
Investor Briefing - Ichthys LNG Project

INPEX CORPORATION

January 24, 2012

- Ichthys LNG Project and INPEX's growth strategy

Representative Director, President & CEO
Toshiaki Kitamura

- Ichthys LNG Project Overview

Director, Managing Executive Officer,
Head of Ichthys Project Division
Seiya Ito

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

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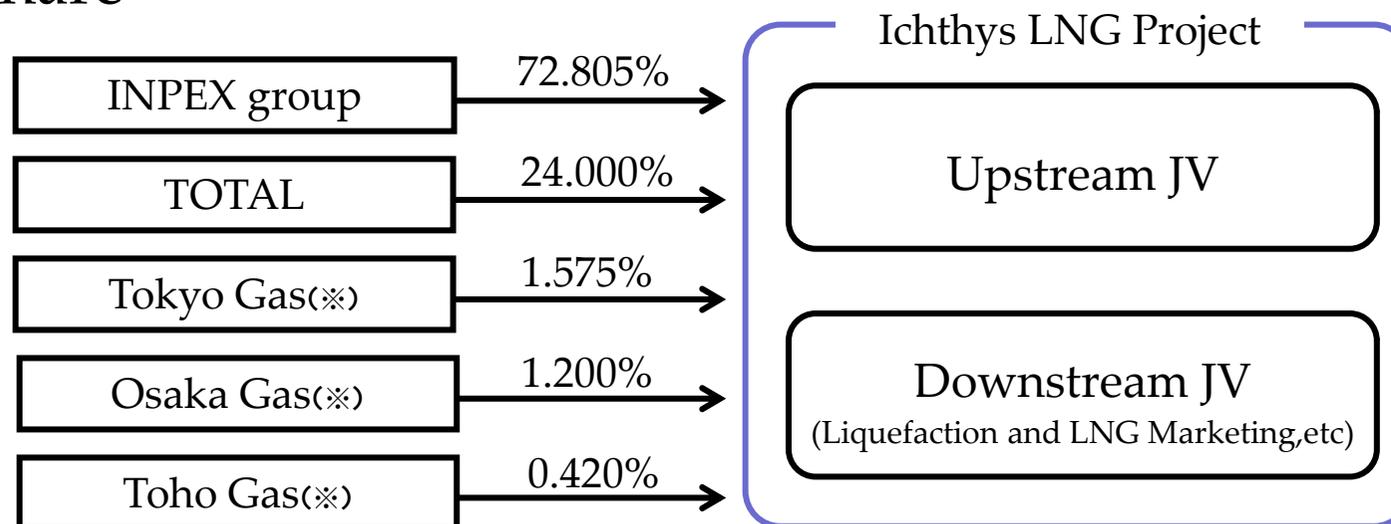
Ichthys LNG Project and INPEX's growth strategy

Representative Director, President & CEO
Toshiaki Kitamura

Project Highlight(1/2)



- January 13, 2012, Announced FID
- Production start target: by the end of 2016
- Production rate:
 - ✓ LNG : 8.4 million tonnes per year (equivalent to 10% or more of Japan's current LNG annual import volume)
 - ✓ LPG : approx. 1.6 million tonnes per year
 - ✓ Condensate : approx. 100,000 barrels per day(at peak)
- Project share:



(※) Subject to approval by the Australian Government

Project Highlight(2/2)



- **Marketing:** Secured the LNG Sales and Purchase Agreements for the entire LNG production (8.4 million t/y)
- **Government approvals:**
 - ✓ Environmental Approval, Pipeline licenses : obtained
 - ✓ Production Licenses : imminent
- **CAPEX:**
 - ✓ US\$34.0 billion (100% project basis)
 - ✓ INPEX share(72.805%*) : US\$24.7 billion

*Out of the current INPEX's share (76%) the following participating interest will be transferred to Osaka Gas (1.2%), Toho Gas (0.42%) and Tokyo Gas (1.575%) subject to Australian Government approval of the transfer. After the transfer INPEX's project share will be 72.805% accordingly.

- **Financing the Project**
 - ✓ Combination of own funds and bank loans (incl. Project Financing)
 - ✓ Currently under negotiation for Project Financing with ECAs in Japan, Korea, Australia and France etc, and major commercial banks from Japan and Australia etc.
 - ✓ Bank loans are expected to total about 1 trillion yen and comprise mainly Project Financing

Key features of Ichthys LNG Project



■ Ichthys gas-condensate field

- ✓ Low Country Risk (Australia)
- ✓ High production capacity : in addition to LNG, substantial LPG and Condensate
- ✓ Exploration blocks around the Ichthys field have high potential

■ Project progress

- ✓ Major government approvals have been obtained. Secured reliable EPC contractors. Secured marketing for the entire LNG production. Sufficient confirmations of lenders' intention have been obtained for financing.
- ✓ Schedule announced in May 2010 (delaying FID and production start-up by a year) has provided further accuracy and confidence in engineering and cost estimates. Our relationships with the local community much enhanced
- ✓ Lump sum contracts account for the majority of overall EPC contracts

■ Strength of the project

- ✓ INPEX's experiences in the Asia-Oceania region
- ✓ Good coordination and relationship with joint venture participants (incl. TOTAL)
- ✓ Support from Australian and Northern Territory Governments

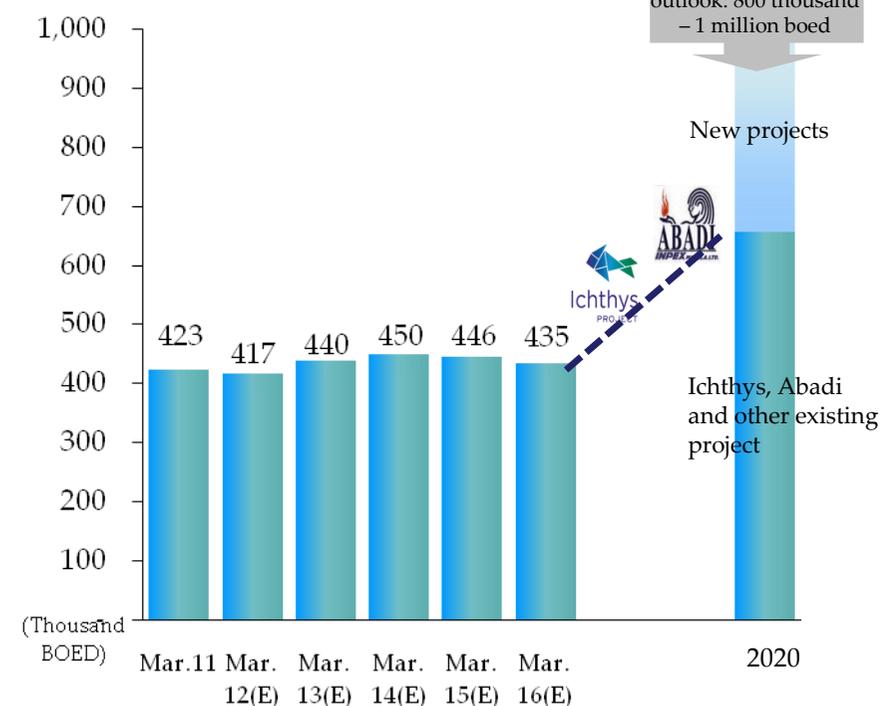


Ichthys LNG Project and INPEX's growth strategy

■ Significant contribution to our corporate growth

- ✓ A core project for our medium- to long-term corporate growth (Sustainable growth of E&P activities and establishment of a gas supply chain)
- ✓ Increase in proved reserves, improve RRR and F/D costs
- ✓ Contribution our net production target of 800 thousand – 1 million boe/d
- ✓ A stable profit expected for a long-term
- ✓ Utilization of know-how of Ichthys to other existing/new projects such as the Abadi LNG Project

Outlook of Net Production Volume



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.

■ Investment amount of 4 trillion yen over seven years* remains unchanged

- ✓ Funding sources also remain unchanged

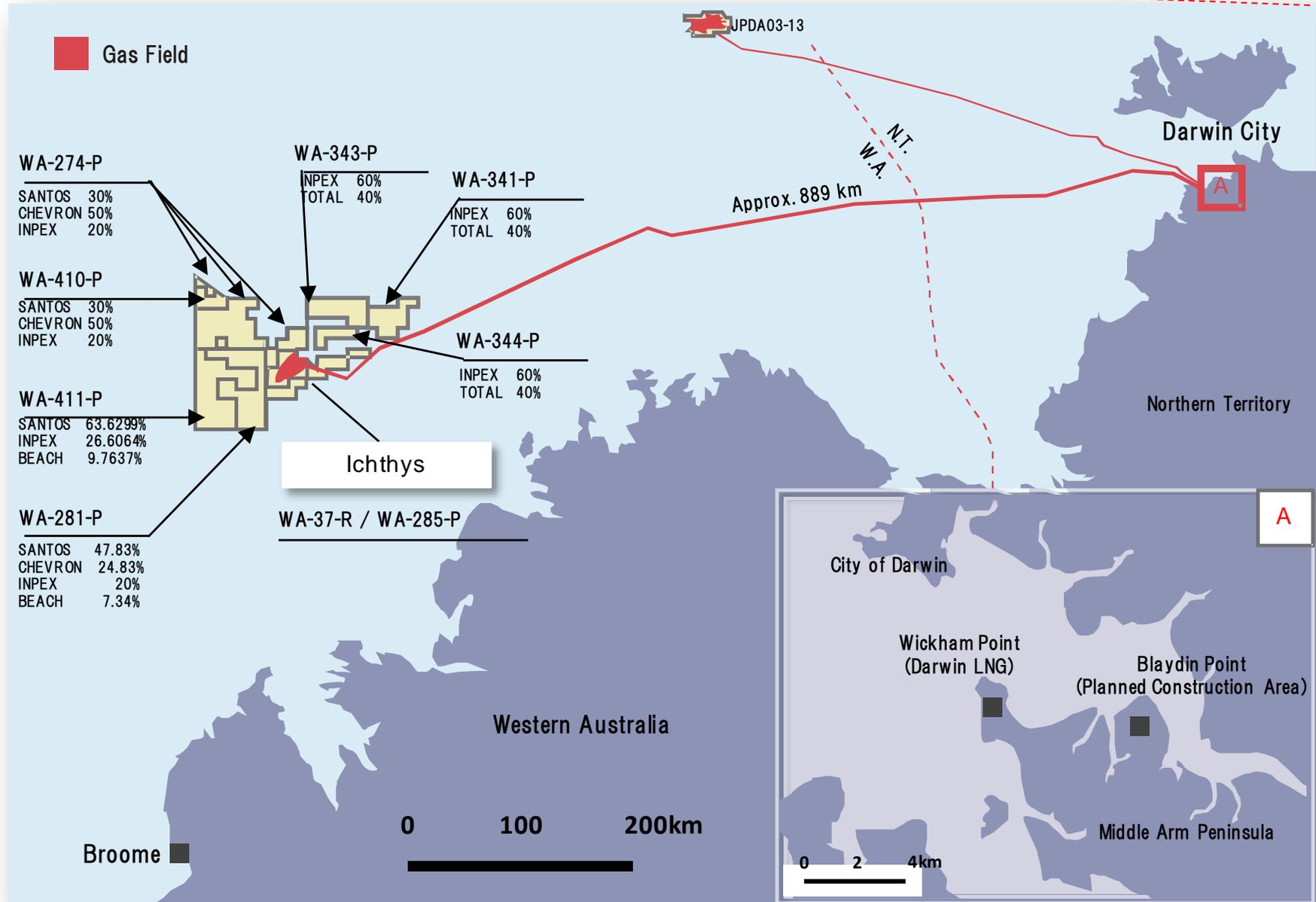
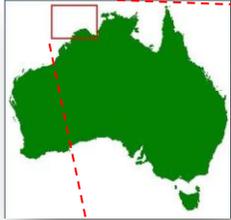
*Approx. 4 trillion yen for Ichthys and Abadi and other E&P projects etc. from Fiscal 2010 to Fiscal 2016

Ichthys LNG Project Overview

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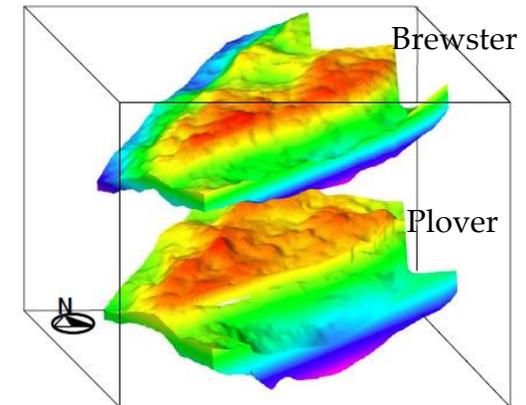
Seiya Ito

Ichthys LNG Project location



■ Reserves :

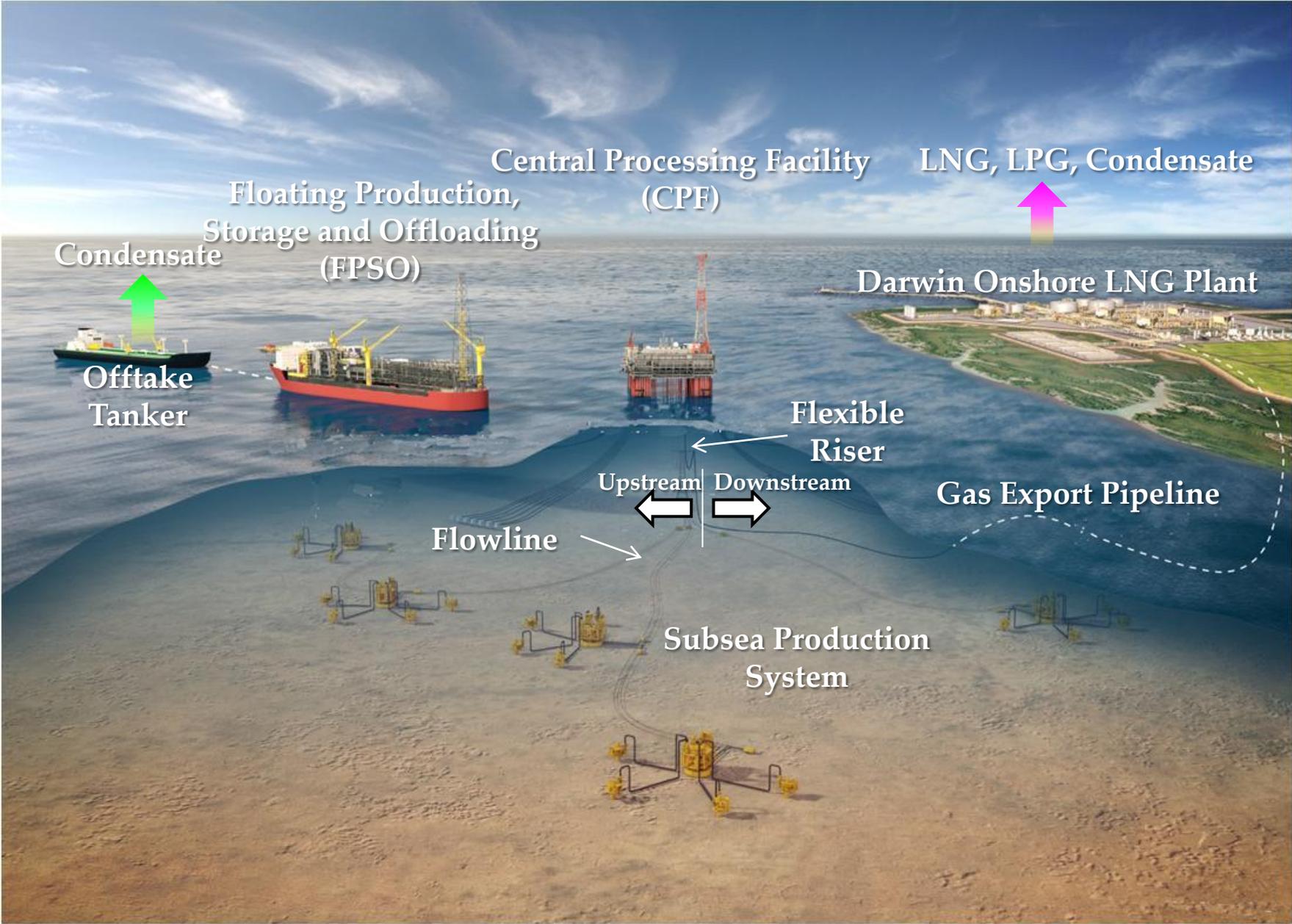
- ✓ 40-year project life
- ✓ LNG production of 8.4 MM t/y for approx. 20 years (then gradually decline)
- ✓ Substantial LPG and Condensate production
- ✓ More than half of probable reserves are expected to be booked as proved reserves at the reserves evaluation as of the end of March 2012



■ Production :

- ✓ LNG : 8.4 million tonnes per year
- ✓ LPG : approx. 1.6 million tonnes per year
- ✓ Condensate : approx. 100,000 barrels per day(at peak)

Overall Development Image

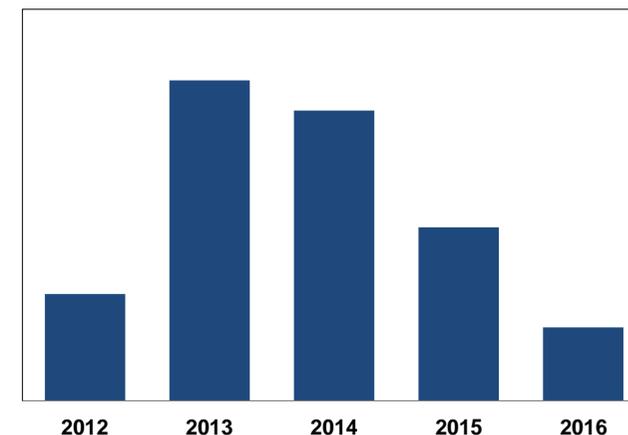


■ Development Cost (CAPEX)

- ✓ US\$34.0 billion : INPEX share (72.805%*) for US\$24.7 billion
- ✓ Estimated yearly investment (see graph)
- ✓ Lump sum contracts account for the majority of overall EPC contracts

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■ Estimated yearly investment (Image)



■ Economics

- ✓ Stable and massive free cash flow for a long period after production start-up
- ✓ Sufficient economics (IRR)

Schedule



▼
FID

▼
Production start-up

Pipeline Approvals ◆ Received Pipeline Licenses (May 2011)

Environmental Approval ◆ Received Environmental approval (May, June, 2011)

Production Licenses ◆ Production Licenses Offer (Nov. 2011)

Offshore FEED work

Offshore EPC
Preparation work

Commencement of Offshore facilities construction works

Start drilling of development wells

Offshore EPC

Onshore FEED work

Onshore EPC
Preparation work

Commencement of Onshore site works

Onshore EPC

Project Finance

Confirm lenders' intention

◆ To sign loan agreements / First drawdown

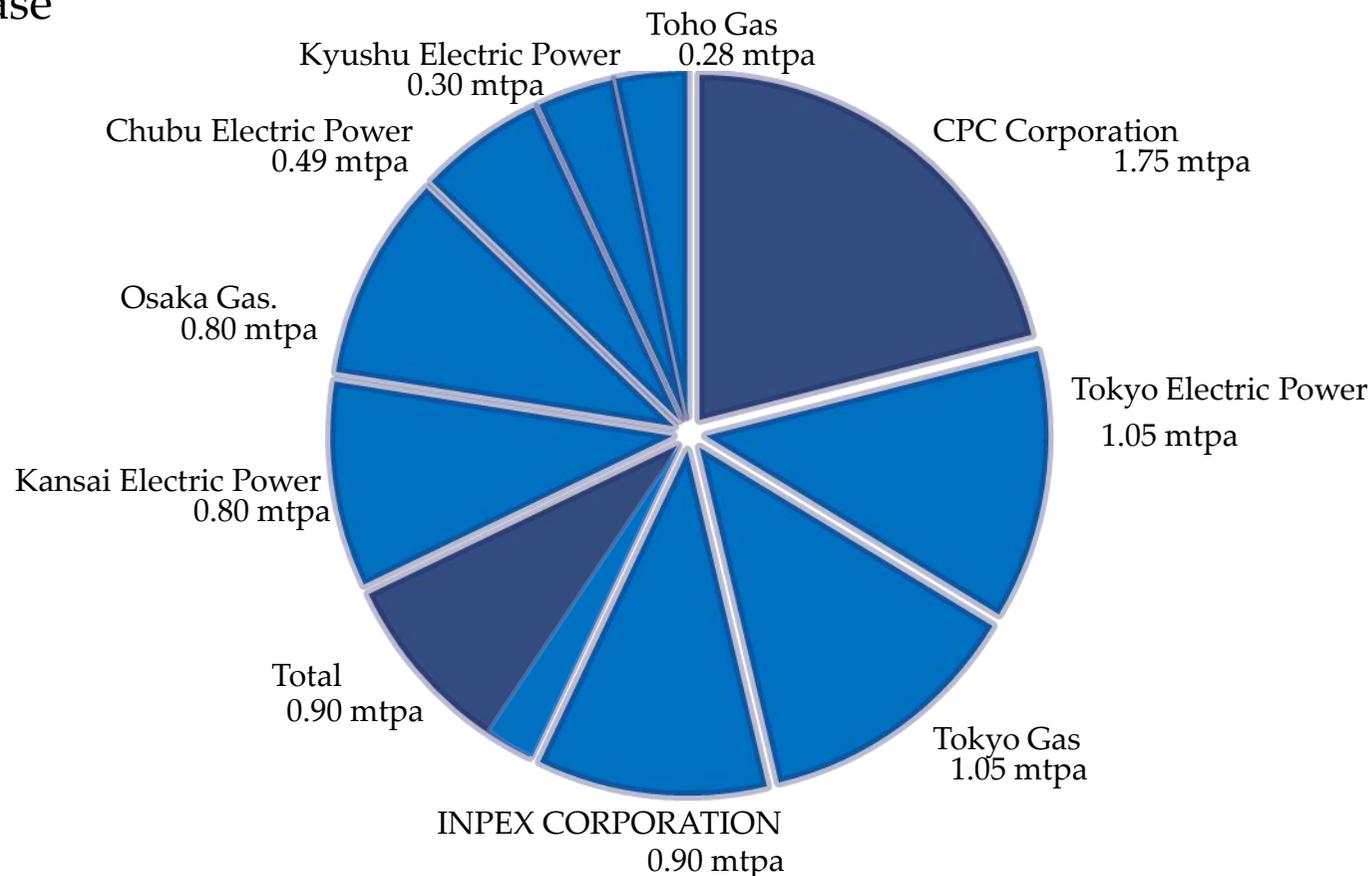
Gas Marketing

◆ LNG purchase commitment from buyers

Marketing



- ✓ Secured LNG Sales and Purchase Agreements (SPAs) for all the expected production of LNG (8.4 MMT/y)
- ✓ Under the relevant SPAs, Ichthys LNG Pty Ltd will deliver LNG to the buyers for 15 years period commencing in 2017
- ✓ With approximately 70% of the LNG to be delivered to Japan
- ✓ LPG and Condensate are planned to be sold to the Asia-Pacific region on yearly term or spot base



■ Upstream

- ✓ Central Processing Facility (CPF): Samsung Heavy Industries
- ✓ Subsea Production System (SPS): GE Oil & Gas
- ✓ Umbilical, Riser and Flowline (URF): McDermott

■ Downstream

- ✓ Onshore LNG Plant : JGC Corporation, Chiyoda Corporation and KBR
- ✓ Gas Export Pipeline(GEP): Saipem S.p.A, Mitsui Corporation, Sumitomo Corporation and Metal One Corporation

■ Environmental responses

- ✓ Environment and Safety is the paramount value. Safety is our top priority
- ✓ Environmental Approval granted by the Australian and Northern Territory Governments in May/June 2011 after submission of Environmental Impact Statement (EIS) and through public review
- ✓ Efforts to reduce GHG emissions by optimizing the energy efficiency of Offshore / Onshore facilities and by reducing flaring etc.
- ✓ Considering measures to offset GHG emissions through biosequestration, geosequestration and emissions permits.
- ✓ Biosequestration includes carrying out a reforestation assessment project (645ha) in Western Australia to accumulate know-how and to conduct risk analysis.



Eucalypts Plantation

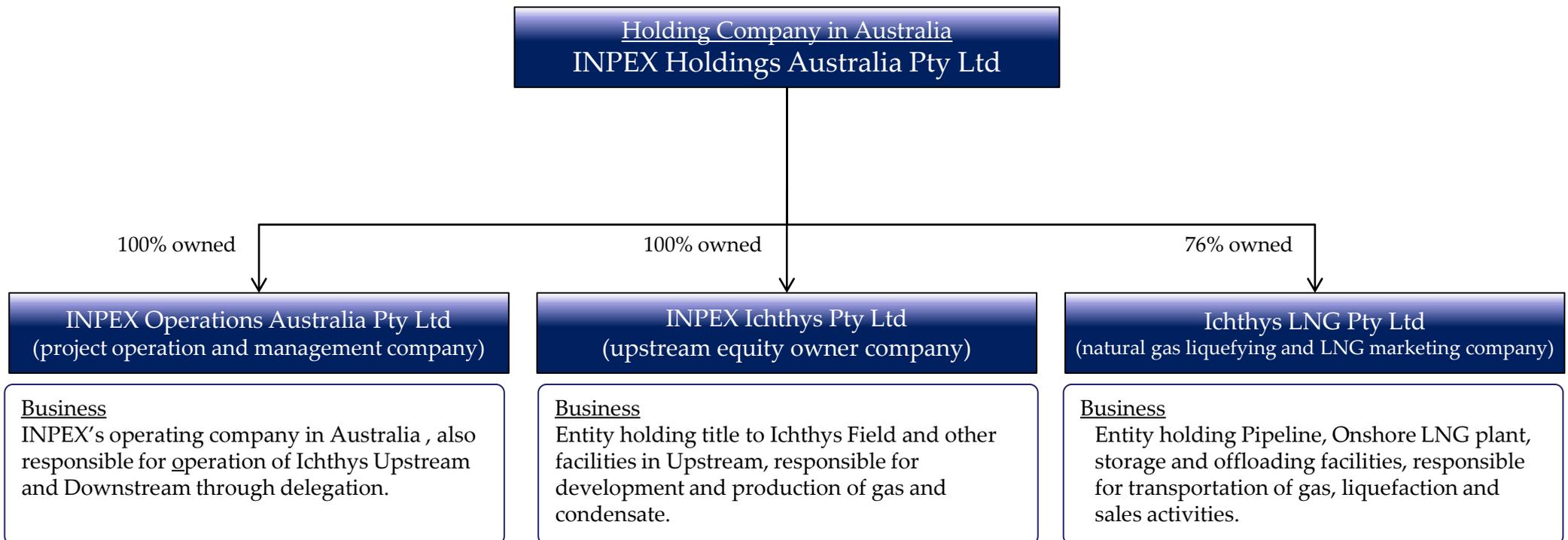
■ Contributing to local communities – to build trust with local community

- ✓ Contributing to the construction of Larrakia Trade Training Centre in Darwin, as part of our continued commitment to young people including indigenous and local communities.
- ✓ Job creation in Australia



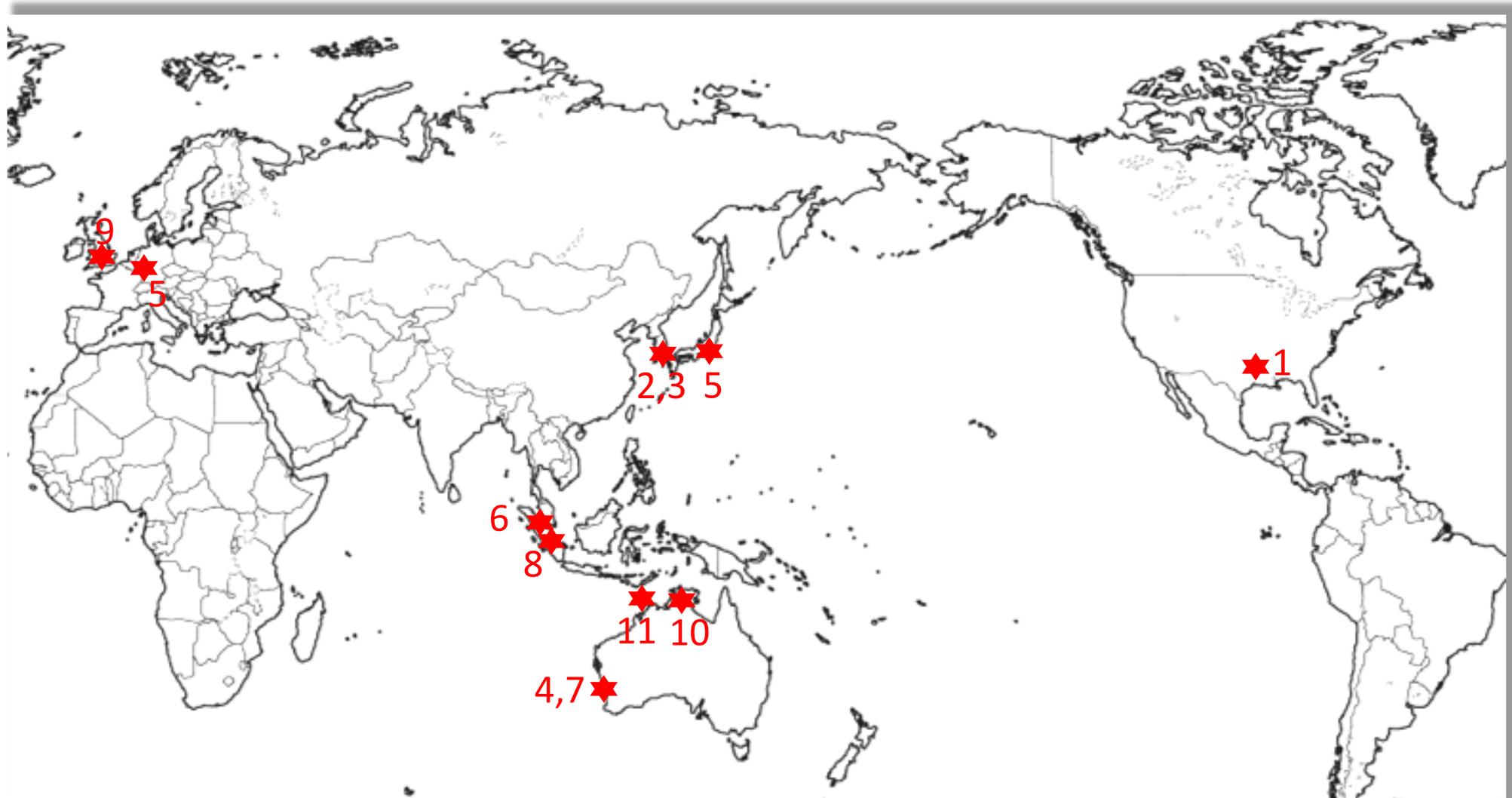
The Larrakia Trade Training Center

Project Scheme



Note: Share % as of Jan 24, 2012

Major EPC work locations



1: CPF Engineering	2: CPF Hull Construction	3: CPF Topside construction	4: GEP Engineering
5: GEP Manufacturing	6: GEP Coating	7: URF Engineering	8: URF Manufacturing
9: SPS Engineering/ Manufacturing	10: Onshore LNG plant	11: Ichthys field	



Ichthys
PROJECT

INPEX CORPORATION

Investor Relations Group

Corporate Communications Unit

Corporate Strategy & Planning Division