492 million m <sup>3</sup> *	371 million m <sup>3</sup> *	304.5%
Asia/Oceania	324,364	306,641	(17,722)	(5.5%)
Eurasia (Europe/NIS )	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	30,861	30,334	(527)	(1.7%)
Total	418,927	401,228	(17,699)	(4.2%)

(FYI) LPG Sales

	Mar. '10	Mar. '11	Change	%Change
Net Sales (Billions of yen)	18.5	21.5	3.0	16.7%

\*1m<sup>3</sup>=41.8605MJ

# Analysis of Net Sales Increase





# Statements of Income



(Billions of Yen)	Mar. '10	Mar. '11	Change	%Change
Net Sales	840.4	943.0	102.6	12.2%
Cost of Sales	298.1	334.8	36.6	12.3%
Exploration expenses	15.7	12.0	(3.7)	(23.6%)
Selling, general and administrative expenses	64.8	66.5	1.6	2.5%
Operating Income	461.6	529.7	68.0	14.7%
Other income	21.4	31.1	9.7	45.2%
Other expenses	41.1	52.3	11.2	27.3%
Ordinary Income	442.0	508.5	66.5	15.1%
Income taxes-current	322.9	367.0	44.0	13.7%
Income taxes-deferred	2.1	1.6	(0.5)	(24.3%)
Minority interests	9.6	11.1	1.4	15.5%
Net Income	107.2	128.6	21.4	20.0%

Crude Oil sales :	557.9
(Change)	+70.9
Natural Gas sales* :	356.2
(Change)	+29.8

Cost of sales for Crude Oil :	195.3
(Change)	+14.4
Cost of sales for Natural Gas* :	118.3
(Change)	+19.7

\* Including LPG

# Other Income/Expenses

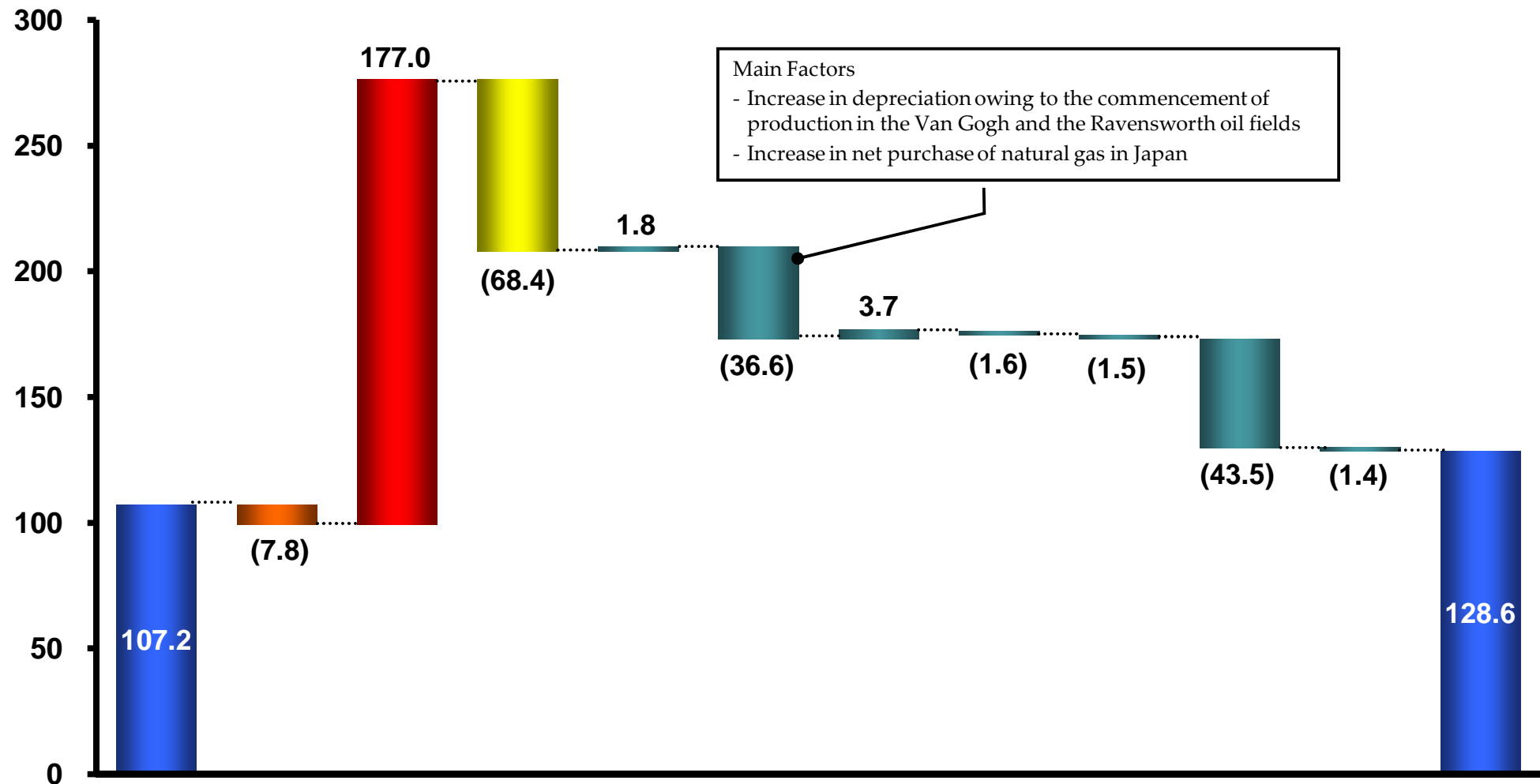


(Billions of Yen)	Mar. '10	Mar. '11	Change	%Change
Other income	21.4	31.1	9.7	45.2%
Interest income	4.3	4.1	(0.2)	(5.6%)
Dividend income	9.4	5.7	(3.7)	(39.6%)
Equity in earnings of affiliates	-	4.9	4.9	-
Gain on change in equity	-	3.6	3.6	-
Gain on transfer of mining rights	-	7.3	7.3	-
Other	7.6	5.4	(2.2)	(28.9%)
Other expenses	41.1	52.3	11.2	27.3%
Interest expense	1.2	1.0	(0.2)	(15.8%)
Equity in losses of affiliates	1.9	-	(1.9)	(100.0%)
Provision for allowance for doubtful accounts	-	9.1	9.1	-
Provision for allowance for recoverable accounts under production sharing	6.0	11.4	5.4	90.5%
Provision for exploration projects	8.5	3.0	(5.5)	(64.1%)
Provision for investments in exploration	5.4	-	(5.4)	(100.0%)
Loss on adjustment of changes of accounting standard for asset retirement obligations	-	1.5	1.5	-
Foreign exchange loss	13.2	11.5	(1.7)	(13.0%)
Other	4.6	14.4	9.8	212.8%

# Analysis of Net Profit Increase



(Billions of Yen)



**Main Factors**

- Increase in depreciation owing to the commencement of production in the Van Gogh and the Ravensworth oil fields
- Increase in net purchase of natural gas in Japan

Net Profit Mar. '10	Decrease in Sales Volume	Increase in Unit Price	Exchange Rate (Appreciation of Yen)	Others	Increase in Cost of Sales	Decrease in Exploration Expenses and Allowance for Exploration*	Increase in SG&A	Other Income and Expenses	Increase in Income Tax payable	Increase in Minority Interest	Net Profit Mar. '11
Net Sales											

\*Provision for allowance for recoverable accounts under production sharing and Provision for exploration projects

# Balance Sheets



(Billions of yen)	Mar. '10	Mar. '11	Change	%Change	
Current assets	492.8	492.9	0.0	0.0%	
Tangible fixed assets	358.0	379.8	21.7	6.1%	
Intangible assets	239.2	249.1	9.9	4.1%	Investment in Ichthys and Naoetsu LNG Receiving Terminal etc.
Recoverable accounts under production sharing	514.6	534.3	19.6	3.8%	
Other	503.8	1,121.0	617.1	122.5%	Investment in the Kashagan Oil Field etc
Less allowance for recoverable accounts under production sharing	(94.8)	(96.8)	(1.9)	2.1%	
<b>Total assets</b>	<b>2,013.7</b>	<b>2,680.3</b>	<b>666.6</b>	<b>33.1%</b>	Due mainly to purchase of National bonds
Current liabilities	227.9	254.7	26.8	11.8%	
Long-term liabilities	295.2	328.2	32.9	11.2%	
Total net assets	1,490.6	2,097.3	606.7	40.7%	
(Minority interests)	103.1	100.4	(2.6)	(2.5%)	Due to an increase in capital and capital surplus made by public offering
<b>Total liabilities and net assets</b>	<b>2,013.7</b>	<b>2,680.3</b>	<b>666.6</b>	<b>33.1%</b>	
Net assets per share (Yen)	589,549	546,959	(42,590)	(7.2%)	

# Statements of Cash Flows

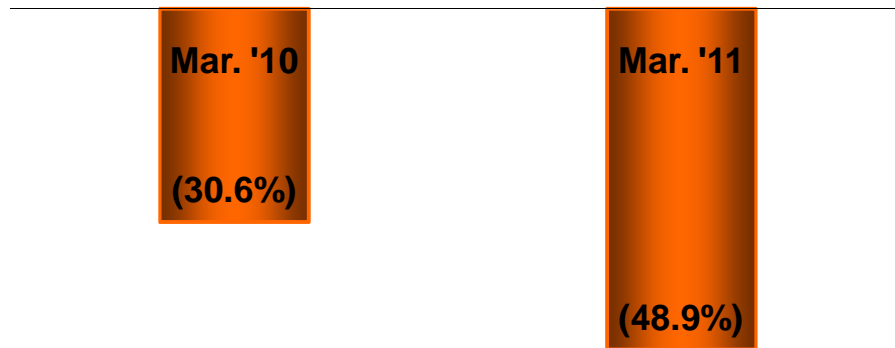


(Billions of Yen)	Mar. '10	Mar. '11	Change	%Change
Income before income taxes and minority interests	442.0	508.5	66.5	15.1%
Depreciation and amortization	40.3	54.2	13.8	34.4%
Recovery of recoverable accounts under production sharing (capital expenditures)	45.6	50.8	5.1	11.3%
Recoverable accounts under production sharing (operating expenditures)	(14.9)	(17.3)	(2.3)	15.8%
Income taxes paid	(305.1)	(349.5)	(44.3)	14.5%
Other	33.5	27.3	(6.1)	(18.5%)
<b>Net cash provided by operating activities</b>	<b>241.3</b>	<b>274.0</b>	<b>32.7</b>	<b>13.6%</b>
Purchase of tangible fixed assets	(87.5)	(84.2)	3.3	(3.8%)
Purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities (Net)	(54.9)	(613.5)	(558.5)	-
Investment in recoverable accounts under production sharing (capital expenditures)	(91.6)	(77.8)	13.7	(15.0%)
Other	(17.6)	(68.8)	(51.2)	289.9%
<b>Net cash used in investing activities</b>	<b>(251.8)</b>	<b>(844.5)</b>	<b>(592.6)</b>	<b>235.4%</b>
<b>Net cash provided by financing activities</b>	<b>68.9</b>	<b>548.0</b>	<b>479.1</b>	<b>695.0%</b>
Cash and cash equivalents at end of the period	216.3	182.0	(34.3)	(15.9%)

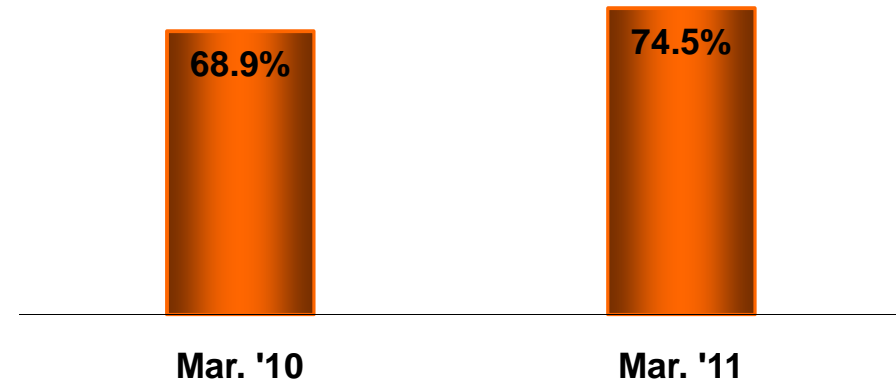
# Financial Indices



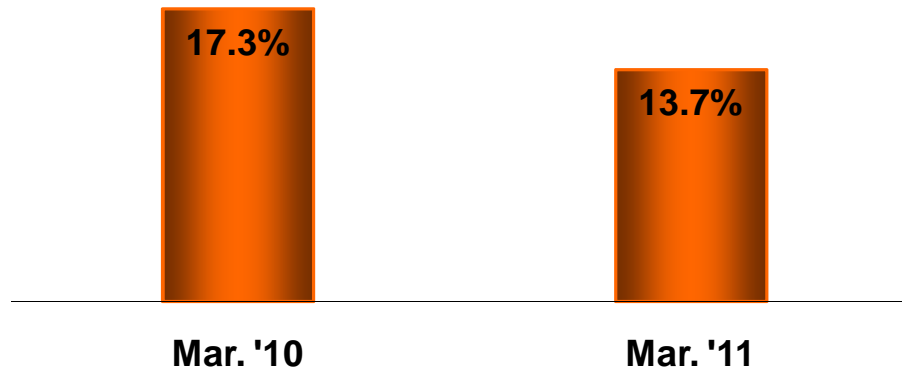
## Net Debt/Total Capital Employed (Net)\*



## Equity Ratio\*\*



## D/E Ratio\*\*\*



\* Net Debt/Total Capital Employed (Net) = (Interest-bearing debt - Cash and deposits - Public and corporate bonds and other debt securities (with determinable value) - MMF, Short-term bonds with repurchase agreements and Certificate of deposit)/(Net assets + Interest-bearing debt - Cash and deposits - Public and corporate bonds and other debt securities (with determinable value) - MMF, Short-term bonds with repurchase agreements and Certificate of deposit)

\*\* Equity Ratio = (Net assets - Minority interests)/Total assets

\*\*\* D/E Ratio = Interest-bearing debt/ (Net asset - Minority interests)

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Consolidated Financial Forecasts  
for the year ending March 31, 2012

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Masahiro Murayama  
Director, Managing Executive Officer  
Head of Finance & Accounting Division

# Consolidated Financial Forecasts for the year ending March 31, 2012



	1st Half	2nd Half	Full year
Brent oil price (\$/bbl)	95.0	95.0	95.0
Average exchange rate (¥/\$)	80.0	80.0	80.0

Full Year	Mar. '11 (Actual)	Mar. '12 (Forecasts )	Change	% Change
Net Sales (Billions of yen)	943.0	1,016.0	72.9	7.7%
Operating Income (Billions of yen)	529.7	569.0	39.2	7.4%
Ordinary Income (Billions of yen)	508.5	550.0	41.4	8.1%
Net Income (Billions of yen)	128.6	130.0	1.3	1.0%

## 1st Half

Net Sales (Billions of yen)	432.9	497.0	64.0	14.8%
Operating Income (Billions of yen)	232.6	275.0	42.3	18.2%
Ordinary Income (Billions of yen)	220.1	266.0	45.8	20.8%
Net Income (Billions of yen)	50.6	60.0	9.3	18.5%

Cash dividends per share (yen)	2Q End	3,000	3,000
	FY End	3,000	3,000
	TOTAL	6,000	6,000



# Sales and Investment plan for the year ending March 31, 2012



		Mar. '11 (Actual)	Mar. '12 (Forecasts )	Change	% Change
Sales Volume	Crude oil (thousand bbl) <sup>1</sup>	76,651	83,991	7,340	9.6%
	Natural gas (MMcf) <sup>2</sup>	401,228	363,840	(37,388)	(9.3%)
	Overseas	336,975	298,794	(38,181)	(11.3%)
	Japan	64,253 (1,722 million m <sup>3</sup> )	65,046 (1,743 million m <sup>3</sup> )	793 (21 million m <sup>3</sup> )	1.2%
	LPG (thousand bbl) <sup>3</sup>	3,487	2,409	(1,078)	(30.9%)

(Billions of yen)	Mar. '11 (Actual)	Mar. '12 (Forecasts)	Change	% Change
Development expenditure	187.0	275.0	88.0	47.1%
Other capital expenditure	21.2	37.0	15.8	74.5%
Exploration expenditure	32.5	54.0	21.5	66.2%
<i>Exploration expenses and Provision for explorations</i> <sup>4</sup>	<i>Exploration expenses</i> 12.0	<i>Exploration expenses</i> 13.6	19.3	72.8%
	<i>Provision for explorations</i> 14.5	<i>Provision for explorations</i> 32.2		
<i>(Minority Interest Portion)</i> <sup>5</sup>	5.2	20.2	15.0	288.5%

Note

1 CF for domestic crude oil sales and petroleum products : 1kl=6.29bbl

2 CF for domestic natural gas sales : 1m3=37.32cf

3 CF for domestic LPG sales : 1t=10.5bbl

4 "Provision for allowance for recoverable accounts under production sharing" + "Provision for exploration projects"

5 Capital increase from minority shareholders, etc.

# Net Income Sensitivities



- Estimated Impact of crude oil price and foreign exchange fluctuation on consolidated net income for the year ending March 31, 2012

(Billions of yen)

Brent Crude Oil Price; \$1/bbl increase (decrease)	+2.0 (2.0)
Exchange Rate; ¥1 depreciation (appreciation) against the U.S. dollar	+2.4 (2.4)

Note: The actual impact will depend on changes in production volumes, capital expenditures and the recovery of costs, and may not be constant depending on the absolute level of oil prices and the exchange rate

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# Corporate Overview

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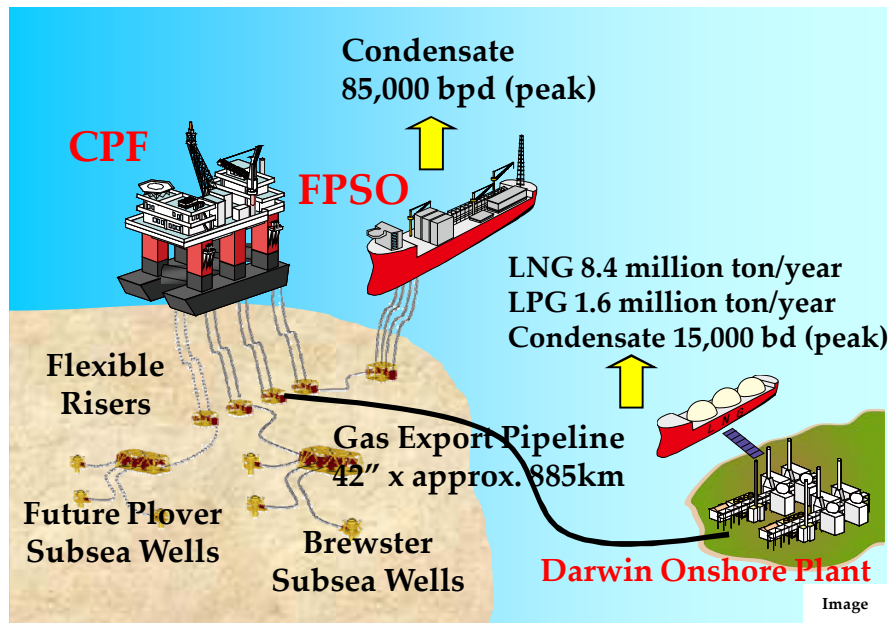
Toshiaki Kitamura  
Representative director, President

# FY 2011/03 Corporate Highlights



- Progress of the preparation for the development of the Ichthys and the Abadi LNG projects, and development of the Kashagan project
- Progress in establishment of our Gas Supply Chain (Naoetsu LNG Receiving Terminal and Toyama Line)
- Progress in the upstream business : approval for the Kitan Oil Field development, production start-up at the Ravensworth field, participation in the Sebuk Block, purchase of an additional interest in the ACG project, a discovery of oil and gas at an exploration well in Vietnam and acquisition of new exploration block in US Gulf of Mexico etc.
- Finance strategy for further growth (Public offering in August 2010, preparation of project finance for the Ichthys project)
- Political situation in the Middle East and North Africa : limited impact to our financial results
- Earthquake in Japan : direct impact to our financial results was limited (only minor damage caused in Chiba District Office, and has returned to normal), donation and contribution of immediate relief supplies
- Net Production Volume increased by 4% to 423,000 BOED (additional production from Van Gogh and Ravensworth, etc.)
- 19 ■ Proved + probable reserves declined by approximately 6% to 4.13 Bln BOE

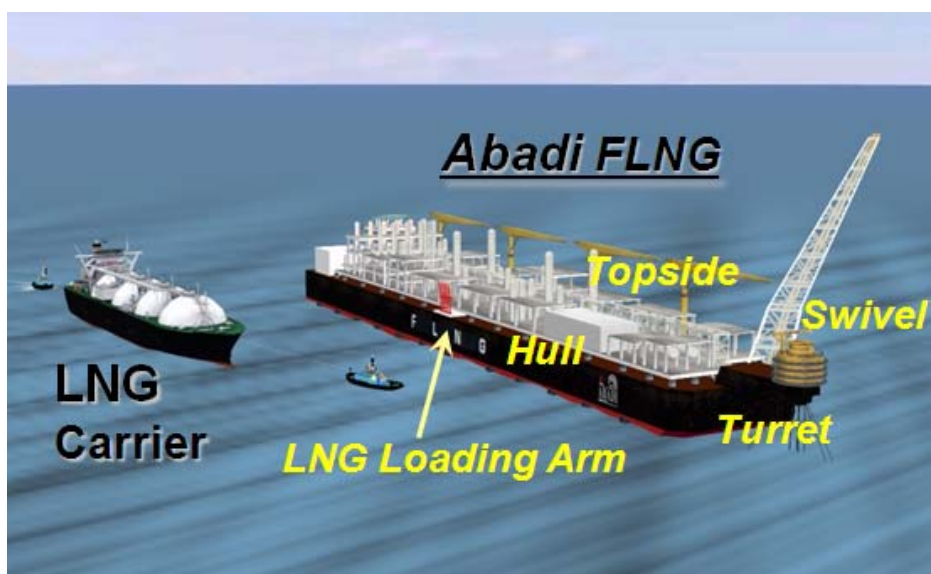
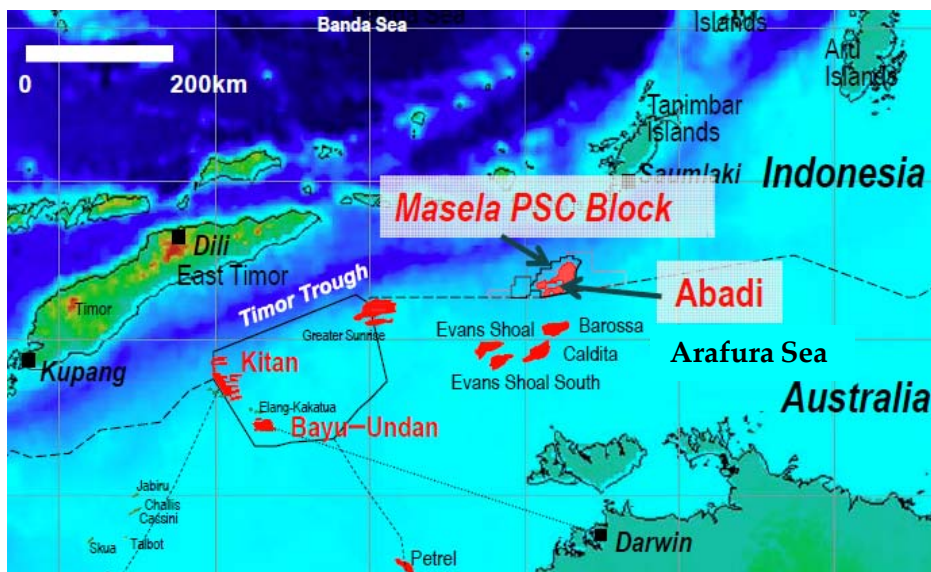
# Ichthys Project



- Onshore (natural gas liquefaction plant) FEED works
  - Engineering work completed
  - Preparation work for procurement phase in progress
- Offshore (Offshore facilities & pipeline) FEED works
  - Engineering work in progress
  - Preparation work for procurement phase in progress
- Application for production license
  - Submitted Field Development Plan to the Government authority in April 2011
- Application for Gas Export Pipeline license
  - Submitted the acceptance of pipeline license offer in April 2011
- Environmental Impact Assessment(EIA)
  - Submitted EIS Supplement in April 2011 taking into account the public comments. Government approval is expected in middle of this year.
- Gas Marketing Activities
  - Negotiation is ongoing for basic agreement
- Financing
  - Preparing for bank loans including project financing

- Production volume (expected):
  - 8.4 MM t/y of LNG
  - 1.6 MM t/y of LPG
  - Approx. 100,000 bbl/d of condensate (Peak Rate)
- FID target: 4Q 2011
- Production start target: 4Q 2016
- Participating Interest: INPEX 76%, TOTAL24%

# Abadi Project



FLNG image

- INPEX Masela : 90% (Operator)  
PT EMP Energi Indonesia (EMPI) :10%  
(Transfer of a 10% participating interest to EMPI became effective in November 2010.)
- The Plan of Development (POD) was approved by Indonesian Government in December 2010
  - First Phase Development (POD-1)
  - Development Concept : Floating LNG
  - Production Volumes : 2.5 MM t/y of LNG  
8,400 bbl/d of condensate
- Preparation FEED works and AMDAL (Environmental & Social Impact Assessment Process) are ongoing
- Further Study for Future Subsequent Developments according to gas reserves
- Plan to transfer of a 10% participating interest to an Indonesian company designated by Indonesian Government, based on the PS Contract
- Considering “Strategic Partnering”

## ■ Domestic Natural Gas Sales

- FY 2011/03 : 1,720 MM m<sup>3</sup>\* increased by 0.9% (demand increase of industrial and direct/ large-volume users)
- FY 2012/3 (E) : 1,740 MM m<sup>3</sup>\* (Increase by approx. 1% due to demand increase)

\* 1m<sup>3</sup> =41,6805MJ

## ■ Naoetsu LNG Receiving Terminal

- Construction of LNG storage tanks : the outer wall of LNG tanks (both Tank A and B) as of the end of April : completed 38m/40m (9 of 10 stages)
- Gasification plant : piling for foundation work continuing
- Started construction work for jetty and connection-pipeline

## ■ Construction of Toyama Line

- Engineering work will be completed soon. Final stage for FID.



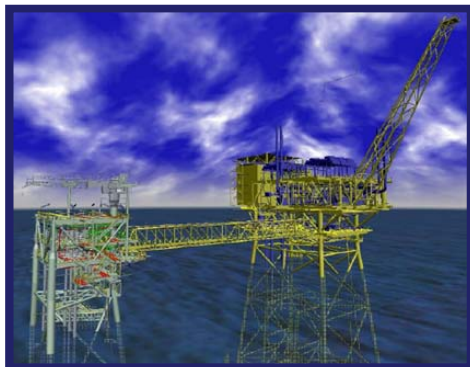
(LNG storage tanks, as of January 2011)

# Main new production oil/gas fields and new projects



Kitan (Clean up / flow test)

- Kitan (JPDA06-105)
  - Participating Interest : 35%
  - approved the Final Development Plan in April 2010
  - Production expected to commence in the second half of 2011
  - Peak production capacity : 40,000 bbl/d



Ruby Gas Field production facility

- Sebuku Block (Ruby Gas Field)
  - Participating Interest : 15%
  - Acquired a 15% interest from Pearl Energy in August 2010
  - Production is expected to commence in 2013. Tie-in from Sebuku Block to the facilities of Offshore Mahakam

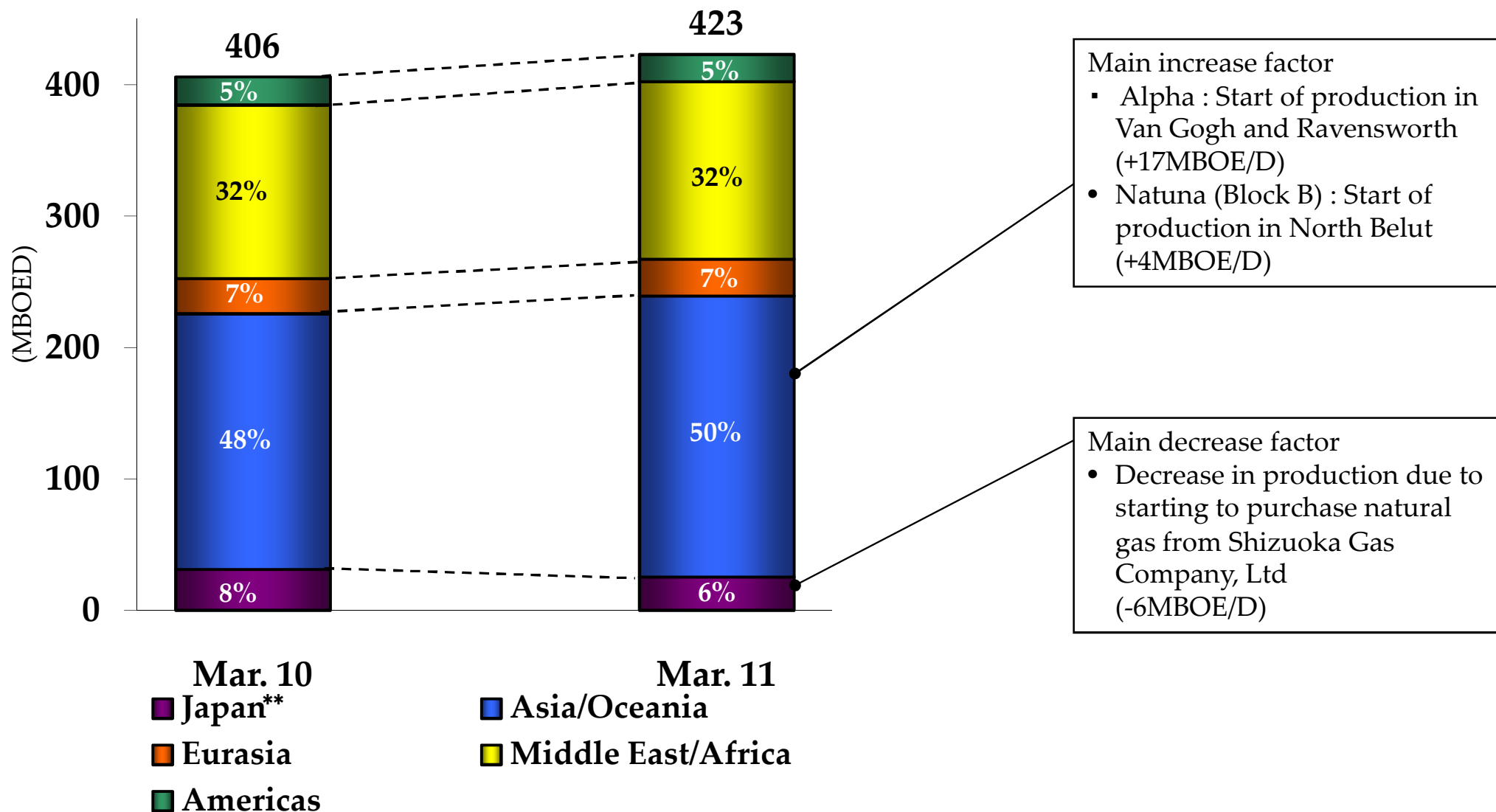


Map of Walker Ridge

- US Gulf of Mexico : Walker Ridge 95/96/139/140
  - Gulf of Mexico deepwater exploration
  - Participating Interest : 15%
  - Acquired 15% interest from Shell in February 2011
  - Plan to drill exploratory well at the end of 2011



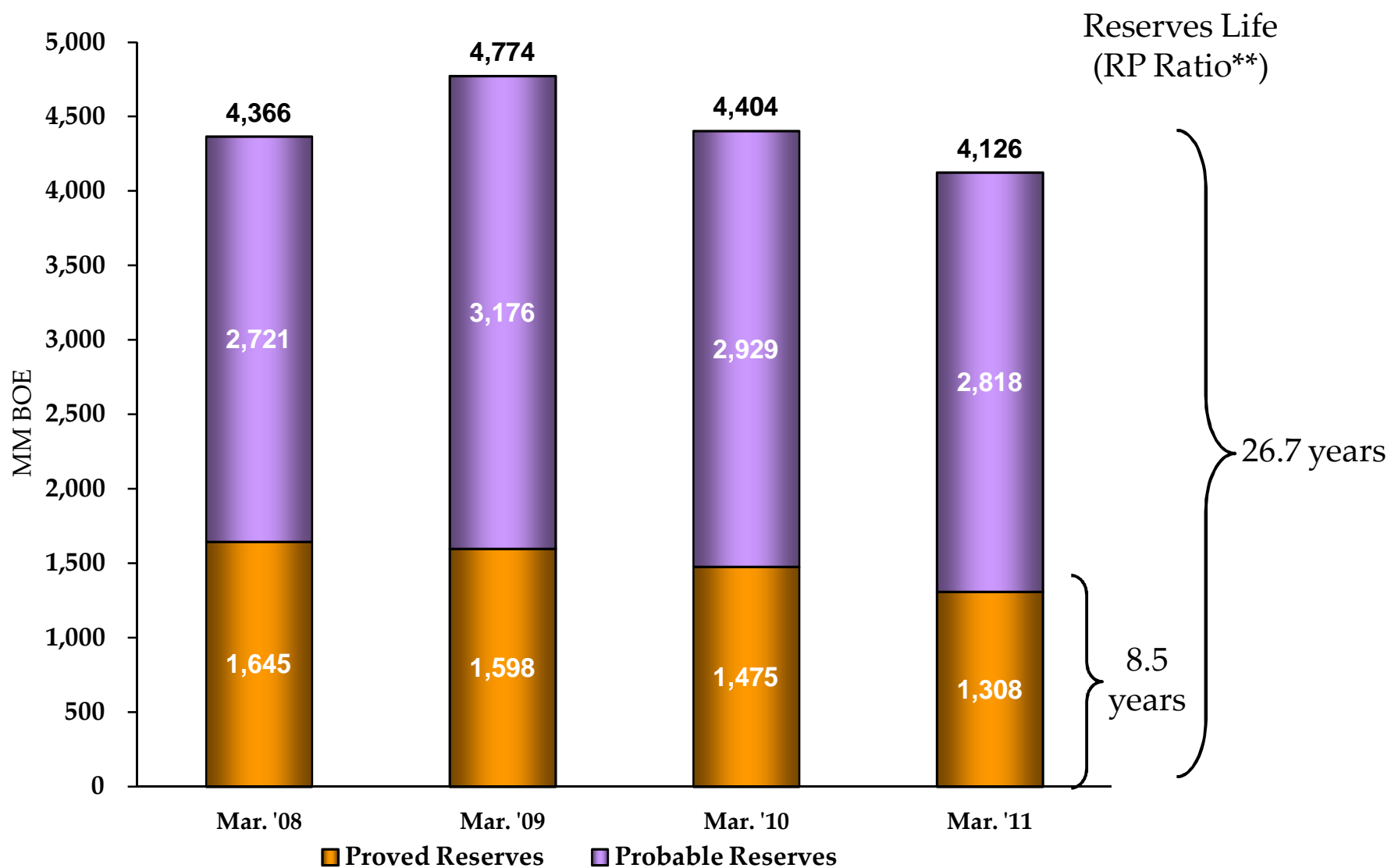
# Net Production\* (FY Mar. 2011)



• The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of our group.

\*\* Natural Gas: 43.12MJ / 1m3

# Proved + Probable Reserves\*



\* The reserves cover most of INPEX group projects including equity method affiliates, and the numbers of the reserves are provisional at present. The reserves of the projects which are expected to be invested a large amount and affect the company's future result materially are evaluated by DeGolyer & MacNaughton, and the others are done internally. The proved reserves are evaluated in accordance with SEC regulations. The probable reserve are evaluated in accordance with SPE/WPC/AAPG/SPEE guideline (SPE-PRMS) approved in March 2007.

\*\* Reserve Life = Proved (+Probable) Reserves as of March 31, 2011 / Production for the year ended March 31, 2011 (RP Ratio: Reserve Production Ratio)

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# Outlook

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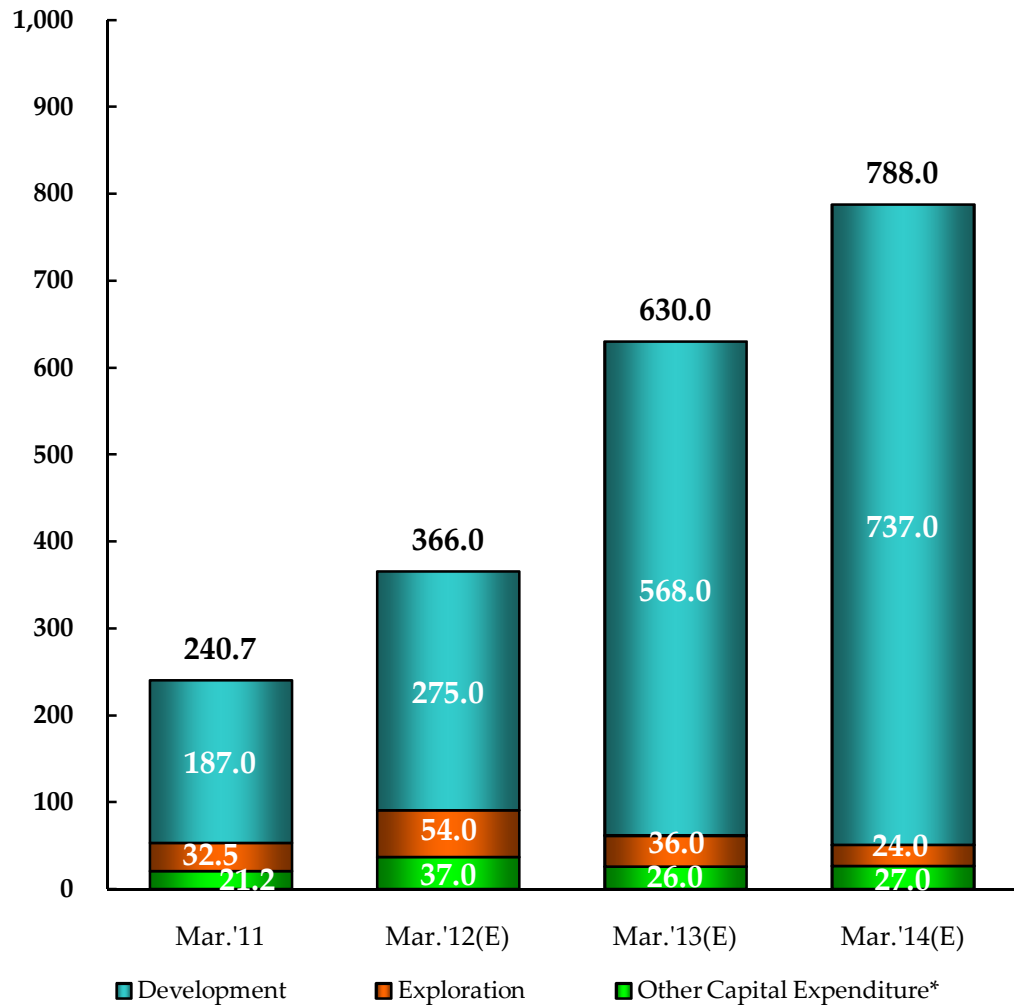
Toshiaki Kitamura  
Representative director, President

# Investment Plan



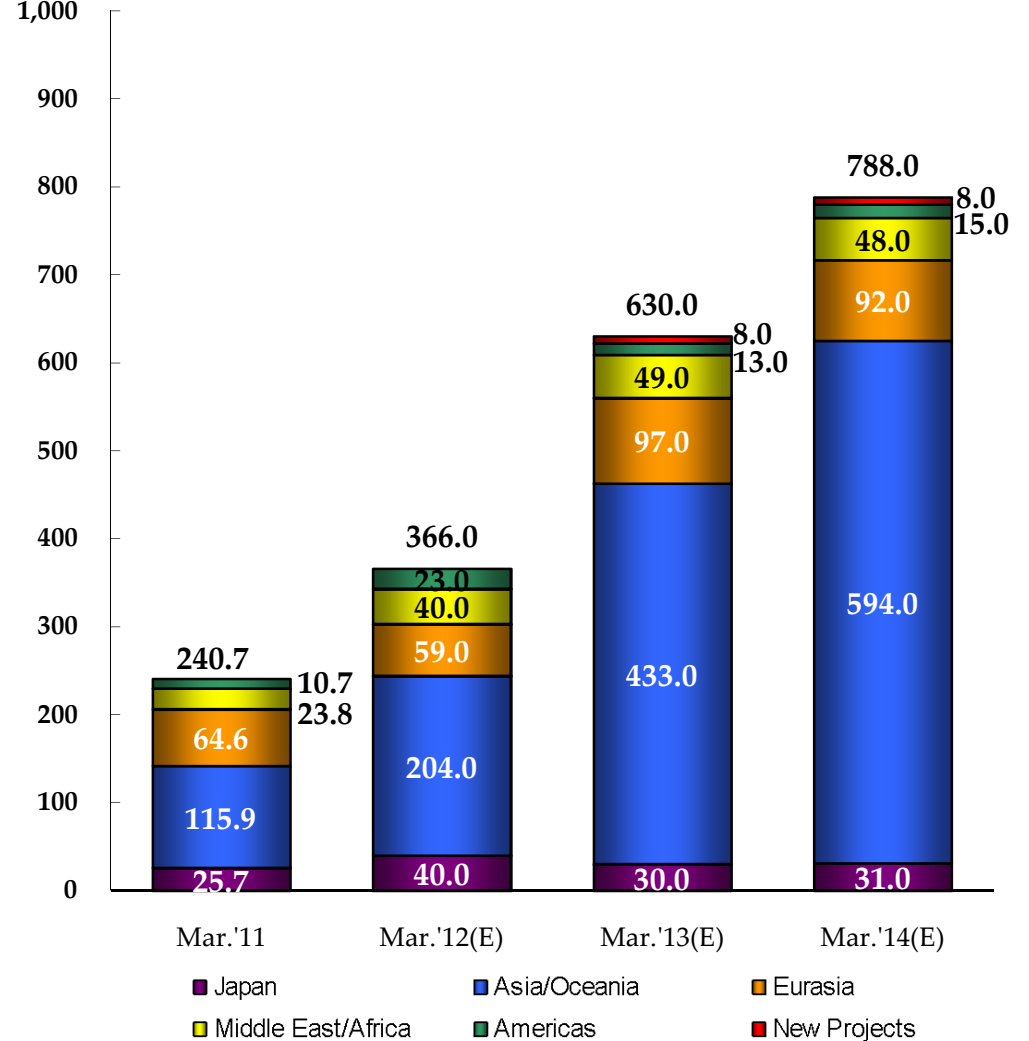
## By Activity

(Billions of Yen)



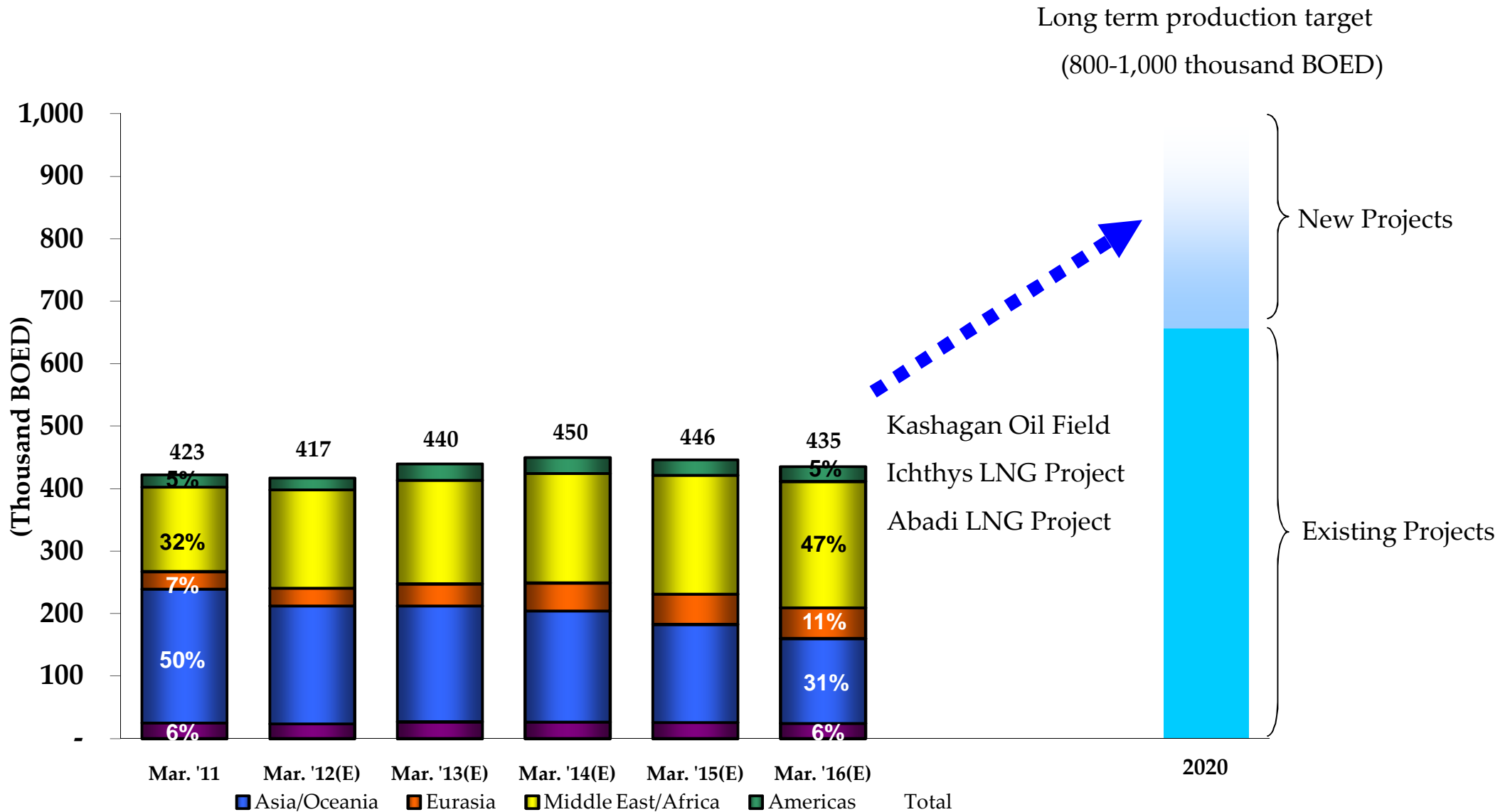
## By Region

(Billions of Yen)



\* Mainly investments in Naoetsu LNG Receiving Terminal and domestic pipeline network, etc

# Net Production\* Volume Projection



Note: Assumptions used for our net production in the year ending March 31, 2012 and later are the same as in the financial forecasts for the year ending March 31, 2012.

\* The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of our group.