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Financial Results  
for the six months ended September 30, 2011

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INPEX CORPORATION

November 7, 2011

## 1. Corporate Overview

Representative Director, President & CEO  
Toshiaki Kitamura

## 2. Financial Results for the six months ended September 30, 2011

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

# 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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# Corporate Overview

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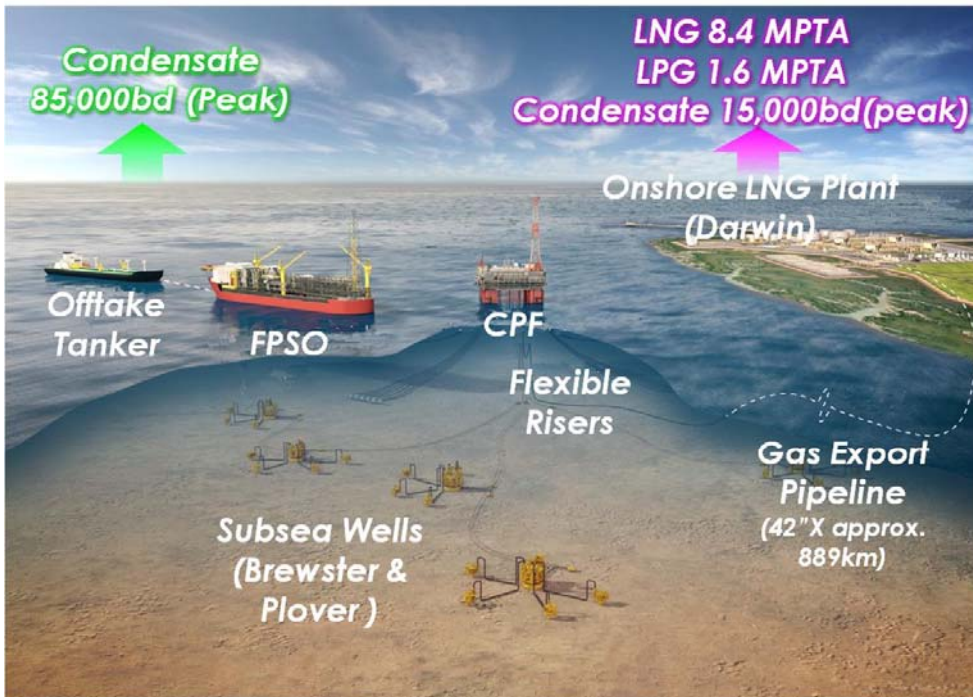
Toshiaki Kitamura  
Representative Director, President & CEO

# Corporate Highlights



- Half-year results : Net sales increased by 32% to ¥573.1 billion, Net profit increased by 47% to ¥74.3 billion.
- Ichthys LNG project : preparation for development progressing
- Abadi LNG project : agreed to transfer a 30% participating interest to Shell
- Progress of Gas Supply Chain (Naoetsu LNG Receiving Terminal, Toyama Line)
- Production star-up at Kitan oil field(Timor Sea), FID on Sebuku Block (Ruby gas field) and the joint geothermal energy development study
- Net Production : 405,000 BOED (decreased by 6%)

# Ichthys LNG Project(1/2)



- Onshore (LNG plant) and Offshore (Offshore facilities & pipeline) FEED works
  - Engineering works completed
  - Preparation work (including bid evaluation, negotiation) for EPC phase in progress
- Government Approvals
  - Production License: Submitted Field Development Plan (FDP) to the government authority (JA) in April 2011. FDP approved in October 2011. Fully aligned with JA to receive Production License Offer prior to FID
  - Gas Export Pipeline license : Obtained the approval of the license in May 2011
  - Environmental Impact Assessment(EIA) : Environmental approval granted by Northern Territory Government (May 2011) and Australian federal Government (June 2011).

■ 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: by the end of December 2011

■ Production start target: 4Q 2016

■ Participating Interest: INPEX 76% (Operator), TOTAL 24%

# Ichthys LNG Project(2/2)

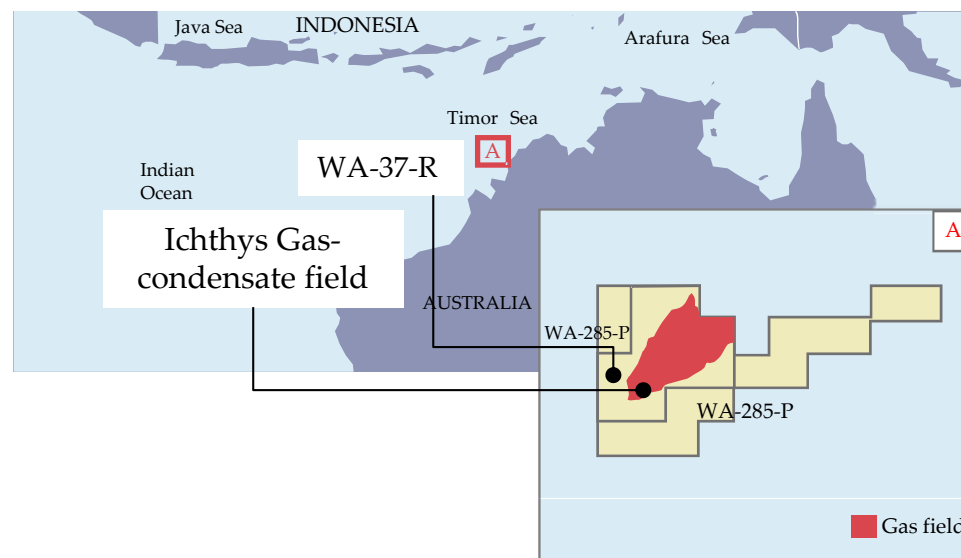


## ■ Gas Marketing Activities

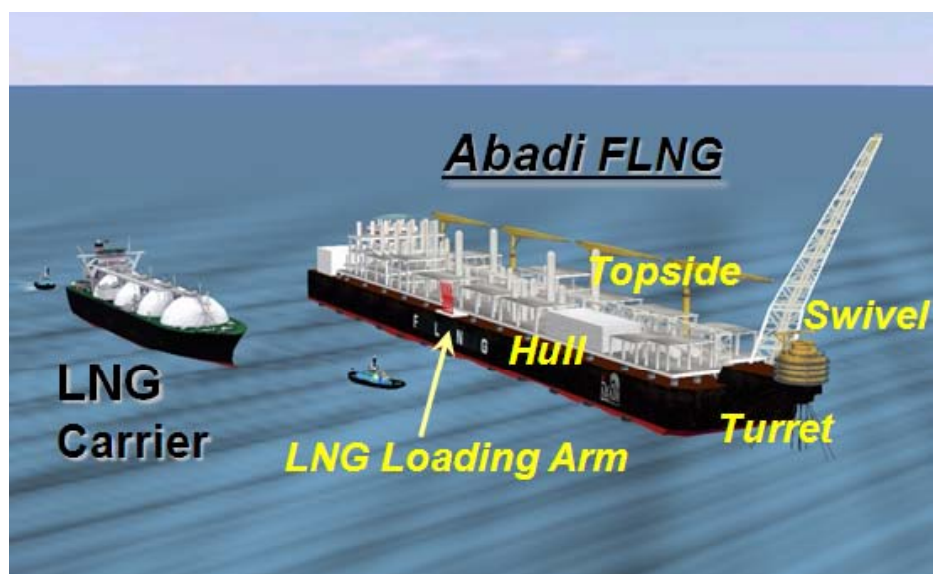
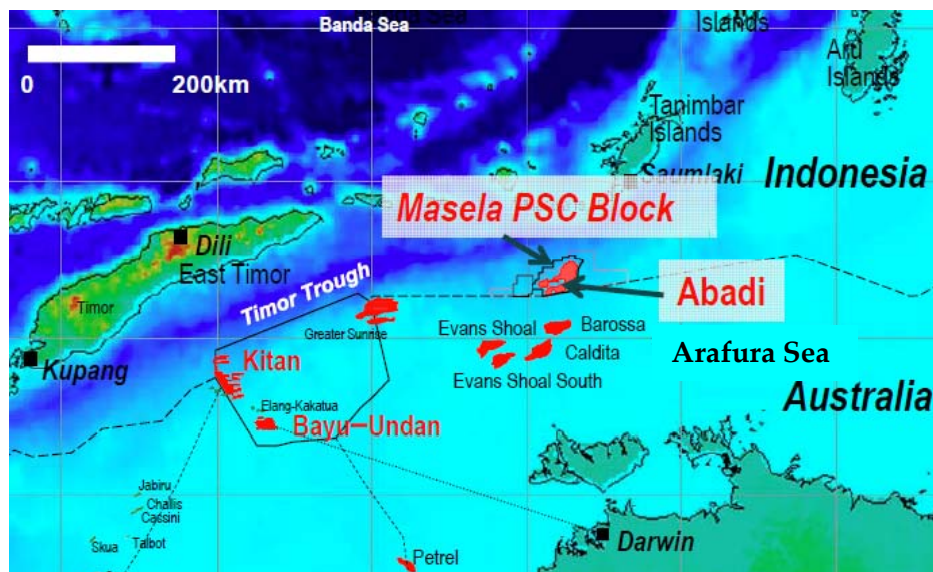
- All LNG volumes of 8.4 MM t/y will have been sold with a large part to be delivered to Japan
- Negotiating with buyers to conclude legally-binding SPAs for LNG 8.4 MM t/y by FID

## ■ Financing

- Preparing for project financing
- Expect to confirm lenders' lending intention by FID



# Abadi LNG Project



FLNG image

- Agreed to transfer a 30% participating interest to a subsidiary of Shell in July 2011
  - \*The transaction is subject to the satisfaction of certain conditions such as the approval of the Indonesian Government.
- Plan to transfer of a 10% participating interest to an Indonesian company designated by Indonesian Government, based on the PS Contract
- 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
- Preparations for FEED works and AMDAL (Environmental & Social Impact Assessment Process) are ongoing
- FEED works: plan to start by the 1st half of 2012
- Further Study for Future Subsequent Developments according to gas reserves



# Progress of the Gas Supply Chain



- Construction of the Naoetsu LNG Receiving Terminal
  - Construction work progressing to start operation in 2014
  - Current status of construction : LNG tank 70%, Plant 30%, Landing bridge 25%, Connecting pipelines 20%
  - Completed lifting of dome-shaped roofs of the LNG storage tanks
  
- Construction of the Toyama Line
  - Construction decided in May 2011
  - Target to commence the operation in the end of 2014



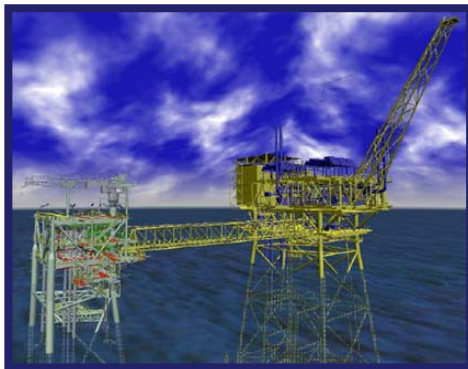
(LNG tanks, as of October 2011)

# Topics



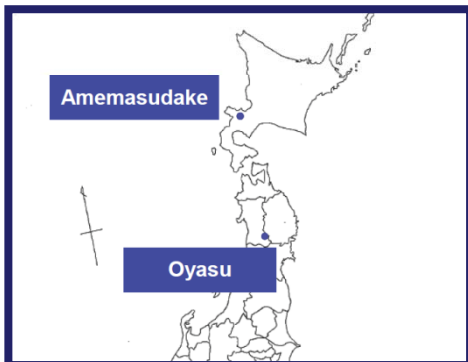
Kitan (production test)

- Oil production started at Kitan (JPDA06-105)
  - Final Development Plan approved in April 2010
  - Production started in October 2011
  - Peak production capacity : 40,000 bbl/d



Ruby Gas Field production facility

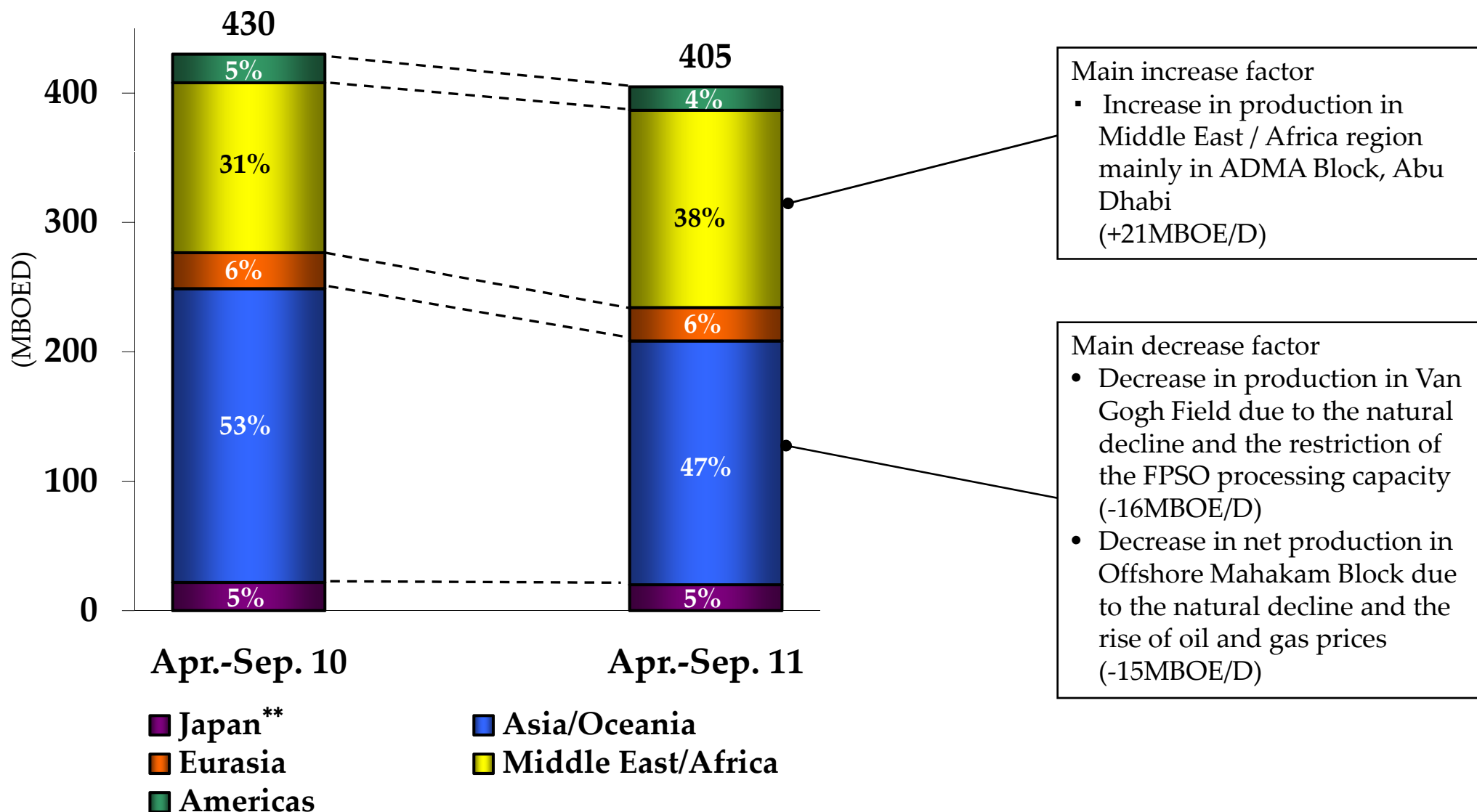
- Made Final investment Decision (FID) to develop Sebuku Block (Ruby Gas Field)
  - Acquired a 15% interest from Pearl Energy in August 2010
  - Made FID in June 2011
  - Expect to start production in the second half of 2013



Joint Study Areas

- Joint geothermal energy development study
  - We seek to evolve into a company that offers diversified forms of energy as our corporate strategies
  - Agreed to commence the geothermal study with Idemitsu in June 2011
  - Started the study at areas in Hokkaido and Akita Prefecture

# Net Production\* (April – September 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: 41.8605MJ / 1m<sup>3</sup>

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Financial Results for the six months ended  
September 30, 2011

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Masahiro Murayama

Director, Managing Executive Officer  
Head of Finance & Accounting Division

# Highlights of the Consolidated Financial Results for the six months ended September 30, 2011 **INPEX**

|                                    | Apr.-Sep. '10 | Apr.-Sep. '11 | Change   | %Change |
|------------------------------------|---------------|---------------|----------|---------|
| Net Sales (Billions of yen)        | 432.9         | 573.1         | 140.1    | 32.4%   |
| Crude Oil Sales                    | 249.2         | 352.1         | 102.8    | 41.2%   |
| Natural Gas Sales (including LPG)  | 170.6         | 205.8         | 35.2     | 20.7%   |
| Others                             | 13.0          | 15.1          | 2.1      | 16.2%   |
| Operating Income (Billions of yen) | 232.6         | 328.0         | 95.4     | 41.0%   |
| Ordinary Income (Billions of yen)  | 220.1         | 332.4         | 112.3    | 51.0%   |
| Net Income (Billions of yen)       | 50.6          | 74.3          | 23.7     | 47.0%   |
| Net income per share (Yen)         | 18,584.05     | 20,377.60     | 1,793.55 | 9.7%    |

Average number of shares issued and outstanding during the six months ended September 30, 2011 (consolidated): 3,650,894

|  |       |        |                       |                        |
|--|-------|--------|-----------------------|------------------------|
| Average crude oil price (Brent) (\$/bbl) | 78.22 | 114.68 | 36.46                 | 46.6%                  |
| Average exchange rate (¥/\$)             | 88.90 | 79.75  | 9.15 Yen appreciation | 10.3% Yen appreciation |

# Crude Oil Sales



|  | Apr.-Sep. '10 | Apr.-Sep. '11 | Change                   | %Change                   |
|--|---------------|---------------|--------------------------|---------------------------|
| Net Sales (Billions of yen)                        | 249.2         | 352.1         | 102.8                    | 41.2%                     |
| Sales volume (Mbbbl)                               | 36,496        | 39,139        | 2,643                    | 7.2%                      |
| Average unit price of overseas production (\$/bbl) | 75.70         | 111.77        | 36.07                    | 47.6%                     |
| Average unit price of domestic production (¥/kl)   | 47,156        | 61,927        | 14,771                   | 31.3%                     |
| Average exchange rate (¥/\$)                       | 89.39         | 79.93         | 9.46<br>Yen appreciation | 10.6%<br>Yen appreciation |

| Sales volume by region (Mbbbl) | Apr.-Sep. '10          | Apr.-Sep. '11          | Change                  | %Change |
|--------------------------------|------------------------|------------------------|-------------------------|---------|
| Japan                          | 73<br>(12 thousand kl) | 72<br>(11 thousand kl) | (0)<br>(-0 thousand kl) | (0.4%)  |
| Asia/Oceania                   | 9,362                  | 6,619                  | (2,743)                 | (29.3%) |
| Eurasia (Europe/NIS)           | 2,979                  | 4,864                  | 1,885                   | 63.3%   |
| Middle East/Africa             | 23,336                 | 27,551                 | 4,215                   | 18.1%   |
| Americas                       | 745                    | 32                     | (713)                   | (95.7%) |
| Total                          | 36,496                 | 39,139                 | 2,643                   | 7.2%    |

# Natural Gas Sales (excluding LPG)



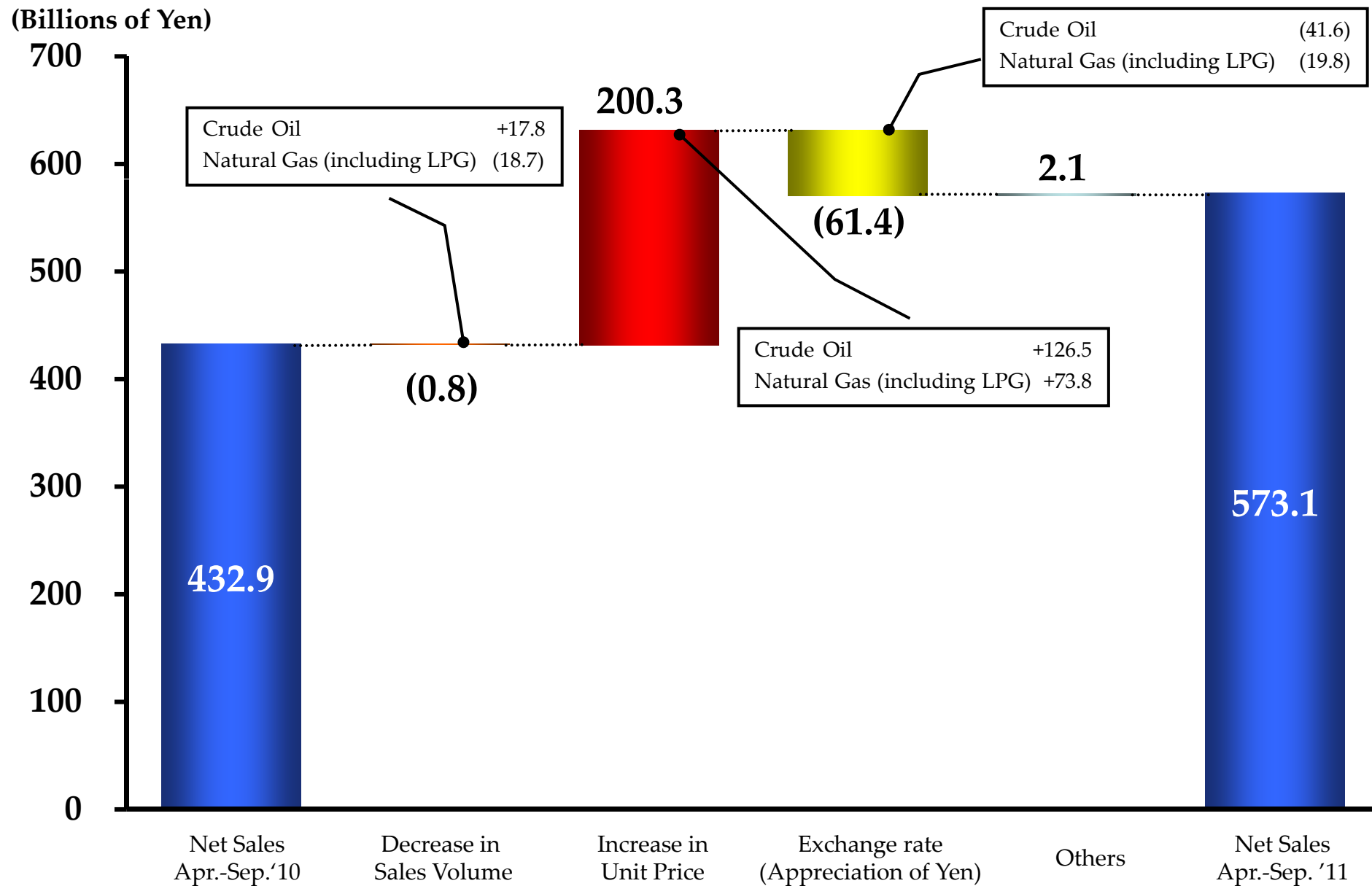
|  | Apr.-Sep. '10                                    | Apr.-Sep. '11                                   | Change                                   | %Change                   |
|--|--|---|--|---------------------------|
| Net Sales (Billions of yen)                              | 160.3  | 201.5   | 41.2                                     | 25.7%                     |
| Sales volume (MMcf)                                      | 200,495  | 184,454   | (16,041)                                 | (8.0%)                    |
| Average unit price of overseas production (\$/Mcf)       | 8.39   | 13.55   | 5.16                                     | 61.5%                     |
| Average unit price of domestic sales(¥/ m <sup>3</sup> ) | 41.24  | 42.82   | 1.58                                     | 3.8%                      |
| Average exchange rate (¥/\$)                             | 89.15  | 79.90   | 9.25<br>Yen appreciation                 | 10.4%<br>Yen appreciation |
| Sales volume by region (MMcf)                            | Apr.-Sep. '10                                    | Apr.-Sep. '11                                   | Change                                   | %Change                   |
| Japan  | 28,954<br>(776 million m <sup>3</sup> *)         | 28,427<br>(762 million m <sup>3</sup> *)        | (527)<br>(- 14 million m <sup>3</sup> *) | (1.8%)                    |
|  | Purchased Volume<br>241 million m <sup>3</sup> * | Purchased Volume<br>271million m <sup>3</sup> * | 30 million m <sup>3</sup> *              | 12.4%                     |
| Asia/Oceania   | 155,675  | 142,153   | (13,522)                                 | (8.7%)                    |
| Eurasia (Europe/NIS )                                    | -  | -   | -  | -                         |
| Middle East/Africa                                       | -  | -   | -  | -                         |
| Americas   | 15,866   | 13,873  | (1,992)                                  | (12.6%)                   |
| Total  | 200,495  | 184,454   | (16,041)                                 | (8.0%)                    |

(FYI) LPG Sales

\* 43.12MJ / 1m<sup>3</sup>

|                             | Apr.-Sep. '10 | Apr.-Sep. '11 | Change | %Change |
|-----------------------------|---------------|---------------|--------|---------|
| Net Sales (Billions of yen) | 10.2          | 4.2           | (5.9)  | (58.3%) |

# Analysis of Net Sales Increase





# Statements of Income



| (Billions of Yen)                            | Apr.-Sep. '10 | Apr.-Sep. '11 | Change | %Change |
|--|---------------|---------------|--------|---------|
| Net Sales                                    | 432.9         | 573.1         | 140.1  | 32.4%   |
| Cost of Sales                                | 162.0         | 199.4         | 37.3   | 23.1%   |
| Exploration expenses                         | 6.4           | 10.5          | 4.0    | 63.1%   |
| Selling, general and administrative expenses | 31.8          | 35.1          | 3.2    | 10.2%   |
| Operating Income                             | 232.6         | 328.0         | 95.4   | 41.0%   |
| Other income                                 | 10.4          | 19.8          | 9.3    | 89.1%   |
| Other expenses                               | 22.9          | 15.4          | (7.5)  | (32.9%) |
| Ordinary Income                              | 220.1         | 332.4         | 112.3  | 51.0%   |
| Income taxes-current                         | 160.0         | 245.3         | 85.3   | 53.3%   |
| Income taxes-deferred                        | 6.9           | 4.0           | (2.8)  | (41.5%) |
| Minority interests                           | 2.4           | 8.6           | 6.1    | 246.1%  |
| Net Income                                   | 50.6          | 74.3          | 23.7   | 47.0%   |

|                      |        |
|----------------------|--------|
| Crude Oil sales :    | 352.1  |
| (Change)             | +102.8 |
| Natural Gas sales* : | 205.8  |
| (Change)             | +35.2  |

|                                  |       |
|----------------------------------|-------|
| Cost of sales for Crude Oil :    | 112.3 |
| (Change)                         | +19.5 |
| Cost of sales for Natural Gas* : | 75.3  |
| (Change)                         | +15.9 |

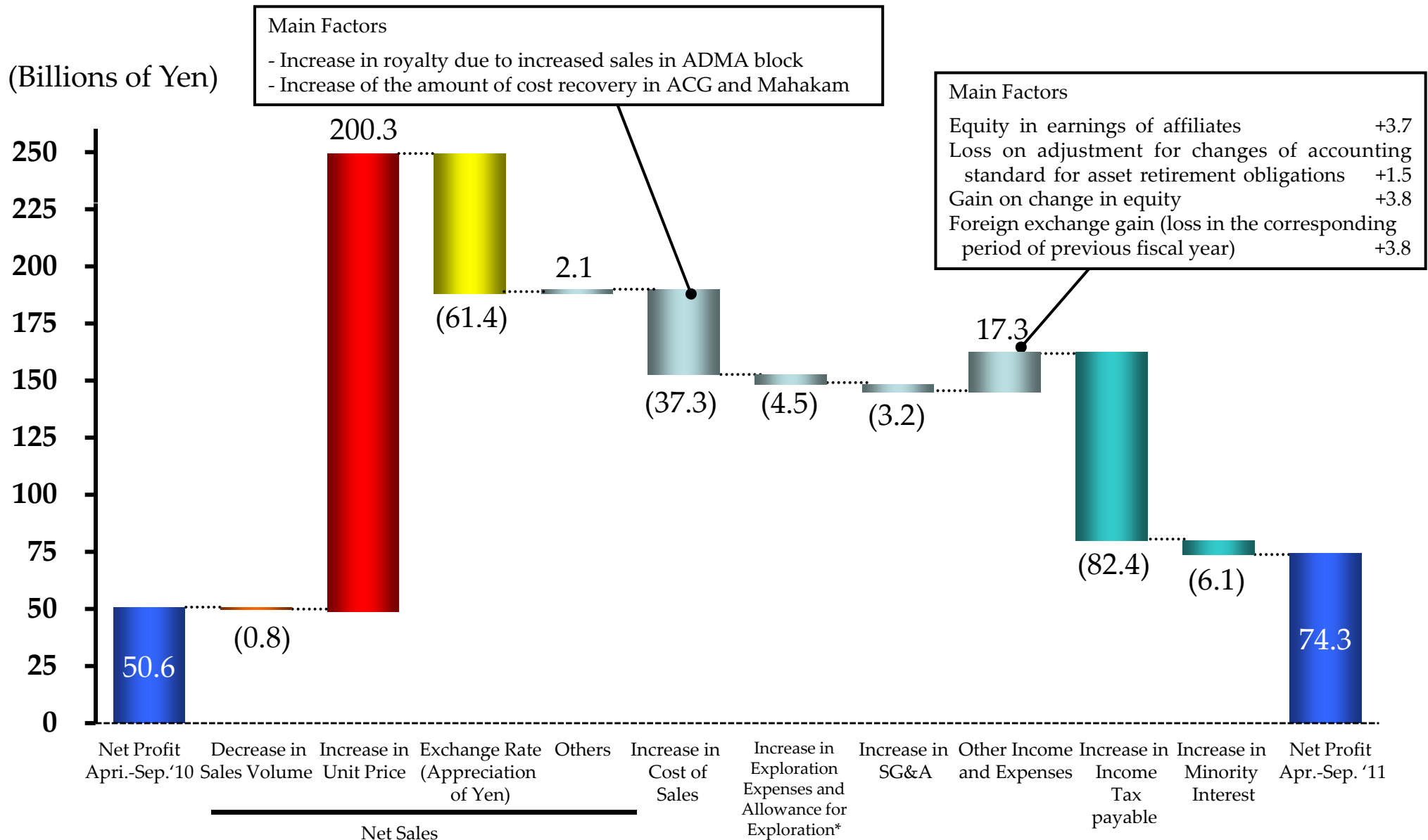
\* Including LPG

# Other Income/Expenses



| (Billions of Yen)   | Apr.-<br>Sep. '10 | Apr.-<br>Sep. '11 | Change | %Change  |
|---|-------------------|-------------------|--------|----------|
| Other income  | 10.4              | 19.8              | 9.3    | 89.1%    |
| Interest income   | 2.0               | 2.0               | 0.0    | 3.9%     |
| Dividend income   | 2.2               | 2.1               | (0.0)  | (1.9%)   |
| Equity in earnings of affiliates  | 0.3               | 4.0               | 3.7    | -        |
| Gain on change in equity  | 2.8               | 6.6               | 3.8    | 138.8%   |
| Foreign exchange gain   | -                 | 1.9               | 1.9    | -        |
| Other   | 3.1               | 2.8               | (0.2)  | (89.8%)  |
| Other expenses  | 22.9              | 15.4              | (7.5)  | (32.9%)  |
| Interest expense  | 0.5               | 0.5               | 0.0    | 12.7%    |
| Provision for allowance for recoverable<br>accounts under production sharing              | 7.5               | 9.1               | 1.6    | 21.9%    |
| Provision for exploration projects  | 2.0               | 0.8               | (1.1)  | (58.3%)  |
| Loss on adjustment for changes of accounting<br>standard for asset retirement obligations | 1.5               | -                 | (1.5)  | (100.0%) |
| Foreign exchange loss   | 1.8               | -                 | (1.8)  | (100.0%) |
| Other   | 9.5               | 4.8               | (4.6)  | (49.0%)  |

# Analysis of Net Profit Increase



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

# Balance Sheets



| (Billions of yen)  | Mar.'11        | Sep. '11       | Change      | %Change     |
|--|----------------|----------------|-------------|-------------|
| Current assets   | 492.9          | 523.1          | 30.2        | 6.1%        |
| Tangible fixed assets  | 379.8          | 379.6          | (0.2)       | (0.1%)      |
| Intangible assets  | 249.1          | 241.9          | (7.1)       | (2.9%)      |
| Recoverable accounts under production sharing                    | 534.3          | 560.4          | 26.1        | 4.9%        |
| Other  | 1,121.0        | 1,151.6        | 30.5        | 2.7%        |
| Less allowance for recoverable accounts under production sharing | (96.8)         | (109.5)        | (12.7)      | 13.1%       |
| <b>Total assets</b>  | <b>2,680.3</b> | <b>2,747.2</b> | <b>66.8</b> | <b>2.5%</b> |
| Current liabilities  | 254.7          | 257.2          | 2.5         | 1.0%        |
| Long-term liabilities  | 328.2          | 335.5          | 7.2         | 2.2%        |
| <b>Total net assets</b>  | <b>2,097.3</b> | <b>2,154.4</b> | <b>57.0</b> | <b>2.7%</b> |
| (Minority interests)   | 100.4          | 108.0          | 7.5         | 7.5%        |
| <b>Total liabilities and net assets</b>                          | <b>2,680.3</b> | <b>2,747.2</b> | <b>66.8</b> | <b>2.5%</b> |
| Net assets per share (Yen)                                       | 546,959        | 560,509        | 13,550      | 2.5%        |

# Statements of Cash Flows



| (Billions of Yen)  | Apr.-Sep. '10  | Apr.-Sep. '11  | Change         | %Change        |
|--|----------------|----------------|----------------|----------------|
| Income before income taxes and minority interests  | 220.1          | 332.4          | 112.3          | 51.0%          |
| Depreciation and amortization  | 28.0           | 23.7           | (4.3)          | (15.5%)        |
| Recovery of recoverable accounts under production sharing (capital expenditures)   | 23.9           | 29.0           | 5.1            | 21.6%          |
| Recoverable accounts under production sharing (operating expenditures)   | (2.2)          | (11.1)         | (8.8)          | 386.6%         |
| Income taxes paid  | (179.1)        | (249.0)        | (69.8)         | 39.0%          |
| Other  | 36.0           | 13.4           | (22.5)         | (62.6%)        |
| <b>Net cash provided by operating activities</b>   | <b>126.7</b>   | <b>138.6</b>   | <b>11.8</b>    | <b>9.4%</b>    |
| Purchase of tangible fixed assets  | (42.2)         | (23.6)         | 18.6           | (44.1%)        |
| Purchases of marketable securities/investment securities and proceed from sales of marketable securities/investment securities (Net) | (36.6)         | (85.1)         | (48.4)         | 131.1%         |
| Investment in recoverable accounts under production sharing (capital expenditures)   | (39.8)         | (43.2)         | (3.3)          | 8.5%           |
| Other  | (29.2)         | (4.0)          | 25.2           | (86.3%)        |
| <b>Net cash used in investing activities</b>   | <b>(148.0)</b> | <b>(155.9)</b> | <b>(7.9)</b>   | <b>5.4%</b>    |
| <b>Net cash provided by financing activities</b>   | <b>523.4</b>   | <b>12.3</b>    | <b>(511.0)</b> | <b>(97.6%)</b> |
| Cash and cash equivalents at end of the period   | 707.0          | 170.3          | (536.7)        | (75.9)         |

# Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2011 **INPEX**

## - Assumptions

| (August 3, 2011)                   | 1 <sup>st</sup> half (Previous Forecasts) |
|------------------------------------|---|
| Crude oil price (Brent) (US\$/bbl) | 106.1                                     |
| Exchange rate (yen/US\$)           | 80.9                                      |

↓

| (Nov. 4, 2011)                     | 1 <sup>st</sup> half (Actual Results) |
|------------------------------------|---------------------------------------|
| Crude oil price (Brent) (US\$/bbl) | 114.7                                 |
| Exchange rate (yen/US\$)           | 79.8                                  |

## - Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2011

|                                    | Previous Forecasts<br>(August 3, 2011) | Actual Results | Change | % Change |
|------------------------------------|--|----------------|--------|----------|
| Net Sales (billions of yen)        | 543.0                                  | 573.1          | 30.1   | 5.6%     |
| Operating income (billions of yen) | 307.0                                  | 328.0          | 21.0   | 6.9%     |
| Ordinary income (billions of yen)  | 304.0                                  | 332.4          | 28.4   | 9.4%     |
| Net income (billions of yen)       | 70.0                                   | 74.3           | 4.3    | 6.3%     |

# Revisions of Financial Forecasts for the year ending March 31, 2012



## - Assumptions

| (August 3, 2011)                   | 1 <sup>st</sup> half | 2 <sup>nd</sup> half | Full year |
|------------------------------------|----------------------|----------------------|-----------|
| Crude oil price (Brent) (US\$/bbl) | 106.1                | 95.0                 | 100.5     |
| Exchange rate (yen/US\$)           | 80.9                 | 80.0                 | 80.4      |



| (Nov. 4, 2011)                     | 1 <sup>st</sup> half | 2 <sup>nd</sup> half | Full year |
|------------------------------------|----------------------|----------------------|-----------|
| Crude oil price (Brent) (US\$/bbl) | 114.7                | 95.0                 | 104.8     |
| Exchange rate (yen/US\$)           | 79.8                 | 75.0                 | 77.4      |

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

|                                    | Previous forecasts<br>(August 3, 2011) | Revised forecasts<br>(Nov. 4, 2011) | Change | % Change |
|------------------------------------|--|-------------------------------------|--------|----------|
| Net Sales (billions of yen)        | 1,058.0                                | 1,068.0                             | 10.0   | 0.9%     |
| Operating income (billions of yen) | 597.0                                  | 600.0                               | 3.0    | 0.5%     |
| Ordinary income (billions of yen)  | 585.0                                  | 601.0                               | 16.0   | 2.7%     |
| Net income (billions of yen)       | 140.0                                  | 140.0                               | —      | —        |

## - Dividend per share

|                                  | End of 2Q | End of fiscal<br>year (forecast) | Total (forecast) |
|----------------------------------|-----------|----------------------------------|------------------|
| Year ending March 31, 2012 (yen) | 3,000     | 3,000                            | 6,000            |